

PART C

PART C:
FINANCIAL
MANAGEMENT
REPORTING

C1. MANAGEMENT DISCUSSION AND ANALYSIS

GENERAL OVERVIEW

OBJECTIVES

The Education Directorate (the Directorate) prioritises quality education and childcare to shape every child and young person's future and to lay the foundation for lifelong development and learning. The Directorate works in partnership with students, parents and the community to ensure that every child and young person in the ACT will benefit from high quality, accessible education to position the ACT as the *Education Capital: Leading the Nation*.

This is being achieved by delivery and implementation of a broad range of services and activities under five key domains, namely:

- > Quality learning – ensuring learners have access to powerful and relevant learning experiences;
- > Inspirational teaching and leadership – building the capabilities of our teachers and leaders;
- > High expectations, high performance – having high expectations for all and meeting the learning needs of every student;
- > Connecting with families and the community – partnering with families and engaging with the community to build meaningful relationships; and
- > Business innovation and improvement – improving our business systems, and being open and accountable for our decisions.

In addition to the provision of public school education and early childhood education programs, the Directorate is responsible for the regulation of education and care services, registration of nongovernment schools and home education. On 22 January 2016, the vocational education and training functions transferred to the Chief Minister, Treasury and Economic Development Directorate (CMTEDD) and on 1 July 2016 special needs transport services transferred to the Transport Canberra and City Services Directorate (TCCS).

RISK MANAGEMENT

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

Key risks, including mitigation strategies, are identified below:

- > **Lack of organisational capability and capacity to implement complex reform programs.** The Directorate has a strong project management culture; has rigorous project management around complex reform programs (such as project planning for the Schools for All, Student Resource Allocation and Student Administration System reform programs) and has comprehensive corporate governance processes. In 2017, the Directorate established a Reform Program Board to strengthen governance and oversight of complex reform programs.
- > **Increase in security incidents occurring locally, national and internationally which have a direct impact on Canberra public school students, staff and the Directorate.** The Directorate annually reviews emergency management frameworks and plans. Evacuation and lock down exercises are undertaken on a regular basis. In 2016, the Directorate undertook work to improve emergency response in complex settings, including specialist schools. The Directorate has policies and procedures in place to support online safety for students.
- > **Increase in occupational violence.** In 2016 and 2017 the Directorate undertook a number of actions to continue to improve safety in the workplace, including hosting occupational violence risk workshops, raising awareness of workplace health and safety obligations of staff and delivery of refresher training for school principals. The Directorate has developed an ACT Education Directorate Managing Occupational Violence Policy and Plan for launch in July 2017.

- > **Misalignment between school and organisational effort and expectations of government and community.** The Directorate provides alignment through key strategic documents including the Directorate's Strategic Plan 2014-17: Education Capital: Leading the Nation and the 2017 Action Plan. Strategic plans are communicated to schools and the community, and schools are supported in ensuring alignment through system wide planning processes.
- > **Ageing school infrastructure that is not 'fit for purpose'.** The Directorate conducts strategic asset management planning; provides timely advice to government about risks and associated remediation options and has focused investment on core issues – such as heating and cooling systems and electrical works.
- > **Information management systems unable to support good decision making and compliance obligations.** The Directorate has a comprehensive set of frameworks, toolkits and manuals to support informed decision making and compliance. These include People, Practice and Performance (a framework for performance and accountability), the School Legal Information Manual, and the Director-General's Financial Instructions. In 2017, the Directorate launched a new portal on its website improving access to Directorate policies and procedures. The Directorate has developed an ACT Education Directorate Governance Guide for launch in August 2017.
- > **Workforce incapable to meet needs of modern and progressive education systems.** The Directorate has a comprehensive professional development planning process in place and provides professional learning opportunities to staff. For example, all Directorate staff are required to have a professional development plan. Professional learning is provided through external sources and internally through online training modules. Teachers are provided 20 hours (at a minimum) of training accredited through the ACT Teacher Quality Institute.

ACCOUNTING CHANGES

There were two significant accounting changes that impacted the 2016-17 financial statements. The changes are detailed below.

- > The Australian Accounting Standards Board (AASB) has amended the scope of AASB 124 Related Party Disclosures to include public sector entities. The objective of the standard is to ensure an entity's financial statements contain the disclosures necessary to draw attention to the possibility that its financial position and profit and loss may have been affected by the existence of related parties and transactions with such parties.
- > In 2016-17 the Directorate revalued its land, building and ground improvement assets as at 30 June 2017.

DIRECTORATE FINANCIAL PERFORMANCE

The Directorate has managed its operations within the 2016-17 budgeted appropriation. During the financial year, the Directorate achieved savings targets and internally managed cost pressures associated with increased enrolments including increases in numbers of students with a disability.

The table below provides a summary of the financial operations based on the audited financial statements for 2015-16 and 2016-17.

TABLE C1.1: NET COST OF SERVICES

Net Cost of Services	Actual 2016-17 \$m	Amended Budget ¹ 2016-17 \$m	Actual 2015-16 \$m
Total expenditure	728.9	733.9	729.2
Total own source revenue ²	42.2	41.6	42.4
Net cost of services	686.7	692.3	686.8

Notes

¹ The Amended Budget incorporates the transfer of special needs transport services to TCCS through a Section 16 Financial Instrument under the *Financial Management Act 1996*.

² Relates to Total Revenue excluding Controlled Recurrent Payments.

NET COST OF SERVICES

The Directorate's net cost of services for 2016-17 of \$686.7 million was \$5.6 million or 0.8 per cent lower than, and materially in line with the 2016-17 amended budget of \$692.3 million.

In comparison to 2015-16, the net cost of services in 2016-17 decreased by \$0.1 million. The net decrease is due to the transfer of vocational education and training functions to CMTEDD on 22 January 2016 and the transfer of special needs transport functions to TCCS offset by additional employee expenses associated with the *Teaching Staff Enterprise Agreement* and *Administrative and Other Staff Enterprise Agreement* and an increase in teacher numbers to meet enrolment growth.

OPERATING RESULT

In 2016-17, the operating deficit for the Directorate was \$58.6 million and was \$3.1 million or 5 per cent lower than the amended budget of \$61.7 million. The variance was primarily due to lower than anticipated employee provisions due to the application of a lower than budgeted rate to estimate the present value of employee liabilities. The operating deficit of \$58.6 million was \$1.6m or materially in line with the 2015-16 operating deficit of \$60.2 million.

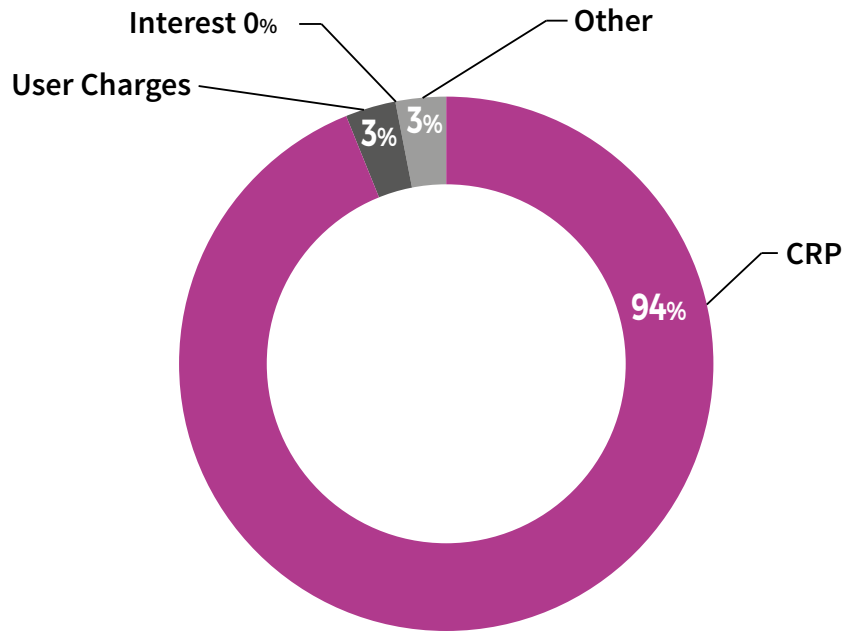
The 2016-17 total comprehensive surplus totalled \$82.0 million as a result of the revaluation of the Directorate's assets as at 30 June 2017. In line with ACT Government policy, the Directorate engages an independent valuer to revalue land, building and ground improvement assets every three years.

TOTAL REVENUE

COMPONENTS OF REVENUE

The Directorate's revenue for 2016-17 totalled \$670.3 million. The main source of revenue for the Directorate is Controlled Recurrent Payments which provided 94 per cent of the Directorate's Total Revenue.

FIGURE C1.1: COMPONENTS OF REVENUE 2016-17



Source: Education Directorate's 2016-17 Financial Statements.

The Directorate's revenue for 2016-17 (\$670.3 million) was materially in line with the amended budget (\$672.1 million). In comparison to the previous year, revenue increased by \$1.3 million or 0.2 per cent.

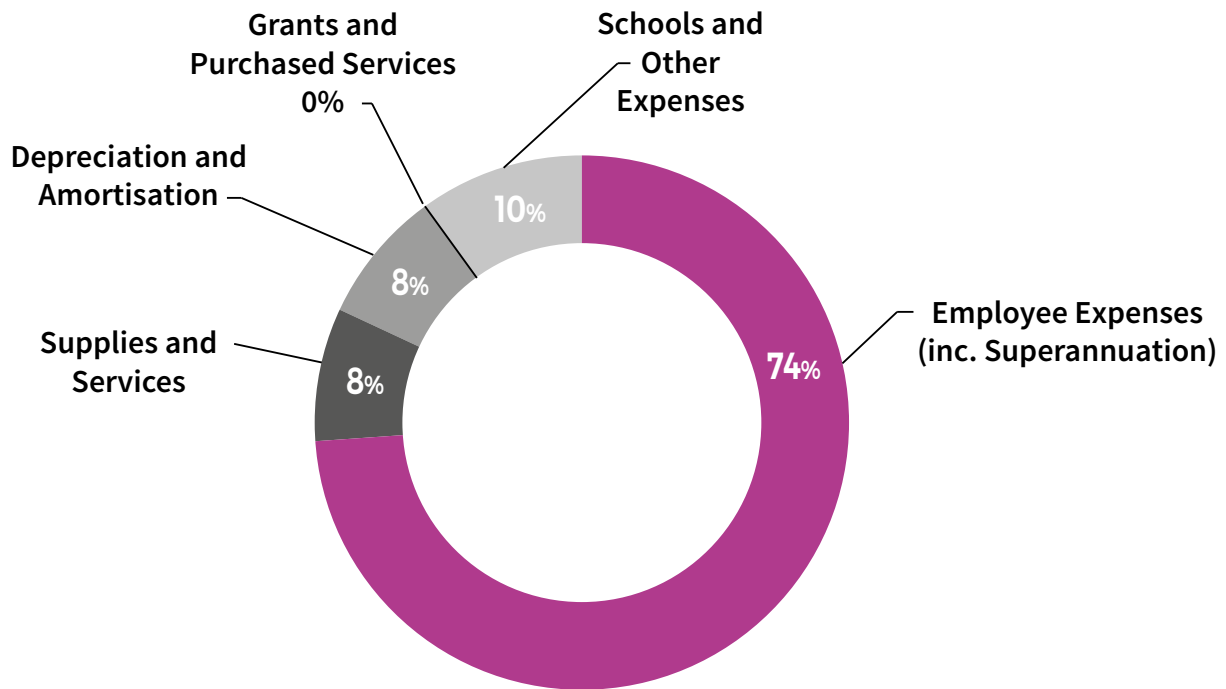
The increased revenue from 2015-16 is primarily due to additional funding received for increased wages associated with the enterprise agreements for teaching and non-teaching staff combined with increased funding for enrolment growth and Commonwealth grants. These increases were partially offset by the transfer of vocational education and training functions to CMTEDD on 22 January 2016 and the transfer of special needs transport services to TCCS on 1 July 2016.

TOTAL EXPENSES

COMPONENTS OF EXPENSES

Expenses for the Directorate totalled \$728.9 million for 2016-17. As shown in Figure C1.2, the main component of expenses is employee expenses, including superannuation, comprising 74 per cent of total expenses.

FIGURE C1.2: COMPONENTS OF EXPENDITURE 2016-17



Source: Education Directorate's 2016-17 Financial Statements

In 2016-17, total expenses at \$728.9 million were \$5.0 million or 0.7 per cent lower than the amended budget of \$733.9 million primarily related to lower than anticipated employee provisions due to the application of a lower than budgeted rate to estimate the present value of employee liabilities.

Total expenses were \$0.3 million lower than the previous year (\$729.2 million). The decrease mainly relates to the transfer of vocational education and training functions to CMTEDD on 22 January 2016 and the transfer of special needs transport functions to TCCS on 1 July 2016. The decrease was largely offset by additional employee expenses associated with new enterprise agreements for teaching and non-teaching staff and enrolment growth.

TABLE C1.2: LINE ITEM EXPLANATION OF SIGNIFICANT VARIANCES FROM THE AMENDED BUDGET – CONTROLLED OPERATING STATEMENT

Variance from Budget	Actual 2016-17 \$m	Amended Budget 2016-17 \$m ¹	Variance \$m ²
Revenue			
Controlled Recurrent Payments	628.1	630.6	(2.5)
User charges	18.5	18.0	0.5
Interest and distribution from investments	1.2	1.5	(0.3)
Resources received free of charge	0.6	0.6	(0.0)
Other revenue	21.9	21.4	0.5
Total Revenue²	670.3	672.1	(1.8)

Variance from Budget	Actual 2016-17 \$m	Amended Budget 2016-17 \$m ¹	Variance \$m ²
Expenses			
Employee expenses	469.7	469.9	(0.2)
Superannuation expenses	69.4	70.0	(0.6)
Supplies and services ³	55.6	62.2	(6.6)
Depreciation	61.8	59.9	1.9
Grants and purchased services ⁴	2.7	6.1	(3.4)
Other ⁵	69.7	65.8	3.9
Total Expenses²	728.9	733.9	(5.0)

Notes:

¹ The Amended Budget incorporates the transfer of special needs transport functions to TCCS on 1 July 2016.

² Figures may not add due to rounding.

³ The lower than budgeted supplies and services expenses mainly relates to capitalisation of some recurrent expenditure associated with works in schools as well as rollovers into 2017-18.

⁴ Lower than anticipated grants and purchased services primarily relates to the reclassification of costs associated with the National Disability Insurance Scheme (NDIS) to other expenses as well as rollovers into 2017-18.

⁵ Higher than anticipated other expenses mainly relates to the reclassification of costs associated with the NDIS from grants and purchased services.

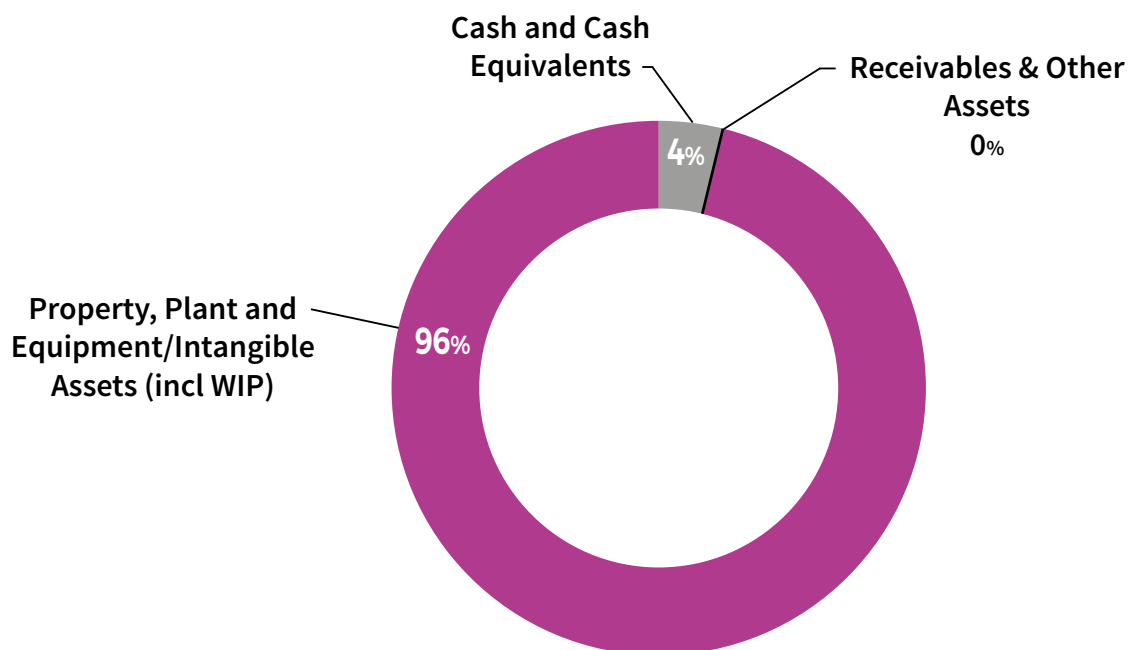
FINANCIAL POSITION

TOTAL ASSETS

Components of Total Assets

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

FIGURE C1.3: TOTAL ASSETS AT 30 JUNE 2017



Source: Education Directorate's 2016-17 Financial Statements.

Comparison to Budget

At 30 June 2017, the Directorate's assets totalled \$2.0 billion, which was \$119.0 million or 6.3 per cent higher than the amended budget. This is primarily related to the revaluation increment of the Directorate's assets as at 30 June 2017. This was partially offset by the rollover of funds for some capital works projects to 2017-18.

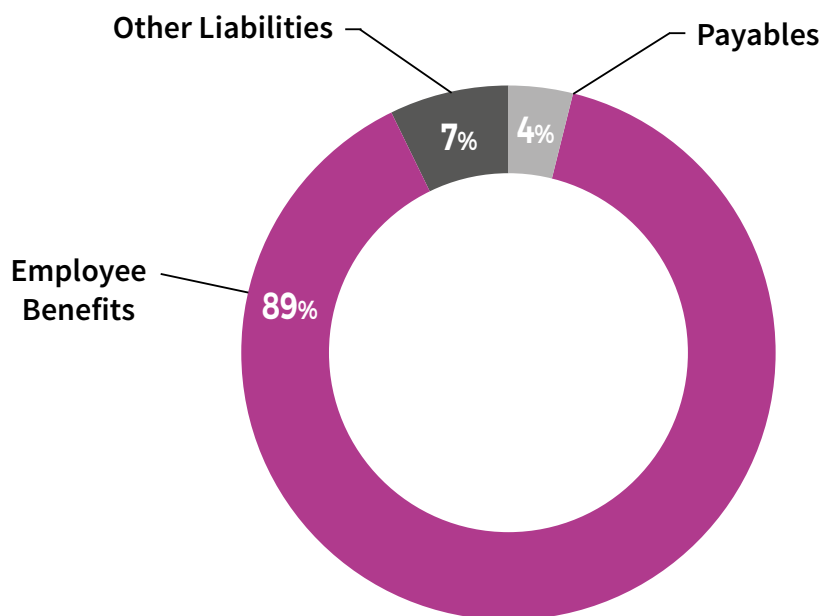
In comparison to 30 June 2016, total assets increased by \$105.4 million or 5.6 per cent primarily due to the revaluation increment for land, buildings and improvements to land.

FINANCIAL POSITION

Components of Total Liabilities

The Directorate's liabilities comprised employee benefits, payables and other liabilities. The majority of the Directorate's liabilities related to employee benefits (89 per cent).

FIGURE C1.4: TOTAL LIABILITIES AT 30 JUNE 2017



Source: Education Directorate's 2016-17 Financial Statements.

At 30 June 2017, the Directorate's liabilities totalled \$161.8 million. This was \$7.5 million or 4.9 per cent higher than the amended budget of \$154.3 million primarily related to an increase in employee benefits due to an increase in the rate used to estimate the present value of long service leave payments.

In comparison to 30 June 2016, total liabilities decreased by \$2.5 million or 1.5 per cent primarily relating to a decrease in employee benefits due to a lower rate used to estimate the present value of long service leave payments. The decrease was partially offset by the impact of wages and salaries increases.

CURRENT ASSETS TO CURRENT LIABILITIES

At 30 June 2017, the Directorate's current assets (\$82.8 million) were lower than its current liabilities (\$146.6 million). The Directorate does not consider this as a liquidity risk as cash needs are funded through appropriation from the ACT Government on a cash needs basis.

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 C1.3: LINE ITEM EXPLANATION OF SIGNIFICANT VARIANCES FROM THE AMENDED BUDGET - CONTROLLED BALANCE SHEET

Variance from budget	Actual 30 June 2017 \$m	Amended Budget 30 June 2017 \$m ¹	Variance \$m ²
Current assets			
Cash and cash equivalents ³	77.8	63.9	13.9
Receivables ⁴	2.9	5.1	(2.2)
Investments	0.3	0.3	-
Other Assets	1.9	0.9	1.0
Total current assets	82.9	70.2	12.7
Non-current assets			
Investment	1.9	1.9	-
Property, plant and equipment and intangible assets (including capital works in progress) ⁵	1,916.1	1,809.7	106.4
Total non-current assets	1,918.0	1,811.6	106.4
Total assets²	2,000.8	1,881.7	119.0

Variance from budget	Actual 30 June 2017 \$m	Amended Budget 30 June 2017 \$m ¹	Variance \$m ²
Current liabilities			
Payables ⁶	7.1	5.3	1.7
Employee benefits ⁷	132.8	127.5	5.2
Other	6.8	4.8	2.0
Total current liabilities	146.7	137.6	8.9
Non-current liabilities			
Employee benefits	11.2	12.6	(1.4)
Other borrowings	4.0	3.9	-
Total non-current liabilities	15.2	16.5	(1.4)
Total liabilities²	161.8	154.3	7.5

Notes:

¹ There were no changes to the original budget that impacted balance sheet items.

² Figures may not add due to rounding.

³ Primarily related to extra cash held for the schools administration system ICT project.

⁴ Primarily relates to lower than budgeted goods and services tax receivable from the Australian Taxation Office.

⁵ Primarily due to the revaluation of the Directorate's land, buildings and ground improvement assets in 2016-17 that resulted in an increase in asset value.

⁶ Primarily relates to higher than budgeted capital works payables at year-end.

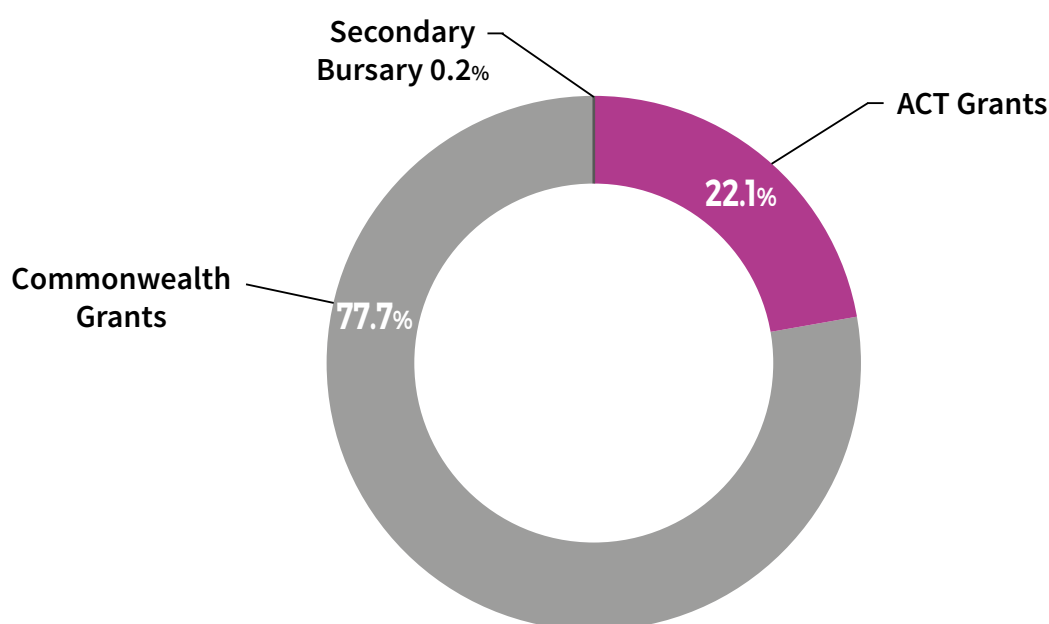
⁷ Primarily due to a higher than anticipated rate used to estimate the present value of long service leave and annual leave liabilities.

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 C1.5: SOURCES OF TERRITORIAL REVENUE



Source: Education Directorate's 2016-17 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 \$272.7 million in 2016-17, which was \$5 million or 1.8 per cent lower than budget of \$277.7 million. The reduced revenue primarily related to ACT Government grants due to lower than forecast enrolment levels in non-government schools.

When compared to the same period last year, total revenue increased by \$12.7 million or 4.9 per cent primarily due to higher levels of general recurrent grants for non-government schools reflecting the impact of increased Commonwealth and ACT Government grants in accordance with the National Education Reform Agreement: Australian Capital Territory Bilateral Agreement's 'Schooling Resource Standard'.

TERRITORIAL EXPENSES


Territorial expenses primarily comprised of grant payments to non-government schools (\$272.0 million). It also included ACT Government funding for the Bursary Scheme (\$0.7 million). Territorial expenses in 2016-17 were \$5 million or 1.8 per cent lower than budget. The reduced expenditure primarily related to ACT Government grants due to lower than forecast enrolment levels in non-government schools.

When compared to the same period last year, total expenses increased by \$12.7 million or 4.9 per cent primarily due to higher levels of general recurrent grants for non-government schools reflecting the impact of increased Commonwealth and ACT Government grants in accordance with the National Education Reform Agreement: Australian Capital Territory Bilateral Agreement's 'Schooling Resource Standard'.

For more information contact:
Chief Finance Officer
Strategic Finance
Telephone: (02) 6205 2685

C2. EDUCATION DIRECTORATE FINANCIAL STATEMENTS 2016-17



AUDITOR-GENERAL AN OFFICER
OF THE ACT LEGISLATIVE ASSEMBLY 

Sensitive: Auditor-General

A17/06

Ms Natalie Howson
Director-General
Education Directorate
Level 6, 220 Northbourne Avenue
BRADDON ACT 2612

Dear Ms Howson

**AUDIT REPORT - EDUCATION DIRECTORATE
FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017**

The Audit Office has completed the audit of the financial statements of the Education Directorate for the year ended 30 June 2017.

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

I have provided a copy of the financial statements and audit report to the Minister for Education and Early Childhood Development, Ms Yvette Berry MLA.

Yours sincerely

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

Dr Maxine Cooper
Auditor-General

31 August 2017

c.c. Ms Carol Lilley, Chair, Audit Committee
Mr Mark Whybrow, Chief Finance Officer
Ms Megan Young, Chief Internal Auditor

INDEPENDENT AUDIT REPORT**EDUCATION DIRECTORATE****To the Members of the ACT Legislative Assembly****Audit opinion**

I am providing an **unqualified audit opinion** on the financial statements of Education Directorate (the Directorate) for the year ended 30 June 2017. These comprise the following financial statements and accompanying notes:

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

In my opinion, the financial statements:

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

Basis for the audit opinion

The audit was conducted in accordance with the Australian Auditing Standards. I have complied with the requirements of the Accounting Professional and Ethical Standards 110 *Code of Ethics for Professional Accountants*.

I believe that sufficient evidence was obtained during the audit to provide a basis for the audit opinion.

Responsibility for preparing and fairly presenting the financial statements

The Director-General of the Directorate 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 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.

Responsibility for the audit of the financial statements

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

As required by Australian Auditing Standards, the auditors:

- applied professional judgement and maintained scepticism;
- identified and assessed the risks of material misstatements due to error or fraud and implemented procedures to address these risks so that sufficient evidence was obtained to form an audit opinion. The risk of not detecting material misstatements due to fraud is higher than the risk due to error, as fraud may involve collusion, forgery, intentional omissions or misrepresentations or the override of internal controls;
- obtained an understanding of internal controls to design audit procedures for forming an audit opinion;
- evaluated accounting policies and estimates used to prepare the financial statements and disclosures made in the financial statements;
- evaluated the overall presentation and content of the financial statements, including whether they present the underlying transactions and events in a manner that achieves fair presentation;
- reported the scope and timing of the audit and any significant deficiencies in internal controls identified during the audit to the Director-General; and
- assessed the going concern* basis of accounting used in the preparation of the financial statements.

(*Where the auditor concludes that a material uncertainty exists which cast significant doubt on the appropriateness of using the going concern basis of accounting, the auditor is required to draw attention in the audit report to the relevant disclosures in the financial statements or, if such disclosures are inadequate, the audit opinion is to be modified. The auditor's conclusions on the going concern basis of accounting are based on the audit evidence obtained up to the date of this audit report. However, future events or conditions may cause the entity to cease to continue as a going concern.)

Limitations on the scope of the audit

An audit provides a high level of assurance about whether the financial statements are free from material misstatements, whether due to fraud or error. However, an audit cannot provide a guarantee that no material misstatements exist due to the use of selective testing, limitations of internal control, persuasive rather than conclusive nature of audit evidence and use of professional judgement in gathering and evaluating evidence.

An audit does not provide assurance on the:

- reasonableness of budget information included in the financial statements;
- prudence of decisions made by the Directorate;
- adequacy of controls implemented by the Directorate; or
- integrity of audited financial statements presented electronically or information hyperlinked to or from the financial statements. Assurance can only be provided for the printed copy of the audited financial statements.



Dr Maxine Cooper
Auditor-General

31 August 2017

Education Directorate

Financial Statements

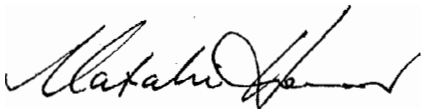
For the Year Ended

30 June 2017

**Education Directorate
Financial Statements
For the Year Ended 30 June 2017**

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 2017 and the financial position of the Directorate on that date.

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


Natalie Howson
Director-General
Education Directorate

31 August 2017

**Education Directorate
Financial Statements
For the Year Ended 30 June 2017**

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 2017 and the financial position of the Directorate on that date.

A handwritten signature in black ink, appearing to read 'M Whybrow', followed by a long horizontal line.

Mark Whybrow
Chief Finance Officer
Education Directorate

31 August 2017

EDUCATION DIRECTORATE

CONTROLLED FINANCIAL STATEMENTS

**FOR THE YEAR ENDED
30 JUNE 2017**

**Education Directorate
Operating Statement
For the Year Ended 30 June 2017**

	Note No.	Actual 2017 \$'000	Original Budget 2017 \$'000	Actual 2016 \$'000
Income				
<i>Revenue</i>				
Controlled Recurrent Payments	4	628,063	637,052	626,616
User Charges	5	18,478	18,040	18,192
Interest	6	1,128	1,396	1,237
Distribution from Investments with the Territory Banking Account	7	90	84	71
Resources Received Free of Charge	8	595	649	621
Other Revenue	9	21,942	21,386	22,203
Total Revenue		670,296	678,607	668,940
<i>Gains</i>				
Gains on Investments	10	-	22	37
Total Gains		-	22	37
Total Income		670,296	678,629	668,977
Expenses				
Employee Expenses	11	469,676	470,037	466,615
Superannuation Expenses	12	69,419	70,045	65,277
Supplies and Services	13	55,559	68,555	58,234
Depreciation and Amortisation	14	61,838	59,904	60,505
Grants and Purchased Services	15	2,709	6,057	10,893
School and Other Expenses	16	69,681	65,767	67,657
Total Expenses		728,882	740,365	729,181
Operating (Deficit)		(58,586)	(61,736)	(60,204)
Other Comprehensive Income				
Increase in Asset Revaluation Surplus	29	140,553	-	-
Total Other Comprehensive Income		140,553	-	-
Total Comprehensive Surplus / (Deficit)		81,967	(61,736)	(60,204)

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

**Education Directorate
Balance Sheet
As at 30 June 2017**

	Note	Actual	Original	Actual
	No.	2017	Budget	2016
		\$'000	\$'000	\$'000
Current Assets				
Cash and Cash Equivalents	19	77,819	63,873	80,837
Receivables	20	2,866	5,093	3,267
Investments	21	261	260	260
Other Assets	25	1,859	897	1,457
Total Current Assets		82,805	70,123	85,821
Non-Current Assets				
Investments	21	1,860	1,897	1,912
Property, Plant and Equipment	22	1,906,347	1,782,161	1,804,207
Intangible Assets	23	1,257	622	977
Capital Works in Progress	24	8,494	26,918	2,449
Total Non-Current Assets		1,917,958	1,811,598	1,809,545
Total Assets		2,000,763	1,881,721	1,895,366
Current Liabilities				
Payables	26	7,058	5,312	4,540
Employee Benefits	27	132,769	127,520	136,066
Other Liabilities	28	6,804	4,847	7,282
Total Current Liabilities		146,631	137,679	147,888
Non-Current Liabilities				
Employee Benefits	27	11,189	12,633	12,053
Other Liabilities	28	3,967	3,938	4,386
Total Non-Current Liabilities		15,156	16,571	16,439
Total Liabilities		161,787	154,250	164,327
Net Assets		1,838,976	1,727,471	1,731,039
Equity				
Accumulated Funds		833,088	862,136	865,704
Asset Revaluation Surplus	29	1,005,888	865,335	865,335
Total Equity		1,838,976	1,727,471	1,731,039

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 2017**

		Accumulated Funds Actual 2017 \$'000	Asset Revaluation Surplus Actual 2017 \$'000	Total Equity Actual 2017 \$'000	Original Budget 2017 \$'000
	Note No.				
Balance at 1 July 2016		865,704	865,335	1,731,039	1,731,521
Comprehensive Income					
Operating (Deficit)		(58,586)	-	(58,586)	(61,736)
Increase in the Asset Revaluation Surplus	29	-	140,553	140,553	-
Total Comprehensive (Deficit)/Income		(58,586)	140,553	81,967	(61,736)
Transactions Involving Owners Affecting Accumulated Funds					
Capital Injections		25,970	-	25,970	57,686
Total Transactions Involving Owners Affecting Accumulated Funds		25,970	-	25,970	57,686
Balance at 30 June 2017		833,088	1,005,888	1,838,976	1,727,471

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

Education Directorate
Statement of Changes in Equity - Continued
For the Year Ended 30 June 2017

		Accumulated Funds Actual 2016 \$'000	Asset Revaluation Surplus Actual 2016 \$'000	Total Equity Actual 2016 \$'000
	Note No.			
Balance at 1 July 2015		878,335	865,335	1,743,670
Comprehensive Income				
Operating (Deficit)		(60,204)	-	(60,204)
Total Comprehensive (Deficit)		(60,204)	-	(60,204)
Transactions Involving Owners Affecting Accumulated Funds				
Capital Injections		48,315	-	48,315
Net Assets transferred out as part of an Administrative Restructure	30	(742)	-	(742)
Total Transactions Involving Owners Affecting Accumulated Funds		47,573	-	47,573
Balance at 30 June 2016		865,704	865,335	1,731,039

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

**Education Directorate
Cash Flow Statement
For the Year Ended 30 June 2017**

		Actual	Original	
	Note	2017	Budget	Actual
	No.	\$'000	2017	2016
		\$'000	\$'000	\$'000
Cash Flows from Operating Activities				
Receipts				
Controlled Recurrent Payments		628,063	637,052	626,616
User Charges		19,054	18,040	19,491
Interest Received		1,128	1,396	1,243
Distribution from Investments with the Territory Banking Account		88	84	71
Schools and Other		21,230	21,386	23,514
Goods and Services Tax Received		16,331	17,974	17,891
Total Receipts from Operating Activities		685,894	695,932	688,826
Payments				
Employees		474,238	466,524	465,001
Superannuation		69,128	70,045	67,806
Supplies and Services		53,321	67,574	57,839
Grants and Purchased Services		2,709	6,057	13,239
Schools and Other		69,961	66,000	66,168
Goods and Services Tax Paid		16,319	17,974	16,324
Total Payments from Operating Activities		685,676	694,174	686,377
Net Cash Inflows from Operating Activities	36	218	1,758	2,449
Cash Flows from Investing Activities				
Receipts				
Proceeds from the Sale of Property, Plant and Equipment		180	-	1
Payments				
Purchase of Property, Plant and Equipment		28,968	59,827	53,301
Net Cash (Outflows) from Investing Activities		(28,788)	(59,827)	(53,300)
Cash Flows from Financing Activities				
Receipts				
Capital Injections		25,970	57,686	48,315
Loan Proceeds		-	-	2,591
Payments				
Repayment of Loan		418	435	794
Net Cash Inflows from Financing Activities		25,552	57,251	50,112
Net (Decrease) in Cash and Cash Equivalents Held		(3,018)	(818)	(739)
Cash and Cash Equivalents at the Beginning of the Reporting Period		80,837	64,691	81,576
Cash and Cash Equivalents at the End of the Reporting Period	36	77,819	63,873	80,837

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

Education Directorate
Summary of Directorate Output Classes
For the Year Ended 30 June 2017

	Output Class 1 \$'000	Output Class 2 \$'000	Output Class 3 ¹ \$'000	Total \$'000
2017				
Total Income	666,819	3,477	-	670,296
Total Expenses	725,042	3,840	-	728,882
Operating (Deficit)	(58,223)	(363)	-	(58,586)
2016				
Total Income	653,114	3,287	12,576	668,977
Total Expenses	(712,922)	(3,341)	(12,918)	(729,181)
Operating (Deficit)	(59,808)	(54)	(342)	(60,204)

1. The responsibility for VET functions (Output Class 3) associated with this output transferred to CMTEDD from 22 January 2016 following changes to Administrative Arrangements.

Education Directorate
Operating Statement for Output Class 1 - Public School Education
For the Year Ended 30 June 2017

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 2017 \$'000	Original Budget 2017 \$'000	Actual 2016 \$'000
Income			
<i>Revenue</i>			
Controlled Recurrent Payments	624,878	633,839	611,265
User Charges	18,460	17,994	17,970
Interest	1,123	1,396	1,226
Distribution from Investments with the Territory Banking Account	90	83	71
Resources Received Free of Charge	592	644	604
Other Revenue	21,676	21,026	21,941
<i>Total Revenue</i>	666,819	674,982	653,077
<i>Gains</i>			
Gains on Investments	-	22	37
<i>Total Gains</i>	-	22	37
Total Income	666,819	675,004	653,114
Expenses			
Employee Expenses	467,766	468,525	461,050
Superannuation Expenses	69,137	69,790	64,499
Supplies and Services	54,547	67,434	55,921
Depreciation and Amortisation	61,726	59,721	60,267
Grants and Purchased Services	2,197	5,320	5,955
Other Expenses	69,669	65,767	65,230
Total Expenses	725,042	736,557	712,922
Operating (Deficit)	(58,223)	(61,553)	(59,808)

Education Directorate
Operating Statement for Output Class 2 - Non Government Education
For the Year Ended 30 June 2017

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 2017 \$'000	Original Budget 2017 \$'000	Actual 2016 \$'000
Income			
<i>Revenue</i>			
Controlled Recurrent Payments	3,185	3,213	2,787
User Charges	18	46	222
Interest	5	-	7
Distribution from Investments with the Territory Banking Account	-	1	-
Resources Received Free of Charge	3	5	17
Other Revenue	266	360	254
<i>Total Revenue</i>	<u>3,477</u>	<u>3,625</u>	<u>3,287</u>
Total Income	<u>3,477</u>	<u>3,625</u>	<u>3,287</u>
Expenses			
Employee Expenses	1,910	1,512	1,690
Superannuation Expenses	282	255	236
Supplies and Services	1,012	1,121	1,013
Depreciation and Amortisation	112	183	87
Grants and Purchased Services	512	737	306
Other Expenses	12	-	9
Total Expenses	<u>3,840</u>	<u>3,808</u>	<u>3,341</u>
Operating (Deficit)	<u><u>(363)</u></u>	<u><u>(183)</u></u>	<u><u>(54)</u></u>

Education Directorate

Operating Statement for Output Class 3 - Vocational Education and Training

For the Year Ended 30 June 2017

Description

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

	Actual 2017 \$'000	Original Budget 2017 \$'000	Actual 2016 \$'000
Income			
<i>Revenue</i>			
Controlled Recurrent Payments	-	-	12,564
Interest	-	-	4
Other Revenue	-	-	8
<i>Total Revenue</i>	-	-	12,576
Total Income	-	-	12,576
Expenses			
Employee Expenses	-	-	3,875
Superannuation Expenses	-	-	542
Supplies and Services	-	-	1,300
Depreciation and Amortisation	-	-	151
Grants and Purchased Services	-	-	6,940
Other Expenses	-	-	110
Total Expenses	-	-	12,918
Operating (Deficit)	-	-	(342)

The responsibility for VET functions associated with this output was transferred to Chief Minister Treasury and Economic Development Directorate (CMTEDD) from 22 January 2016 following changes to Administrative Arrangements.

**Education Directorate
Controlled Statement of Appropriation
For the Year Ended 30 June 2017**

	Note No.	Original Budget 2017 \$'000	Total Appropriated 2017 \$'000	Appropriation Drawn 2017 \$'000	Appropriation Drawn 2016 \$'000
Controlled					
Controlled Recurrent Payments	4	637,052	632,973	628,063	626,616
Capital Injections		57,686	64,030	25,970	48,315
Total Controlled Appropriation		694,738	697,003	654,033	674,931

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 these financial statements, in the Cash Flow Statement.

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

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

Variances between 'Original Budget' and 'Total Appropriated'

Controlled Recurrent Payments

The difference between the Original Budget and Total Appropriated is due mainly to the transfer of special needs transport functions to the Transport Canberra and City Services Directorate (\$6.512 million), partially offset by increased Commonwealth funding relating to Students First (recurrent) grants (\$1.336 million).

Capital Injections

The difference between the Original Budget and Total Appropriated relates to the transfer of funds from 2015-16 (\$5.619m) mainly associated with the Better Infrastructure Fund and the Supporting our School System – Improving ICT project, combined with increased Commonwealth Grants for the Trade Training Centres (\$0.725m) national partnership.

Variances between 'Total Appropriated' and 'Appropriation Drawn'

Controlled Recurrent Payments

The difference between the Total Appropriated and the Appropriation Drawn relates to funds transferred to 2017-18 (\$4.600m) and lower than budgeted Commonwealth Grants (\$0.310m). Funds transferred to 2017-18 included transfers associated with professional development funds and early childhood scholarships.

Capital Injections

The difference between the Total Appropriated and the Appropriation Drawn of \$38.060m mainly relates to the transfer of funds to 2017-18 (\$37.060m). The transfer of funds primarily relates to delays in the tender and design process for the Modernising Belconnen High School project and minor delays in the Schools for the Future - North Gungahlin and Molonglo project.

EDUCATION DIRECTORATE CONTROLLED NOTE INDEX

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**EDUCATION DIRECTORATE
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Education Directorate
Notes to and Forming Part of the Financial Statements
For the Year Ended 30 June 2017

NOTE 1. OBJECTIVES OF THE DIRECTORATE

Operations and Principal Activities

The Education Directorate (the Directorate) works in partnership with students, parents and the community to ensure that every child, young person and adult in the ACT will benefit from a high quality, accessible education, childcare and training system. The Directorate works closely with government agencies, education and training providers, business and industry to position the ACT as the *Education Capital: Leading the Nation*.

Services of the Directorate include the provision of public school education, regulation of education and care services and registration of non-government schools and home education.

The Directorate aims to lift student achievement through connected and inclusive learning across all sectors of the education system combined with a focus on quality learning; inspirational teaching and leadership; high expectations, high performance; connecting with families and the community; and business innovation and improvement.

Vocational Education and Training functions transferred to the Chief Minister Treasury and Economic Development Directorate (CMTEDD) on 22 January 2016 following changes to Administrative Arrangements. From this date the Directorate's name changed from the Education and Training Directorate to the Education Directorate.

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 ESTIMATES

Refer to Appendix D – Change in Accounting Estimates.

NOTE 4. CONTROLLED RECURRENT PAYMENTS

	2017 \$'000	2016 \$'000
Revenue from ACT Government		
Controlled Recurrent Payments ¹	628,063	626,616
Total	628,063	626,616

1. The increase primarily relates to additional funding for pay increases associated with the teaching staff enterprise agreement and administrative and other staff enterprise agreements and enrolment increases in public schools. The increase is partially offset by the transfer of the special needs transport services to the Transport Canberra and City Services Directorate on 1 July 2016 and the transfer of Vocational Education and Training (VET) functions to CMTEDD on 22 January 2016.

Education Directorate
Notes to and Forming Part of the Financial Statements
For the Year Ended 30 June 2017

NOTE 5. USER CHARGES

	2017 \$'000	2016 \$'000
User Charges - ACT Government		
User Charges - ACT Government	534	666
Total	534	666
User Charges - Non-ACT Government		
International Private Students Program ¹	9,995	9,002
Active Leisure Centre ²	2,982	3,059
Hire of Facilities and Recreational Activities ²	612	508
Commonwealth National Agreements	3,729	3,694
Commonwealth Own Purpose Payments (COPE) / Specific Projects ³	467	1,167
Other	159	96
Total	17,944	17,526
Total User Charges for Goods and Services	18,478	18,192

1. The increase mainly relates to higher numbers of international student enrolments.
2. The user charges received in relation to the Active Leisure Centre and hire of school facilities have been separately identified to provide a more detailed breakdown of non-ACT Government user charges.
3. The decrease primarily relates to funding for Defence School Transition Aides being paid directly to schools in 2016-17. Therefore Defence School Transition Aides is reflected as Schools Revenue – refer to **Note 9 – Other Revenue**.

NOTE 6. INTEREST

Interest		
Interest earned from Schools Bank Accounts and Other Cash Held ¹	1,128	1,237
Total	1,128	1,237

1. The decrease primarily relates to lower average interest rates on school bank accounts.

NOTE 7. DISTRIBUTION FROM INVESTMENTS WITH THE TERRITORY BANKING ACCOUNT

Revenue from ACT Government Entities		
Distribution from Investments with the Territory Banking Account	90	71
Total	90	71

Education Directorate
Notes to and Forming Part of the Financial Statements
For the Year Ended 30 June 2017

NOTE 8. RESOURCES RECEIVED FREE OF CHARGE

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

	2017 \$'000	2016 \$'000
Revenue from ACT Government Entities		
Resources Received Free of Charge	595	621
Total	595	621

NOTE 9. OTHER REVENUE

Mainly comprises schools revenue relating to voluntary contributions, fund raising revenue and excursion funds.

Other Revenue		
School Revenue	20,875	20,939
ACT Teacher Quality Institute – Teacher Registration Fees	864	803
Other	203	461
Total	21,942	22,203

NOTE 10. GAINS ON INVESTMENTS

Gains on Investments		
Unrealised Gains on Investments with the Territory Banking Account ¹	-	37
Total	-	37

1. The value of the Directorate's investments with the Territory Banking Account reduced in 2016-17. The 2016-17 loss is included in **Note 16 - School and Other Expenses**.

Education Directorate
Notes to and Forming Part of the Financial Statements
For the Year Ended 30 June 2017

NOTE 11. EMPLOYEE EXPENSES

	2017	2016
	\$'000	\$'000
Wages and Salaries ¹	464,117	436,871
Movement in Employee Benefits ²	(6,383)	17,524
Workers' Compensation Insurance Premium	11,942	12,220
Total	469,676	466,615

1. The increase is mainly due to wage increases provided through the enterprise agreement for teaching and non teaching staff combined with student enrolment increases.
2. The decrease is primarily due to a reduction in the rate used to calculate the present value of future long service leave payments. Refer **Note 27 – Employee Benefits**.

NOTE 12. SUPERANNUATION EXPENSES

Superannuation Contributions to the Territory Banking Account	33,549	33,964
Productivity Benefit	4,684	4,782
Superannuation Payment to ComSuper (for the PSSAP)	1,262	1,267
Superannuation to External Providers ¹	29,924	25,264
Total	69,419	65,277

1. The increase is mainly due to wage increases provided through the enterprise agreement for teaching and non-teaching staff combined with increased staff utilising external superannuation providers following the closure of the Public Sector Superannuation Scheme, the Commonwealth Superannuation Scheme and the Public Sector Superannuation Accumulation Plan to new entrants.

Education Directorate
Notes to and Forming Part of the Financial Statements
For the Year Ended 30 June 2017

NOTE 13. SUPPLIES AND SERVICES

	2017 \$'000	2016 \$'000
Supplies and Services		
Property and Maintenance ¹	16,793	13,923
Materials and Services	29,781	28,539
Travel and Transport ²	881	6,649
Administrative ³	2,714	3,336
Financial	4,100	4,407
Operating Lease Costs	1,106	1,199
Audit Fees	165	173
Write-Off of Assets	19	8
Total	55,559	58,234

1. The increase is mainly due to additional repairs and maintenance costs in schools.
2. The decrease is primarily due to the transfer of special needs transport functions to the Transport Canberra and City Services Directorate on 1 July 2016.
3. The reduction is mainly due to cessation of the summer school program for international students.

NOTE 14. DEPRECIATION AND AMORTISATION

Depreciation		
Buildings and Land Improvements ¹	50,739	49,758
Plant and Equipment	9,910	10,217
Leasehold Improvements	943	192
Total Depreciation	61,592	60,167
Amortisation		
Intangible Assets	246	338
Total Amortisation	246	338
Total Depreciation and Amortisation	61,838	60,505

1. The increase primarily relates to the capitalisation of new assets in schools associated with the Directorate's capital works program.

NOTE 15. GRANTS AND PURCHASED SERVICES

Grant Payments - educational, apprenticeships, and VET skills reform ¹	2,709	10,893
Total	2,709	10,893

1. The decrease mainly relates to the transfer of VET functions to CMTEED on 22 January 2016 and the re-classification of National Disability Insurance Scheme payments to other expenses. Refer **Note 16 – School and Other Expenses**. For comparative purposes the 2015-16 actual has been amended to reflect the re-classification of National Disability Insurance Scheme payment to other expenses.

Education Directorate
Notes to and Forming Part of the Financial Statements
For the Year Ended 30 June 2017

NOTE 16. SCHOOL AND OTHER EXPENSES

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

	2017 \$'000	2016 \$'000
School Expenses ¹	65,712	63,996
Other Expenses ^{2,3}	3,969	3,661
Total	69,681	67,657

1. The increase mainly relates to inflationary impact on schools operational costs.
2. The value of the Directorate's investments with the Territory Banking Account reduced in 2016-17. The loss is included in other expenses.
3. The increase is primarily related to the reclassification of National Disability Insurance Scheme payments to other expenses. For comparative purposes the 2015-16 actual has been amended to reflect the re-classification of National Disability Insurance Scheme payment to other expenses.

NOTE 17. WAIVERS, IMPAIRMENT LOSSES AND WRITE-OFFS

Write-Off of Assets	18	8
Total	18	8

There were no waivers provided in 2016-17 or 2015-16.

NOTE 18. AUDITOR'S REMUNERATION

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

Audit Services

Audit Fees Paid or Payable to the ACT Audit Office	136	156
Total	136	156

NOTE 19. 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 ¹	30,717	36,789
School Management Accounts ²	46,523	43,544
ACT Teacher Quality Institute Bank Account	508	457
Other Operations Bank Accounts	61	37
Cash on Hand	10	10
Total	77,819	80,837

1. The decrease mainly relates to cash funded programs in 2016-17 including increased administrative support in schools.
2. The increase mainly relates to the timing of school payments over financial years, noting schools manage resources over a calendar year (school year).

Education Directorate
Notes to and Forming Part of the Financial Statements
For the Year Ended 30 June 2017

NOTE 20. RECEIVABLES

	2017 \$'000	2016 \$'000
Current Receivables		
Trade Receivables	767	705
Less: Allowance for Impairment Losses	(207)	(187)
	<u>560</u>	<u>518</u>
Other Trade Receivables ¹	375	265
Less: Allowance for Impairment Losses	-	-
	<u>375</u>	<u>265</u>
Accrued Revenue	116	657
Net Goods and Services Tax Receivable	1,815	1,827
	<u>1,931</u>	<u>2,484</u>
Total Current Receivables	<u><u>2,866</u></u>	<u><u>3,267</u></u>

1. Related to school receivables.

Ageing of Receivables

	Not Overdue	Overdue			Total
		Less than 30 Days	30 to 60 Days	Greater than 60 Days	
	\$'000	\$'000	\$'000	\$'000	\$'000
2017					
Not Impaired					
Receivables	2,221	134	26	485	2,866
Impaired					
Receivables	-	-	-	207	207
2016					
Not Impaired					
Receivables	2,762	90	49	366	3,267
Impaired					
Receivables	-	-	-	187	187

Education Directorate
Notes to and Forming Part of the Financial Statements
For the Year Ended 30 June 2017

NOTE 20. RECEIVABLES - CONTINUED

	2017	2016
	\$'000	\$'000
Reconciliation of the Allowance for Impairment Losses		
Allowance for Impairment Losses at the Beginning of the Reporting Period	187	143
Additional Allowance Recognised During the Reporting Period	20	44
Allowance for Impairment Losses at the End of the Reporting Period	207	187
 Classification of ACT Government/Non-ACT Government Receivables		
Receivables from ACT Government Entities		
Net Trade Receivables	55	116
Net Other Trade Receivables	5	23
Accrued Revenue	18	16
Total Receivables from ACT Government Entities	78	155
 Receivables from Non-ACT Government Entities		
Net Trade Receivables	712	589
Net Other Trade Receivables	370	242
Accrued Revenue	98	641
Net Goods and Services Tax Receivable	1,815	1,827
Less: Allowance for Impairment Losses	(207)	(187)
Total Receivables from Non-ACT Government Entities	2,788	3,112
 Total Receivables	2,866	3,267

Education Directorate
Notes to and Forming Part of the Financial Statements
For the Year Ended 30 June 2017

NOTE 21. INVESTMENTS

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

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

	2017	2016
	\$'000	\$'000
Current Investments		
Investments with the Territory Banking Account - Cash Enhanced Portfolio	261	260
Total	261	260
Non-Current Investments		
Investments with the Territory Banking Account - Fixed Interest Portfolio	1,860	1,912
Total	1,860	1,912
Total Investments	2,121	2,172

Education Directorate
Notes to and Forming Part of the Financial Statements
For the Year Ended 30 June 2017

NOTE 22. 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.

	2017 \$'000	2016 \$'000
Land		
Land at Fair Value	358,518	316,745
Total Land Assets¹	358,518	316,745
 Buildings and Improvements to Land at Fair Value	 1,517,223	 1,556,490
Less: Accumulated Depreciation	-	(103,100)
Total Written-Down Value of Buildings and Improvements to Land¹	1,517,223	1,453,390
 Total Land and Written Down Value of Buildings and Improvements to Land	 1,875,741	 1,770,135
 Leasehold Improvements		
Leasehold Improvements at Cost	5,670	5,643
Less: Accumulated Depreciation	(5,643)	(4,700)
Total Written-Down Value of Leasehold Improvements	27	943
 Plant and Equipment		
Plant and Equipment at Cost	121,979	115,046
Less: Accumulated Depreciation	(91,400)	(81,917)
Total Written-Down Value of Plant and Equipment	30,579	33,129
 Total	 1,906,347	 1,804,207

1. The increase mainly relates to the revaluation of the Directorate's land and buildings and improvements to land on 30 June 2017. The increase to buildings and improvements to land is partially offset by depreciation expense during 2016-17.

Education Directorate
Notes to and Forming Part of the Financial Statements
For the Year Ended 30 June 2017

NOTE 22. PROPERTY, PLANT AND EQUIPMENT - CONTINUED

Reconciliation of Property, Plant and Equipment

The following table shows the movement of Property, Plant and Equipment during 2016-17.

	Land \$'000	Buildings and Improvements To Land \$'000	Leasehold Improvements \$'000	Plant and Equipment \$'000	Total \$'000
Carrying Amount at the Beginning of the Reporting Period	316,745	1,453,390	943	33,129	1,804,207
Additions	-	15,792	27	7,371	23,190
Revaluation Increment	41,773	98,780	-	-	140,553
Depreciation	-	(50,739)	(943)	(9,910)	(61,592)
Write-offs/Impairment/Other	-	-	-	(11)	(11)
Carrying Amount at the End of the Reporting Period	358,518	1,517,223	27	30,579	1,906,347

Education Directorate
Notes to and Forming Part of the Financial Statements
For the Year Ended 30 June 2017

NOTE 22. PROPERTY, PLANT AND EQUIPMENT - CONTINUED

Reconciliation of Property, Plant and Equipment

The following table shows the movement of Property, Plant and Equipment during 2015-16.

	Land \$'000	Buildings and Improvements of Land \$'000	Leasehold Improvements \$'000	Plant and Equipment \$'000	Total \$'000
Carrying Amount at the Beginning of the Reporting Period	316,745	1,439,571	1,135	32,896	1,790,347
Additions	-	63,598	-	10,034	73,632
Assets Transferred Out	-	-	-	(5)	(5)
Depreciation	-	(49,758)	(192)	(10,217)	(60,167)
Write-offs/impairment/Other	-	(21)	-	421	400
Carrying Amount at the End of the Reporting Period	316,745	1,453,390	943	33,129	1,804,207

Education Directorate
Notes to and Forming Part of the Financial Statements
For the Year Ended 30 June 2017

NOTE 22. PROPERTY, PLANT AND EQUIPMENT - CONTINUED

Fair Value Hierarchy

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

- Level 1 – quoted prices (unadjusted) in active markets for identical assets or liabilities that the Directorate can access at the measurement date;
- Level 2 – inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly; and
- Level 3 – inputs that are unobservable for particular assets or liabilities

Details of the Directorate's property, plant and equipment at fair value and information about the fair value hierarchy as at 30 June 2017 are as follows:

2017

	Classification According to Fair Value Hierarchy			
	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
Property, Plant and Equipment at Fair Value				
Land	-	-	358,518	358,518
Buildings and Improvements to Land	-	-	1,517,223	1,517,223
	-	-	1,875,741	1,875,741

2016

	Classification According to Fair Value Hierarchy			
	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
Property, Plant and Equipment at Fair Value				
Land	-	-	316,745	316,745
Buildings and Improvements to Land	-	-	1,453,390	1,453,390
	-	-	1,770,135	1,770,135

Transfers Between Categories

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

Education Directorate
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For the Year Ended 30 June 2017

NOTE 22. 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 on use, 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 adjustments 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.

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

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

Education Directorate
Notes to and Forming Part of the Financial Statements
For the Year Ended 30 June 2017

NOTE 23. INTANGIBLE ASSETS

The Directorate has internally generated software.

	2017	2016
	\$'000	\$'000
Computer Software		
<i>Internally Generated</i>		
Computer Software at Cost ¹	2,119	1,592
Less: Accumulated Amortisation	(862)	(615)
Total Computer Software	1,257	977

1. The movement primarily relates to the capitalisation of software associated with the ACT Board of Senior Secondary Studies database upgrade.

NOTE 24. CAPITAL WORKS IN PROGRESS

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

Capital Works in Progress	8,494	2,449
Total	8,494	2,449

Reconciliation of Capital Works in Progress

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

Balance at the Beginning of the Reporting Period	2,449	24,524
Additions to Capital Works in Progress	6,045	2,189
Capitalised to Property, Plant and Equipment	-	(24,264)
Carrying Amount at the End of the Reporting Period	8,494	2,449

1. The additions to Capital Works in Progress primarily relates to the Better Schools – IT Upgrade for School Administration project and the Schools for the Future – Modernising Belconnen High project.

NOTE 25. OTHER ASSETS

Other Current Assets

Prepayments ¹	1,859	1,457
Total	1,859	1,457

1. Primarily relates to higher prepayments in schools associated with excursions.

Education Directorate
Notes to and Forming Part of the Financial Statements
For the Year Ended 30 June 2017

NOTE 26. PAYABLES

	2017	2016
	\$'000	\$'000
Current Payables		
Payables - ACT Government Entities	285	365
Accrued Expenses	6,773	4,175
Total¹	7,058	4,540

Payables are aged as followed

Not Overdue	7,033	4,514
Overdue for Less than 30 Days	12	14
Overdue for 30 to 60 Days	12	6
Overdue for More than 60 Days	1	6
Total	7,058	4,540

Classification of ACT Government/Non-ACT Government Payables

Payables with ACT Government Entities

Payables	68	64
Accrued Expenses	4,856	2,952
Total Payables with ACT Government Entities	4,924	3,016

Payables with Non-ACT Government Entities

Payables	217	301
Accrued Expenses	1,917	1,223
Total Payables with Non-ACT Government Entities	2,134	1,524

Total	7,058	4,540
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1. The increase in 2016-17 primarily relates to higher capital works accruals due to timing of payments.

Education Directorate
Notes to and Forming Part of the Financial Statements
For the Year Ended 30 June 2017

NOTE 27. EMPLOYEE BENEFITS

	2017	2016
	\$'000	\$'000
Current Employee Benefits		
Annual Leave	35,983	35,128
Long Service Leave ¹	92,595	98,970
Accrued Salaries ²	4,191	1,968
Total Current Employee Benefits	132,769	136,066
Non-Current Employee Benefits		
Long Service Leave ¹	11,189	12,053
Total Non-Current Employee Benefits	11,189	12,053
Total	143,958	148,119
Estimate of when Leave is Payable		
Estimated Amount Payable within 12 months		
Annual Leave	32,798	29,733
Long Service Leave	6,862	6,825
Accrued Salaries	4,191	1,968
Total Employee Benefits Payable within 12 months	43,851	38,526
Estimated Amount Payable after 12 months		
Annual Leave	3,185	5,395
Long Service Leave	96,922	104,198
Total Employee Benefits Payable after 12 months	100,107	109,593
Total	143,958	148,119

1. The decrease in 2016-17 is mainly due to a reduction in the rate used to estimate the present value of future long service leave payments.

2. The increase is mainly due to an additional day of salaries accrued in 2016-17 compared to 2015-16.

Education Directorate
Notes to and Forming Part of the Financial Statements
For the Year Ended 30 June 2017

NOTE 28. OTHER LIABILITIES

	2017	2016
	\$'000	\$'000
Current Other Liabilities		
International Students Revenue Received in Advance	5,528	5,042
Schools Revenue Received in Advance	1,276	2,240
Total	6,804	7,282
Non-Current Other Liabilities		
Other Loans ¹	3,967	4,386
Total	3,967	4,386
Total Other	10,771	11,668

1. Relates to loans from the Environment, Planning and Sustainable Development Directorate for environmentally sustainable projects in schools.

NOTE 29. EQUITY

Asset Revaluation Surplus

The Asset Revaluation Surplus is used to record the increments and decrements in the value of Property, Plant and Equipment.

Balance at the Beginning of the Reporting Period	865,335	865,335
Increment in Land due to Revaluation	41,773	-
Increment in Buildings and Improvements to Land due to Revaluation	98,780	-
Total Increase in the Asset Revaluation Surplus¹	140,553	-
Balance at the End of the Reporting Period	1,005,888	865,335

1. The Directorate undertook a revaluation of its land and buildings and improvements to land in 2016-17 in accordance with ACT Government accounting policy. The revaluation resulted in an increase in the value of the Directorate's assets.

Education Directorate
Notes to and Forming Part of the Financial Statements
For the Year Ended 30 June 2017

NOTE 30. RESTRUCTURE OF ADMINISTRATIVE ARRANGEMENTS

Restructures of Administrative Arrangements – 2016-17

On 1 July 2016, a restructuring of administrative arrangements occurred between the Directorate and Transport Canberra and City Services involving the transfer of the Directorate's responsibility for Special Needs Transport services. The income and expenses transferred as part of the restructuring of administrative arrangements at the date of transfer were as follows:

	Amounts Relating to Function when held by the Education Directorate	Amounts Relating to Transport Canberra and City Services Directorate 1 July 2016 to 30 June 2017
	\$'000	\$'000
Revenue		
Controlled Recurrent Payments	-	6,512
Total Revenue	<u>-</u>	<u>6,512</u>
Expenses		
Employee Expenses	-	183
Superannuation Expenses	-	18
Supplies and Services	-	6,311
Total Expenses	<u>-</u>	<u>6,512</u>

There were no balance sheet transfer amounts.

Education Directorate
Notes to and Forming Part of the Financial Statements
For the Year Ended 30 June 2017

NOTE 30. RESTRUCTURE OF ADMINISTRATIVE ARRANGEMENTS – CONTINUED

Restructures of Administrative Arrangements – 2015-16

On 22 January 2016, a restructuring of administrative arrangements occurred between the Directorate and CMTEDD involving the transfer of the Directorate's responsibility for Vocational Education and Training functions. The income and expenses and assets and liabilities transferred as part of the restructuring of administrative arrangements at the date of transfer were as follows:

	Amounts Relating to Function when held by the Education Directorate 1 July 2015 to 22 January 2016 \$'000	Amounts Relating to the Chief Minister, Treasury and Economic Development Directorate 22 January 2016 to 30 June 2016 \$'000
Revenue		
Controlled Recurrent Payments	11,303	26,064
Resources Received Free of Charge	-	3
Other Revenue	23	-
Total Revenue	11,326	26,067
Expenses		
Employee Expenses	2,790	1,948
Superannuation Expenses	324	228
Supplies and Services	1,061	1,057
Depreciation and Amortisation	149	107
Grants and Purchased Services	6,969	22,834
Total Expenses	11,293	26,174
	Transferred Amounts 2015-16 \$'000	
Assets		
Intangible Assets	1,628	
Plant and Equipment	5	
Total Assets Transferred Out	1,633	
Liabilities		
Employee Provisions - Current	794	
Employee Provisions – Non-Current	97	
Total Liabilities Transferred Out	891	
Total Net Assets Transferred Out	742	

Education Directorate
Notes to and Forming Part of the Financial Statements
For the Year Ended 30 June 2017

NOTE 31. DISAGGREGATED DISCLOSURE OF ASSETS AND LIABILITIES

Year Ended 30 June 2017

	Output Class 1 \$'000	Output Class 2 \$'000	Unallocated \$'000	Total \$'000
Current Assets				
Cash and Cash Equivalents	46,868	228	30,723 ¹	77,819
Investments	261	-	-	261
Receivables	2,830	36	-	2,866
Other Assets	1,850	9	-	1,859
Total Current Assets	51,809	273	30,723	82,805
Non-Current Assets				
Investments	1,860	-	-	1,860
Property, Plant and Equipment	1,906,347	-	-	1,906,347
Intangible Assets	1,257	-	-	1,257
Capital Works in Progress	8,494	-	-	8,494
Total Non-Current Assets	1,917,958	-	-	1,917,958
Total Assets	1,969,767	273	30,723	2,000,763
Current Liabilities				
Payables	7,022	36	-	7,058
Employee Benefits	132,229	540	-	132,769
Other Liabilities	6,804	-	-	6,804
Total Current Liabilities	146,055	576	-	146,631
Non-Current Liabilities				
Employee Benefits	11,143	46	-	11,189
Other Liabilities	3,967	-	-	3,967
Total Non-Current Liabilities	15,110	46	-	15,156
Total Liabilities	161,165	622	-	161,787
Net Assets	1,808,602	(349)	30,723	1,838,976

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

2. The responsibility for VET functions associated with this output was transferred to CMTEDD on 22 January 2016 following changes to Administrative Arrangements.

Education Directorate
Notes to and Forming Part of the Financial Statements
For the Year Ended 30 June 2017

NOTE 31. DISAGGREGATED DISCLOSURE OF ASSETS AND LIABILITIES - CONTINUED

Year Ended 30 June 2016

	Output Class 1 \$'000	Output Class 2 \$'000	Unallocated \$'000	Total \$'000
Current Assets				
Cash and Cash Equivalents	43,585	457	36,795 ¹	80,837
Investments	260	-	-	260
Receivables	3,230	37	-	3,267
Other Assets	1,448	9	-	1,457
Total Current Assets	48,523	503	36,795	85,821
Non-Current Assets				
Investments	1,350	-	562	1,912
Property, Plant and Equipment	1,804,207	-	-	1,804,207
Intangible Assets	977	-	-	977
Capital Works in Progress	2,449	-	-	2,449
Total Non-Current Assets	1,808,983	-	562	1,809,545
Total Assets	1,857,506	503	37,357	1,895,366
Current Liabilities				
Payables	4,536	4	-	4,540
Employee Benefits	135,573	493	-	136,066
Other Liabilities	7,282	-	-	7,282
Total Current Liabilities	147,391	497	-	147,888
Non-Current Liabilities				
Employee Benefits	12,009	44	-	12,053
Other Liabilities	4,386	-	-	4,386
Total Non-Current Liabilities	16,395	44	-	16,439
Total Liabilities	163,786	541	-	164,327
Net Assets	1,693,720	(38)	37,357	1,731,039

1. Cash and cash equivalents have been included in the 'Unallocated' column above as this class cannot be reliably attributed to the Directorate's output classes. As the amount in cash and cash equivalents held by the Directorate is comprised of a number of disparate components, no single allocation driver can be used to reliably attribute this asset class. The components include working capital, cash for un-presented cheques and for specific purpose payments.
2. The responsibility for VET functions associated with this output was transferred to CMTEDD on 22 January 2016 following changes to Administrative Arrangements.

Education Directorate
Notes to and Forming Part of the Financial Statements
For the Year Ended 30 June 2017

NOTE 32. FINANCIAL INSTRUMENTS

Terms, Conditions and Accounting Policies

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**.

Interest Rate Risk

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

The Directorate's financial assets consist of cash and cash equivalents, investments and receivables. Its 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.

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

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

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

Education Directorate
Notes to and Forming Part of the Financial Statements
For the Year Ended 30 June 2017

NOTE 32. FINANCIAL INSTRUMENTS – CONTINUED

Credit Risk - Continued

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

There have been no changes to credit risk exposure since the last reporting period.

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.

Appropriation received to fund operations is drawn down progressively throughout the year to meet the operating requirements. Under the cash management framework, in the event of 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 last 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 market price (other than arising from interest rate risk or currency risk).

The only price risk which the Directorate is exposed to results from its investments in the Fixed Interest and Cash Enhanced Portfolio. The Directorate has units in the Fixed Interest Portfolio that fluctuate in value. The price fluctuations in the units of the Fixed Interest Portfolio are caused by movements in the underlying investments of the portfolio. To limit price risk, all bonds that make up the underlying investments of the Fixed Interest Portfolio must have a long term credit rating of BBB or greater.

Cash and cash equivalents do not have a price risk.

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

Currency Risk

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

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

Education Directorate
Notes to and Forming Part of the Financial Statements
For the Year Ended 30 June 2017

NOTE 32. 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 No.	Carrying Amount 2017 \$'000	Fair Value 2017 \$'000	Carrying Amount 2016 \$'000	Fair Value 2016 \$'000
Financial Assets					
Cash and Cash Equivalents	19	77,819	77,819	80,837	80,837
Investments	21	2,121	2,121	2,172	2,172
Receivables ¹	20	1,051	1,051	1,440	1,440
Total		80,991	80,991	84,449	84,449
Financial Liabilities					
Payables	26	7,058	7,058	4,540	4,540
Other Loans	28	3,967	3,967	4,386	4,386
Total		11,025	11,025	8,926	8,926

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
For the Year Ended 30 June 2017

NOTE 32. FINANCIAL INSTRUMENTS - CONTINUED

Fair Value Hierarchy

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

30 June 2017				
	<u>Classification According to Fair Value Hierarchy</u>			Total
	Level 1	Level 2	Level 3	
	\$'000	\$'000	\$'000	\$'000
Financial Assets				
Investment with the Territory Banking Account - Cash Enhanced Portfolio	-	261	-	261
Investment with the Territory Banking Account - Fixed Interest Portfolio	-	1,860	-	1,860
	-	2,121	-	2,121

30 June 2016				
	<u>Classification According to Fair Value Hierarchy</u>			Total
	Level 1	Level 2	Level 3	
	\$'000	\$'000	\$'000	\$'000
Financial Assets				
Investment with the Territory Banking Account - Cash Enhanced Portfolio	-	260	-	260
Investment with the Territory Banking Account - Fixed Interest Portfolio	-	1,912	-	1,912
	-	2,172	-	2,172

Transfer between Categories

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

Education Directorate
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NOTE 32. 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 2017. 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 2017		Weighted	Floating Interest Rate	Fixed Interest Maturing In:			Non-Interest Bearing \$'000	Total \$'000
Note No.	Average Interest Rate	1 Year or Less \$'000		Over 1 Year to 5 Years \$'000	Over 5 Years \$'000			
Financial Instruments								
Financial Assets								
Cash and Cash Equivalents	19	1.39%	47,092	-	-	-	30,727	77,819
Investments	21	-	-	-	-	-	2,121	2,121
Receivables	20	-	-	-	-	-	1,051	1,051
Total			47,092	-	-	-	33,899	80,991
Financial Liabilities								
Payables	26	-	-	-	-	-	(7,058)	(7,058)
Other Liabilities	28	-	-	-	-	-	(3,967)	(3,967)
Total			-	-	-	-	(11,025)	(11,025)
Net Financial Assets								
			47,092	-	-	-	22,874	69,966

Education Directorate
Notes to and Forming Part of the Financial Statements
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NOTE 32. 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 2016. 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 2016		Weighted	Floating Interest Rate	Fixed Interest Maturing In:			Non-Interest Bearing \$'000	Total \$'000
Note No.	Average Interest Rate	1 Year or Less \$'000		Over 1 Year to 5 Years \$'000	Over 5 Years \$'000			
Financial Instruments								
Financial Assets								
Cash and Cash Equivalents	19	1.94%	44,038	-	-	-	36,799	80,837
Investments	21	-	-	-	-	-	2,172	2,172
Receivables	20	-	-	-	-	-	1,440	1,440
Total Financial Assets			44,038	-	-	-	40,411	84,449
Financial Liabilities								
Payables	26	-	-	-	-	-	(4,540)	(4,540)
Other Liabilities	28	-	-	-	-	-	(4,386)	(4,386)
Total Financial Liabilities			-	-	-	-	(8,926)	(8,926)
Net Financial Assets								
			44,038	-	-	-	31,485	75,523

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NOTE 32 FINANCIAL INSTRUMENTS - CONTINUED

	2017 \$'000	2016 \$'000
Carrying Amount of Each Category of Financial Asset and Financial Liability		
Financial Assets		
Financial Assets at Fair Value through the Profit and Loss		
Designated upon Initial Recognition	2,121	2,172
Loans and Receivables at Amortised Cost	1,051	1,440
Financial Liabilities		
Financial Liabilities Measured at Amortised Cost	11,025	8,926

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

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

Gains / (Losses) on Financial Assets

Financial Assets at Fair Value through the Profit and Loss	(51)	37
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Notes to and Forming Part of the Financial Statements
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NOTE 33. COMMITMENTS

Capital Commitments

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

	2017 \$'000	2016 \$'000
<i>Capital Commitments - Property, Plant and Equipment</i>		
Payable:		
Within one year	23,615	1,952
Later than one year but not later than five years	13,325	124
Later than five years	266	-
Total¹	37,206	2,076

Other Commitments

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

Within one year	24,410	39,748
Later than one year but not later than five years	25,756	8,392
Later than five years	-	-
Total	50,166	48,140

Operating Lease Commitments

Within one year	3,547	4,227
Later than one year but not later than five years	5,556	7,141
Later than five years	337	-
Total	9,440	11,368

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

1. The Increase primarily relates to commitments for major capital works projects including Modernising Belconnen High School and the IT Upgrade for School Administration.

Education Directorate
Notes to and Forming Part of the Financial Statements
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NOTE 34. CONTINGENT LIABILITIES AND CONTINGENT ASSETS

Contingent Liabilities

At 30 June 2017 the Directorate had contingent liabilities in relation to outstanding litigation claims of \$2.59m. As at 30 June 2016 the claims were \$2.52m.

	2017	2016
	\$'000	\$'000
The known claims for litigation cases not settled ¹	2,593	2,515
Total	2,593	2,515

1. If litigation is successful the expense may be offset by insurance and the amount is unknown as at 30 June 2017.

There were no contingent assets in 2016-17 or 2015-16.

NOTE 35. 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.

Share of the Jointly Controlled Operation is as follows:

	2017	2016
	\$'000	\$'000
Revenue	103	76
Expenses	(144)	(129)
Operating (Deficit)	(41)	(53)

Share of Asset in the Jointly Controlled Operation

Current Assets	109	69
Non-Current Assets	3,188	3,273
Total Assets	3,297	3,342
Current Liabilities	2	6
Total Liabilities	2	6
Net Assets	3,295	3,336

Education Directorate
Notes to and Forming Part of the Financial Statements
For the Year Ended 30 June 2017

NOTE 36. CASH FLOW RECONCILIATION

	2017 \$'000	2016 \$'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	77,819	80,837
Cash and Cash Equivalents at the End of the Reporting Period as Recorded in the Cash Flow Statement	77,819	80,837
(b) Reconciliation of Net Cash Inflows from Operating Activities to the Operating (Deficit)		
Operating (Deficit)	(58,586)	(60,204)
Add/(Less) Non-Cash Items		
Depreciation	61,838	60,505
Assets Written Off	17	8
(Gain) from Sale of Assets	(180)	(1)
Unrealised Loss/(Gain) on Investments	51	(37)
Cash Before Changes in Operating Assets and Liabilities	3,140	271
Changes in Operating Assets and Liabilities		
Decrease in Receivables	401	1,832
(Increase) in Prepayments	(402)	(560)
Increase/(Decrease) in Payables	1,719	(754)
(Decrease) in Employee Benefits	(4,162)	(774)
(Decrease)/Increase in Other Liabilities	(478)	2,434
Net Changes in Operating Assets and Liabilities	(2,922)	2,178
Net Inflows from Operating Activities	218	2,449

Education Directorate
Notes to and Forming Part of the Financial Statements
For the Year Ended 30 June 2017

NOTE 37. 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 2017.

Compensation of the Head of Service is included in the note on related party disclosures included in the CMTEDD financial statements for the year ended 30 June 2017.

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

	2017
	\$'000
Short-term employee benefits	1,501
Post employment benefits	249
Other long-term benefits	35
Total Compensation by the Education Directorate to KMP	<u>1,785</u>

Education Directorate
Notes to and Forming Part of the Financial Statements
For the Year Ended 30 June 2017

NOTE 37. RELATED PARTY DISCLOSURES – CONTINUED

B.2 Transactions with Key Management Personnel

There were no transactions with KMP identified 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 identified, 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 in these financial statements.

Education Directorate
Notes to and Forming Part of the Financial Statements
For the Year Ended 30 June 2017

Note 38. BUDGETARY REPORTING

The following are brief explanations of major line item variances between budget estimates and actual outcomes. Variances are considered to be major variances if **both** of the following criteria are met:

- (a) The line item is a significant line item: the line item actual amount accounts for more than 10% of the relevant associated category (Income, Expenses and Equity totals); and
- (b) The variances (original budget to actual) are greater than plus (+) or minus (-) 10% of the budget for the financial statement line item.

Balance Sheet Line Items	Actual 2016-17 \$'000	Original Budget¹ 2016-17 \$'000	Variance \$'000	Variance %	Variance Explanation
Asset Revaluation Surplus	1,005,888	865,335	140,553	16	The variance against budget relates to the revaluation of assets in 2016-17.
Cash Flow Statement Line Items					
Purchase of Property, Plant and Equipment	28,968	59,827	(30,859)	(52)	The variance against budget relates to the deferral of works in 2016-17 to 2017-18 and savings in capital works projects. The deferral of works mainly related to the tender and design process for the Modernising Belconnen High School project and minor delays in the Schools for the Future – North Gungahlin and Molonglo project.

¹ Original Budget refers to the amounts presented to the Legislative Assembly in the original budgeted financial statements in respect of the reporting period (2016-17 Budget Statements). These amounts have not been adjusted to reflect supplementary appropriation or appropriation instruments.

Explanations for variations from budget for Controlled Recurrent Payments, and Capital Injections are provided in the Statements of Appropriation.

EDUCATION DIRECTORATE

TERRITORIAL FINANCIAL STATEMENTS

**FOR THE YEAR ENDED
30 JUNE 2017**

Education Directorate
Statement of Income and Expenses on Behalf of the Territory
For the Year Ended 30 June 2017

		Actual 2017 \$'000	Original Budget 2017 \$'000	Actual 2016 \$'000
	Note No.			
Income				
<i>Revenue</i>				
Payments for Expenses on Behalf of the Territory	39	272,654	277,700	259,956
Total Income		272,654	277,700	259,956
Expenses				
Grants and Purchased Services	40	272,654	277,700	259,956
Total Expenses		272,654	277,700	259,956
Operating Result		-	-	-

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
As at 30 June 2017

	Note	Actual	Original	Actual
	No.	2017	Budget	2016
		\$'000	\$'000	\$'000
Current Assets				
Cash and Cash Equivalents	41	201	-	208
Receivables	42	-	10	2
Total Current Assets		201	10	210
Total Assets		201	10	210
Current Liabilities				
Payables	43	201	10	210
Total Current Liabilities		201	10	210
Total Liabilities		201	10	210
Net Assets		-	-	-
Equity				
Accumulated Funds		-	-	-
Total Equity		-	-	-

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

Education Directorate
Cash Flow Statement on Behalf of the Territory
For the Year Ended 30 June 2017

	Note No.	Actual 2017 \$'000	Original Budget 2017 \$'000	Actual 2016 \$'000
Cash Flows from Operating Activities				
Receipts				
Cash from Government for Expenses on Behalf of the Territory		272,646	277,700	260,174
Goods and Services Tax Received		6,161	6,470	5,830
Total Receipts from Operating Activities		278,807	284,170	266,004
Payments				
Grants and Purchased Services		272,656	277,700	259,954
Goods and Services Tax Paid		6,158	6,470	5,842
Total Payments from Operating Activities		278,814	284,170	265,796
Net Cash (Outflows) / Inflows from Operating Activities	46	(7)	-	208
Net (Decrease)/Increase/ in Cash and Cash Equivalents Held				
		(7)	-	208
Cash and Cash Equivalents at the Beginning of the Reporting Period		208	-	-
Cash and Cash Equivalents at the End of the Reporting Period	46	201	-	208

The above Cash Flow Statement 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 2017**

	Note No.	Original Budget 2017 \$'000	Total Appropriated 2017 \$'000	Appropriation Drawn 2017 \$'000	Appropriation Drawn 2016 \$'000
Expenses on Behalf of the Territory					
Expenses on Behalf of the Territory	39	277,700	277,883	272,646	260,174
Total Territorial Appropriation		277,700	277,883	272,646	260,174

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

Column Heading Explanations

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

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 in Appropriation. This amount appears in the Cash Flow Statement on behalf of the Territory.

Variances between 'Original Budget' and 'Total Appropriated'

Expenses on Behalf of the Territory

The difference between the Original Budget and Total Appropriated relates to the transfer of funds from 2015-16 for the Supporting Non-Government Preschools initiative (\$0.183m).

Variances between 'Total Appropriated' and 'Appropriation Drawn'

Expenses on Behalf of the Territory

The difference between the Total Appropriated and the Appropriation Drawn mainly relates to lower than budgeted Commonwealth grants received for the National Education Reform Agreement (Students First) (\$0.566m) and lower than budgeted ACT Government grants (\$4.672m), primarily related to lower school enrolment levels for non-government schools.

TERRITORIAL NOTE INDEX

Income Notes

Note 39 Payment for Expenses on Behalf of the Territory – Territorial

Expenses Notes

Note 40 Grants and Purchased Services – Territorial

Assets Notes

Note 41 Cash and Cash Equivalents – Territorial

Note 42 Receivables – Territorial

Liabilities Notes

Note 43 Payables

Other Notes

Note 44 Restructure of Administrative Arrangements – Territorial

Note 45 Financial Instruments - Territorial

Note 46 Cash Flow Reconciliation - Territorial

Note 47 Related Party Disclosure - Territorial

Note 48 Budgetary Reporting - Territorial

Education Directorate
Notes to and Forming Part of the Financial Statements – Territorial
For the Year Ended 30 June 2017

NOTE 39. PAYMENT FOR EXPENSES ON BEHALF OF THE TERRITORY – TERRITORIAL

Under the *Financial Management Act 1996*, funds can be appropriated for expenses incurred on behalf of the Territory. The Directorate receives this appropriation to fund a number of expenses incurred on behalf of the Territory, the main one being the payment of grants to non-government schools. Refer **Note 40 – Grants and Purchased Services** for the details of the expenses.

	2017 \$'000	2016 \$'000
Amounts Received to Meet Expenses Incurred on Behalf of the Territory	272,654	259,956
Total^{1,2}	272,654	259,956

1. The increase from 2015-16 primarily relates to increased Commonwealth and ACT Government grants in accordance with the Commonwealth *Education Act 2013* and the National Education Reform Agreement: Australian Capital Territory Bilateral Agreement.
2. Territorial accounts cannot generate an operating result and must hold nil equity balance. As a result, the balance in this note varies from the Statement of Appropriation due to the payable to the Territorial Banking Account.

NOTE 40. GRANTS AND PURCHASED SERVICES – TERRITORIAL

	2017 \$'000	2016 \$'000
Grants and Purchased Services		
Payments for grants and subsidies were as follows:		
Grants - Non-Government Schools ¹	272,005	259,268
Bursary Scheme	649	681
Block Release Grants ²	-	7
Total	272,654	259,956

1. The increase from 2015-16 primarily relates to increased Commonwealth and ACT Government grants in accordance with the Commonwealth *Education Act 2013* and the National Education Reform Agreement: Australian Capital Territory Bilateral Agreement.
2. The administration of Block Release grants transferred to the Chief Minister, Treasury and Economic Development Directorate on 22 January 2016 following changes to Administrative Arrangements.

Education Directorate
Notes to and Forming Part of the Financial Statements – Territorial
For the Year Ended 30 June 2017

NOTE 41. CASH AND CASH EQUIVALENTS – TERRITORIAL

	2017 \$'000	2016 \$'000
Cash at Bank ^{1, 2}	201	208
Total	201	208

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.
2. Under whole-of-government banking arrangements interest is not earned on cash at bank held with the Territorial Bank Account.

NOTE 42. RECEIVABLES – TERRITORIAL

Current Receivables

Goods and Services Tax Receivable from the Australian Taxation Office	-	2
Total	-	2

NOTE 43. PAYABLES – TERRITORIAL

All payables at 30 June 2017 are current and not overdue.

Current Payables

Current Payables	-	2
Payable to the Territory Banking Account	201	208
Total Current Payables	201	210
Total	201	210

Education Directorate
Notes to and Forming Part of the Financial Statements – Territorial
For the Year Ended 30 June 2017

NOTE 44. RESTRUCTURE OF ADMINISTRATIVE ARRANGEMENTS – TERRITORIAL

There were no restructures of administrative arrangements in 2016-17.

Restructure of Administrative Arrangements 2015-16

On 22 January 2016, a restructuring of administrative arrangements occurred between the Education Directorate and Chief Minister, Treasury and Economic Development Directorate involving the transfer of the Block Release Program as part of the Education Directorate's responsibility for Vocational Education and Training functions. The income and expenses transferred as part of the restructuring of administrative arrangements at the date of transfer were as follows:

	Amounts Relating to Function when held by the Education Directorate 1 July 2015 to 22 January 2016 \$'000	Amounts Relating to the Chief Minister, Treasury and Economic Development Directorate 22 January 2016 to 30 June 2016 \$'000
Revenue		
Payments for Expenses on Behalf of the Territory	5	84
Total Revenue	5	84
Expenses		
Grants and Purchased Services	5	84
Total Expenses	5	84

Education Directorate
Notes to and Forming Part of the Financial Statements – Territorial
For the Year Ended 30 June 2017

NOTE 45. 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**.

Interest Rate Risk

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

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

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

Credit Risk

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

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

Liquidity Risk

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

Expenses on behalf of the Territory appropriation is drawn down progressively throughout the year to meet operating requirements. In the event of cash pressure, access to additional funding may be obtained from the Chief Minister Treasury and Economic Development Directorate.

Price Risk

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

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

Currency Risk

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

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

Education Directorate
Notes to and Forming Part of the Financial Statements – Territorial
For the Year Ended 30 June 2017

NOTE 45. FINANCIAL INSTRUMENTS – TERRITORIAL – CONTINUED

Unrecognised Financial Assets and Financial Liabilities

There were no unrecognised financial assets and liabilities in 2016-17 and 2015-16.

Fair Value of Financial Assets and Liabilities

	Carrying Amount 2017 \$'000	Fair Value 2017 \$'000	Carrying Amount 2016 \$'000	Fair Value 2016 \$'000
Financial Assets				
Cash and Cash Equivalents	201	201	208	208
Total Financial Assets	201	201	208	208
Financial Liabilities				
Payables	201	201	208	208
Total Financial Liabilities	201	201	208	208

Education Directorate
Notes to and Forming Part of the Financial Statements – Territorial
For the Year Ended 30 June 2017

NOTE 45. FINANCIAL INSTRUMENTS – TERRITORIAL – CONTINUED

The following tables set out the 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 2017. All financial assets and liabilities which are non-interest bearing will mature in 1 year or less. All amounts appearing in the following maturity analysis are shown on an undiscounted cash flow basis.

As at 30 June 2017							
	Note No.	Floating Interest Rate \$'000	Fixed Interest Maturing In:			Non-Interest Bearing \$'000	Total \$'000
			1 Year or Less \$'000	Over 1 Year to 5 Years \$'000	Over 5 Years \$'000		
Financial Instruments							
Financial Assets							
Cash and Cash Equivalents	41	-	-	-	-	201	201
Total Financial Assets		-	-	-	-	201	201
Financial Liabilities							
Payables	43	-	-	-	-	201	201
Total Financial Liabilities		-	-	-	-	201	201
Net Financial Position		-	-	-	-	-	-

As at 30 June 2016							
	Note No.	Floating Interest Rate \$'000	Fixed Interest Maturing In:			Non-Interest Bearing \$'000	Total \$'000
			1 Year or Less \$'000	Over 1 Year to 5 Years \$'000	Over 5 Years \$'000		
Financial Instruments							
Financial Assets							
Cash and Cash Equivalents	41	-	-	-	-	208	208
Total Financial Assets		-	-	-	-	208	208
Financial Liabilities							
Payables	43	-	-	-	-	208	208
Total Financial Liabilities		-	-	-	-	208	208
Net Financial Position		-	-	-	-	-	-

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

Education Directorate
Notes to and Forming Part of the Financial Statements – Territorial
For the Year Ended 30 June 2017

NOTE 46. CASH FLOW RECONCILIATION – TERRITORIAL

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

	2017 \$'000	2016 \$'000
Total Cash Disclosed on the Statement of Assets and Liabilities on Behalf of the Territory	201	208
Cash at the end of the Reporting Period as Recorded in the Cash Flow Behalf of the Territory	201	208

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

Operating Result	-	-
Cash Before Changes in Operating Assets and Liabilities	-	-
Changes in Operating Assets and Liabilities		
Decrease in Receivables	2	8
(Decrease) / Increase in Payables	(9)	200
Net Changes in Operating Assets and Liabilities	(7)	208
Net Cash Inflows from Operating Activities	(7)	208

NOTE 47. RELATED PARTY DISCLOSURES – TERRITORIAL

Related Party Disclosures for the Directorate are provided at **Note 37 – Related Party Disclosures**.

Education Directorate
Notes to and Forming Part of the Financial Statements – Territorial
For the Year Ended 30 June 2017

NOTE 48. BUDGETARY REPORTING – TERRITORIAL

The following are brief explanations of major line item variances between budget estimates and actual outcomes. Variances are considered to be major variances if **both** of the following criteria are met:

- i. The line item is a significant line item: the line item actual amount accounts for more than 10% of the relevant associated category (Income, Expenses and Equity totals); and
- ii. The variances (original budget to actual) are greater than plus (+) or minus (-) 10% of the budget for the financial statement line item.

Statement of Assets and Liabilities on Behalf of The Territory Line Items	Actual 2016-17 \$'000	Original Budget ¹ 2016-17 \$'000	Variance \$'000	Variance %	Variance Explanation
Cash and Cash Equivalents	201	-	201	201	The Territorial accounts are programs administered on behalf of the Territory. Territorial accounts cannot generate an operating result and must hold a nil equity balance. This means cash held at year-end is recorded as a payable owed to the Territory Banking Account.
Payables	(201)	(10)	(191)	1910	The Territorial accounts are programs administered on behalf of the Territory. Territorial accounts cannot generate an operating result and must hold a nil equity balance. This means cash held at year-end is recorded as a payable owed to the Territory Banking Account.

1. Original Budget refers to the amounts presented to the Legislative Assembly in the original budgeted financial statements in respect of the reporting period (2016-17 Budget Statements).
2. There were no significant variations against budget in the Statement of Income and Expenses on Behalf of the Territory or the Cash Flow Statement on Behalf of the Territory in accordance with the criteria (a) and (b) above.

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 2017

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 Education Directorate's financial statements to include:

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

These general-purpose financial statements have been prepared to comply with Australian Accounting Standards as required by the FMA. The financial statements have been prepared in accordance with:

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

ACCRUAL ACCOUNTING

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

CURRENCY

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

INDIVIDUAL REPORTING ENTITY

The Education Directorate is an individual 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 2017

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 2017 together with the financial position of the Directorate as at 30 June 2017.

COMPARATIVE FIGURES

Budget Figures

To facilitate a comparison with the Budget Papers, as required by the FMA, budget information for 2016-17 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 2017, the Education Directorate's current assets are insufficient to meet its current liabilities. However, this is not considered a liquidity risk as its cash needs are funded through appropriation from the ACT Government on a cash-needs basis. This is consistent with the whole of government cash management regime, which requires excess cash balances to be held centrally rather than within individual agency bank accounts. The 2016-17 financial statements have been prepared on a going concern basis as the Directorate has been funded in 2017-18 Budget and Budget Papers include forward estimates for the Directorate.

Education Directorate
APPENDIX B - SIGNIFICANT ACCOUNTING POLICIES
FORMS PART OF NOTE 2 OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017

APPENDIX B - SIGNIFICANT ACCOUNTING POLICIES

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

SIGNIFICANT ACCOUNTING POLICIES – INCOME

Where significant accounting policies and other explanatory information is applicable it is provided in this Appendix. Additional information is not provided for all notes in the financial statements.

REVENUE RECOGNITION

Revenue is recognised at the fair value of the consideration received or receivable in the Operating Statement. In addition, the following specific recognition criteria must be met before revenue is recognised: Revenue for user charges is recorded when received with the exception of international private students, which is recognised on an accrual basis. Revenue is also recognised from Active Leisure Centre in the Directorate's books as the Directorate controls the facilities.

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.

Effective from 1 July 2016 the term appropriation for the provision of outputs (or Government Payment for Outputs) was replaced with the term Controlled Recurrent Payments.

NOTE 5 – USER CHARGES

Revenue for user charges is recorded when received except for international private student revenue which is recognised when the fee is earned.

NOTE 6 – INTEREST

Interest revenue is recognised using the effective interest rate.

NOTE 7 - DISTRIBUTION FROM INVESTMENTS WITH THE TERRITORY BANKING ACCOUNT

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

NOTE 8 - RESOURCES RECEIVED FREE OF CHARGE

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

Education Directorate
APPENDIX B - SIGNIFICANT ACCOUNTING POLICIES
FORMS PART OF NOTE 2 OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017

SIGNIFICANT ACCOUNTING POLICIES – INCOME CONTINUED

NOTE 9 – OTHER REVENUE

Revenue Received in Advance

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

SIGNIFICANT ACCOUNTING POLICIES – EXPENSES

NOTE 11 – 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 27 Employee Benefits** for accrued wages and salaries, and annual and long service leave).

NOTE 12 – SUPERANNUATION EXPENSES

The Directorate receives funding for superannuation payments as part of the Controlled Recurrent Payments. The Directorate makes fortnightly payments to the Territory Banking Account to extinguish its superannuation liability for employees who are members of the Commonwealth Superannuation Scheme (CSS) and the Public Sector Superannuation Scheme (PSS). This payment does not include the CSS and PSS productivity component which is paid directly to the Commonwealth Superannuation Corporation (CSC) by the Directorate. The CSS and PSS are defined benefit superannuation plans meaning that the defined benefits received by employees are based on the employee's years of service and average final salary.

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

The Directorate's accruing superannuation liability obligations are expensed as they are incurred.

Education Directorate
APPENDIX B - SIGNIFICANT ACCOUNTING POLICIES
FORMS PART OF NOTE 2 OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017

SIGNIFICANT ACCOUNTING POLICIES – EXPENSES CONTINUED

SUPERANNUATION LIABILITY RECOGNITION

The superannuation liability for the Territory's relevant share of the employer financial portion of entitlements of all employees participating in the CSS and PSS schemes who become Territory employees with effect on or after 1 July 1989 is recognised at a total Territory level in the Chief Minister, Treasury and Economic Development Directorate's Superannuation Provision Account. The ACT Government reimburses the CSC annually for the Territory's share of the employer superannuation benefits paid to entitled Territory employees who are, or were members of the CSS and PSS. These reimbursement payments are made from the Superannuation Provision Account.

NOTE 13 – 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.

Operating Leases

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

NOTE 14 – DEPRECIATION AND AMORTISATION

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

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

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

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

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SIGNIFICANT ACCOUNTING POLICIES – EXPENSES CONTINUED

NOTE 17 - WAIVERS, IMPAIRMENT LOSSES AND WRITE-OFFS

WAIVERS

Debts that are waived under Section 131 of the FMA are expensed during the reporting period in which the right to payment was waived. Further details of waivers are disclosed at **Note 17 Waivers, Impairment Losses and Write-Offs**.

IMPAIRMENT OF ASSETS

Expense impairment losses of assets include: land, buildings, and improvements to land, (refer **Appendix – B – Note 22 – Impairment of Assets**).

Impairment Losses and Write-Offs - Receivables

The allowance for impairment of receivables (see Note 20 Receivables - Impairment Loss Receivables).

SIGNIFICANT ACCOUNTING POLICIES – ASSETS

ASSETS – CURRENT AND NON-CURRENT

Assets are classified as current or non-current in the Balance Sheet and in the relevant notes. Assets are classified as current where they are expected to be realised within 12 months after the reporting date.

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. Buildings and improvements to land have been recorded at fair value based on depreciated 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 19 – CASH AND CASH EQUIVALENTS

Cash includes cash at bank and cash on hand. Directorate money held in the Territory Banking Account Cash Fund is classified as a Cash Equivalent.

Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Education Directorate
APPENDIX B - SIGNIFICANT ACCOUNTING POLICIES
FORMS PART OF NOTE 2 OF THE FINANCIAL STATEMENTS
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SIGNIFICANT ACCOUNTING POLICIES – ASSETS CONTINUED

NOTE 20 – RECEIVABLES

Accounts Receivables

Accounts receivable (including trade receivables and other receivables) are initially recognised at fair value and are subsequently measured at amortised cost, with any adjustments to the carrying amount being recorded in the Operating Statement (see Appendix B - **Note 17 Waivers, Impairment Losses and Write-Offs**).

Impairment Losses – Receivables

The allowance for impairment losses represents the amount of receivables that the Directorate estimates will not be repaid. The allowance for impairment losses is based on objective evidence and a review of overdue balances. The amount of the allowance is the difference between the asset's carrying amount and the present value of the estimated future cash flows, discounted at the original effective interest rate. Cash flows relating to short-term receivables are not discounted if the effect of discounting is immaterial.

The Directorate considers the following as indicators of impairment:

- (a) becoming aware of financial difficulties of debtors;
- (b) default in payments;
- (c) debts more than 90 days overdue; or
- (d) known changes to the regulatory environment which may impact recoverability.

The amount of the allowance is recognised in the Operating Statement. The allowance for impairment losses is written off against the allowance account when the Directorate ceases action to collect the debt as it considers that it will cost more to recover the debt than the debt is worth.

NOTE 21 – INVESTMENTS

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

The price of units in both these unit trusts fluctuates in value. The net gain or loss on investments consists of the fluctuation in price of the unit trust between the end of the last reporting period and the end of this reporting period as well as any profit on the sale of units in the trust (the profit being the different between the price at the end of the last reporting period and the sale price).

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

Education Directorate
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FORMS PART OF NOTE 2 OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017

SIGNIFICANT ACCOUNTING POLICIES – ASSETS CONTINUED

NOTE 22 – 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 and buildings 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 revaluation of the Directorate's land, buildings and land improvements was performed at 30 June 2017.

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. In estimating the fair value of an asset or liability, the Directorate takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date.

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

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

The Directorate has made a significant estimate in determining the useful lives of its property plant and equipment. The estimation of useful lives of property plant and equipment is based on the historical experience of similar assets and in some cases has been based on valuations provided by an independent valuer as at 30 June 2017. The useful lives are assessed on an annual basis and adjustments are made when necessary.

Disclosures concerning assets useful life (see Appendix B - **Note 14 Depreciation and Amortisation**).

Education Directorate
APPENDIX B - SIGNIFICANT ACCOUNTING POLICIES
FORMS PART OF NOTE 2 OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017

SIGNIFICANT ACCOUNTING POLICIES – ASSETS CONTINUED

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 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 23 – 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.

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 26 – 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.

Education Directorate
APPENDIX B - SIGNIFICANT ACCOUNTING POLICIES
FORMS PART OF NOTE 2 OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017

SIGNIFICANT ACCOUNTING POLICIES – LIABILITIES CONTINUED

NOTE 27 – 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 Service 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 end, the present value of annual leave and long service leave payments is estimated using market yields on Commonwealth Government bonds with terms to maturity that match, as closely as possible, the estimated future cash flows.

Annual leave liabilities have been estimated on the assumption that they will be wholly settled within three years. In 2016-17 the rate used to estimate the present value of future annual leave payments is 99.8% (101.4% in 2015-16).

Annual and Long Services Leave Continued

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. In 2016-17, the rate used to estimate the present value of future payments for long service leave is 103.4% (114.7% in 2015-16).

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.

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

Education Directorate
APPENDIX B - SIGNIFICANT ACCOUNTING POLICIES
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SIGNIFICANT ACCOUNTING POLICIES – LIABILITIES CONTINUED

assessment in May 2014. The assessment by an actuary is performed every 5 years. However, it may be performed more frequently if there is a significant contextual change in the parameters underlying the 2014 report. The next actuarial review is expected to be undertaken by May 2019.

NOTE 28 – OTHER LIABILITIES

Revenue Received in Advance

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

SIGNIFICANT ACCOUNTING POLICIES – EQUITY

NOTE 29 – EQUITY

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

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

SIGNIFICANT ACCOUNTING POLICIES – OTHER NOTES

NOTE 35 - 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 131 'Joint Arrangements'. Please refer to **Note 35 – Interest in a Joint Operation** for details.

NOTE 38 – 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 (-) 10% of the budget for the financial statement line item.

Education Directorate
APPENDIX B - SIGNIFICANT ACCOUNTING POLICIES
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FOR THE YEAR ENDED 30 JUNE 2017

TERRITORIAL – SPECIFIC SIGNIFICANT ACCOUNTING POLICIES

SIGNIFICANT ACCOUNTING POLICIES – SPECIFIC TO TERRITORIAL – INCOME

NOTE 39 – 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 41 CASH AND CASH EQUIVALENTS – TERRITORIAL: see Appendix B: Note 19 Cash and Cash Equivalents.

NOTE 42 RECEIVABLES – TERRITORIAL: see Appendix B: Note 20 Receivables.

NOTE 43 PAYABLES – TERRITORIAL: see Appendix B: Note 26 Payables.

NOTE 48 BUDGETARY REPORTING – TERRITORIAL: see Appendix B: Note 38 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 2017

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

Appendix C – impact of accounting standards issued but yet to be applied concerns both the Controlled and Territorial financial statements.

ACCOUNTING STANDARDS ISSUED BUT YET TO BE APPLIED

The following new and revised accounting standards and interpretations that are applicable to the Directorate have been issued by the Australian Accounting Standards Board but do not apply to the current reporting period. These standards and interpretations are applicable to future reporting periods. The Directorate does not intend to adopt these standards and interpretations early. Where applicable, these Australian Accounting Standards will be adopted from their application date. Standards that may have a material impact are identified below.

- AASB 9 Financial Instruments (application date 1 January 2018). The Directorate will undertake a detailed assessment of the impact of this standard over the next twelve months;
- AASB 15 Revenue from Contracts with Customers (application date 1 January 2019). The Directorate will undertake a detailed assessment of the impact of this standard over the next twelve months;
- AASB 16 Leases (application date 1 January 2019). The Directorate will undertake a detailed assessment of the impact of this standard over the next twelve months; and
- AASB 1058 Income of Not-for-Profit Entities (application date 1 January 2019). The Directorate will undertake a detailed assessment of the impact of this standard over the next twelve months.

Education Directorate
APPENDIX D - CHANGE IN ACCOUNTING ESTIMATES
FORMS PART OF NOTE 3 OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017

APPENDIX D - CHANGE IN ACCOUNTING ESTIMATES

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

CHANGE IN ACCOUNTING ESTIMATES

As disclosed in **Note 27 – 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 114.7% for long service leave and 101.4% for annual leave. The rate for 2016-17 is 103.4% for long service leave and 99.8% 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 \$11.342 million and a decrease to the estimate of the annual leave liability and expense in the current reporting period of approximately \$0.571 million.

REVALUATION OF ASSETS

As disclosed in **Note 22 – Property, Plant and Equipment**, the Directorate revalued its land, buildings and improvements to land in 2016-17. This resulted in an adjustment to the useful lives and residual value of the assets.

C3. CAPITAL WORKS

OVERVIEW

In 2016-17, the Directorate delivered a capital works program, totalling \$19.5 million, following on from the \$41 million program in 2015-16 and \$55.8 million program delivered in 2014-15.

Significant achievements for the year included the commencement of modernisation works at the Belconnen High School and the start of construction of the Caroline Chisholm School Centre for Innovation and Learning. Investment in Gungahlin School Infrastructure included the completion of expansion projects at Neville Bonner Primary School and Harrison School and additional capacity at Palmerston Preschool.

NEW SCHOOLS

NORTH GUNGAHLIN PRIMARY SCHOOL

Design and procurement activities progressed for the new school during the reporting period with the appointment of the preferred contractor to complete detailed design development.

The school is to be delivered under a Design Construct Maintain (DCM) construction methodology with construction commencing in late 2017 and completed for the start of the 2019 school year.

CAROLINE CHISHOLM SCHOOL CENTRE FOR INNOVATION AND LEARNING

The Centre for Innovation and Learning will deliver Science, Technology, Engineering and Mathematics (STEM) programs to students attending Caroline Chisholm School and in the Tuggeranong Network.

It includes multi-purpose learning spaces and state-of-art equipment and facilities to support students and provide professional development to teachers across the ACT public education system.

Construction commenced during the reporting period and is to be completed and operational for the commencement of the 2018 school year.

MODERNISING BELCONNEN HIGH SCHOOL

The next stage of the project commenced during the reporting period with the appointment of the preferred builder to complete design finalisation. Construction activities commenced with roof replacement works and site establishment.

The project includes major refurbishments to the student learning and teaching spaces, a new administration area and main entry, the demolition of an end of life building and additional outdoor works.

INVESTMENT IN GUNGAHLIN SCHOOL INFRASTRUCTURE

Expansion works were progressed at a number of schools in the North Gungahlin region to accommodate increased enrolment demand in the area.

Four new learning spaces and two preschool rooms were provided at Neville Bonner Primary School together with the expansion of Palmerston Preschool for the start of the 2017 school year. Harrison School was provided with eight new learning spaces in a new building during semester 1 of 2017 and a preferred contractor was identified to complete detailed design for the Amaroo School expansion works during 2017.

CAPITAL UPGRADES PROGRAM

SCHOOL UPGRADES

Works completed in the 2016-17 year included:

- > upgrade of seven learning and teaching areas at Maribyrnong Primary School;
- > upgrade of learning areas at Hawker and Weetangera preschools;
- > increased capacity at Garran Primary School to support sustained growth in student numbers;
- > STEM facility upgrade at Campbell High School;
- > student and staff toilet upgrades at Aranda and Lyneham Primary Schools;
- > installation of Voice Over Internet Protocol (VOIP) communication systems to 14 schools;
- > stage 1 of a two stage project to replace the roof at Mount Stromlo High School. Works completed this reporting period included the main school building, hall and library;
- > car park and traffic safety improvements at Turner Primary School; and
- > play equipment refurbishment and installation of shade structures at Florey Primary School.

BUILDING COMPLIANCE UPGRADES

Building compliance upgrades and modifications completed during the report period included:

- > general access works at Theodore Primary School, Richardson Primary School, Dickson College and Canberra College.

AIR CONDITIONING IN SCHOOLS

In 2015, a program commenced to ensure all ACT public schools had air conditioning or evaporative cooling in both library and administration areas. This program is largely complete, with some works to be finalised at Amaroo School by October 2017.

The cost of the program was \$750,000 across the 2015-16 and 2016-17 years.

Library upgrades occurred at the following schools:

- > Ainslie Primary School;
- > Campbell Primary School;
- > Caroline Chisholm School – senior campus;
- > Farrer Primary School;
- > Gilmore Primary School;
- > Gowrie Primary School;
- > Lyneham Primary School;
- > Majura Primary School; and
- > Southern Cross Early Childhood School.

Administration area upgrades occurred at the following schools:

- > Amaroo School;
- > Canberra High School;
- > Calwell High School;
- > Campbell Primary School;
- > Dickson College;
- > Farrer Primary School;

- > Giralang Primary School;
- > Gold Creek School;
- > Gordon Primary School;
- > Gowrie Primary School;
- > Harrison School;
- > Majura Primary School;
- > Malkara School; and
- > Mawson Primary School.

Ainslie Primary School chose to install air conditioning in two transportables under this program rather than in the administration area.

ENVIRONMENTAL SUSTAINABILITY

As capital works are undertaken at public schools, including new facilities, building upgrades and refurbishments, opportunities are taken to improve the energy efficiency, increase use of sustainable transport and decrease the water consumption of these spaces. Specific capital works directly targeting sustainability are also undertaken directly by schools. The key funding source for these projects is the feed-in-tariff income associated with the solar panels at schools.

A total of \$0.80 million was allocated from the schools capital upgrades program during the reporting period to support the Directorate's strategic priorities for environmental sustainability improvements. Refer to Section B9 for an overview of the projects and programs implemented during the 2016-17 reporting period.

TABLE C3.1: CAPITAL WORKS MANAGEMENT 2016-17

Project	Original Project Value	Revised Project Value	Prior Year Expenditure	Actual Expenditure 2016-17	Total Expenditure To Date	Estimated Completion	Actual Completion
	(\$'000)	(\$'000)	(\$'000)	(\$'000)	(\$'000)		
NEW CAPITAL WORKS							
Better Schools –Investment in Gungahlin School Infrastructure	16,600	16,600	0	4,344	4,344	Feb-18	
CAPITAL UPGRADES							
School Learning Area Improvements	6,560	4,941	0	4,691	4,691	Dec-17	
School Administration and Support Area Improvements	1,480	1,659	0	1,296	1,296	Dec-17	
School Upgrades	4,225	5,339	0	3,185	3,185	Dec-17	
School Security & Safety Improvements	1,505	1,497	0	1,087	1,087	Dec-17	
Environmentally Sustainable Design Initiatives	800	758	0	334	334	Dec-17	
Total Capital Upgrades	14,570	14,194	0	10,593	10,593		
Total New Works	31,170	30,794	0	14,937	14,937		

Project	Original Project Value	Revised Project Value	Prior Year Expenditure	Actual Expenditure 2016-17	Total Expenditure To Date	Estimated Completion	Actual Completion
	(\$'000)	(\$'000)	(\$'000)	(\$'000)	(\$'000)		
WORK IN PROGRESS							
Schools for the Future – Caroline Chisholm School – Centre for Innovation and Learning	5,896	5,696	239	774	1,013	Feb-18	
Schools for the Future – Modernising Belconnen High	17,627	17,627	1,128	1,289	2,417	Feb-19	
Schools for the Future – North Gungahlin and Molonglo	28,609	28,609	484	854	1,338	Feb-19	
Hazardous Material Removal Program – Stage 3	3,000	3,000	2,015	493	2,508	Jun-18	
Total Work In Progress	55,132	54,932	3,866	3,410	7,276		
PROJECTS – PHYSICALLY BUT NOT FINANCIALLY COMPLETED							
Carbon Neutral Schools – Stage 1	3,500	3,500	3,287	204	3,491		Jun-17
Coombs P-6 School Construction Funding	47,250	35,752	34,728	414	35,142		Jan-16
Belconnen Trade Skill Centres	8,120	8,120	7,606	511	8,117		Jun-17
Total Projects Physically but not Financially Completed	58,870	47,372	45,621	1,129	46,750		
PROJECTS – PHYSICALLY AND FINANCIALLY COMPLETED							
Sustainable Learning Trade Training Centres – Tuggeranong	10,207	8,301	8,248	53	8,301		Dec-14
Gungahlin College	60,700	76,707	76,693	14	76,707		Mar-11
Total Projects Physically and Financially Completed	70,907	85,008	84,941	67	85,008		
TOTAL CAPITAL WORKS PROGRAM 2016-17	216,079	218,106	134,428	19,543	153,971		

TABLE C3.2: END OF FINANCIAL YEAR RECONCILIATION SCHEDULE 2016-17

Reconciliation of total current year financing	2016-17
	\$'000
Total current year capital works financing	18,396
Add: Other capital initiatives financing	7,574
Capital Injection from Government per Cash flow statement	25,970
Reconciliation of Total Current Year Actual Expenditure to Capital Injection	
Total current year capital works expenditure	18,817
Total current year capital initiatives expenditure	8,285
Add: Net Impact of accruals between financial years	-798
Less: Net Impact of Capital Expenditure Funded Outside of Capital Injections	-334
Capital Injection from Government per Cash flow statement	25,970
Reconciliation of Total Current Year Actual Expenditure to Purchases of PPE	
Total current year capital works expenditure	18,817
Total current year capital initiatives expenditure	8,285
Add: Net Impact of accruals between financial years	-798
Add: Other asset purchases outside of capital works program and capital initiatives	2,664
Purchase of Property, Plant and Equipment as per Cash Flow Statement	28,968

For further information contact:
Director
Infrastructure and Capital Works
(02) 6205 1289

C4. ASSET MANAGEMENT

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

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

In 2016-17, the Directorate progressed the following activities in relation to the asset management strategy:

- > finalised the first set of the Sustainable Development of Public School Facilities specifications for preschool to year 6 schools. The specifications define the infrastructure requirements which will meet modern pedagogy. The specifications are used for new schools and major upgrades of existing schools.
- > commenced using the Strategic Asset Management Plan (SAMP) asset database in the definition of the 2017-18 capital upgrades program. By using the asset age and condition information in the database, the development of the program of work has a stronger evidence base. Enhancement of the database is an ongoing asset management activity; and
- > undertook a Post Occupancy Evaluation for the Neville Bonner Primary School.

The Directorate is responsible for 91 school sites and 28 offsite preschools. In addition, the Directorate manages two major facilities for Education Support Office staff. In total, there are 122 sites under direct management by the Directorate.

The Directorate has ongoing infrastructure programs which provide sustainable, high quality learning and teaching environments for students. These programs provide facility upgrades, expansions, repairs and maintenance. The capital works program focuses on renewal and upgrade of schools and preschools and the maintenance program handles urgent and minor repairs, planned maintenance and the repair of damaged facilities.

Asset management issues which were a priority for the Directorate in 2016-17 included:

- > renewal of ageing infrastructure;
- > provision of new schools and educational facilities to meet growth-related demand;
- > refurbishment to support changing curriculum activities, including improvements to Science, Technology, Engineering and Maths learning environments;
- > modification of facilities to support students with complex needs and challenging behaviours;
- > installation of information and communication technology infrastructure;
- > building compliance upgrades to improve accessibility and learning environments for students with special needs;
- > school safety improvements including car parking and traffic management;
- > installation of security related infrastructure;
- > hazardous materials management, removal and disposal; and
- > infrastructure works to achieve energy efficiency and reduction in carbon emissions.

ASSETS MANAGED

As at 30 June 2017, the Directorate managed school infrastructure assets with a total net book value of \$1,907.6 million (Table C4.1).

TABLE C4.1: ASSETS AND THEIR VALUES AT 30 JUNE 2017

Asset Class	Value (\$ million)
Land and Buildings (including improvements) for schools and preschools	1,875.7
Leasehold Improvements	-
Property, Plant and Equipment	30.6
Intangible Assets	1.3
Total	1,907.6

Source: Education Directorate

Assets to the value of \$22.4 million were added to the register in 2016-17 (Table C4.2).

TABLE C4.2: ASSETS ADDED TO THE ASSET REGISTER IN 2016-17

Assets	Value (\$ million)
Capital Works (Schools):	3.1
Investment in Gungahlin School Infrastructure - Bonner Primary School	
Investment in Gungahlin School Infrastructure - Palmerston Primary School	
Capital works - various school and preschool sites	11.6
Capital initiatives - various ICT and other projects	7.7
Total	22.4

Source: Education Directorate

SURPLUS ASSETS

As at 30 June 2017, the Directorate did not have any properties which were not being utilised by the agency or that had been identified as potentially surplus.

ASSETS MAINTENANCE AND UPGRADE

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

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

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

ASSET MAINTENANCE

In 2016-17, the Directorate spent \$16.7 million on school repairs and maintenance. The repairs and maintenance program included:

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

Building condition assessments of all schools (including preschools) are conducted on a three-year rolling program and the assessments cover buildings and grounds. The results of these reports are taken into account in preparing the Directorate's annual repairs and maintenance programs.

In 2016-17 a number of major contracts were established to provide maintenance and support services at all schools. New contracts for security monitoring, security patrols and solar panel maintenance were implemented in 2016-17. A new contract for the maintenance of heating, ventilation and cooling systems was developed and implemented in 2016-17. New services agreements for cleaning of schools were also established in this year.

To assist in the management of asbestos and other hazardous materials, Hazardous Materials Survey Management Plans (HMSMP) are developed for each school. Plans showing areas of known asbestos containing materials are mounted in entry areas of all schools and preschools. The Directorate updates the asbestos register and asbestos management plans at a minimum every five years and as required based on the results of hazardous materials inspections.

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

ASSETS UPGRADES

In the 2016-17 Budget, funding of \$14.7 million was provided for capital upgrades at schools and preschools. Details of specific works are included in Section C3.

OFFICE ACCOMMODATION

There were 459 staff occupying office based workstations as at 30 June 2017 (excluding the Office of the Board of Senior Secondary Studies), occupying a total of 6,080m². Details about the list of sites, staff numbers (head count) and space occupied are provided in Table C4.3. Remaining staff were employed in school environments undertaking school based activities, including teaching, student support, school leadership and school administration. Full staffing profiles are reported in Section B8.

TABLE C4.3: EDUCATION SUPPORT OFFICE SITES, STAFF NUMBERS (HEADCOUNT) AND SPACE OCCUPIED AS AT 30 JUNE 2017

Building and location	Staff numbers	Approximate area occupied (m ²)	Average area occupied per employee (m ²)
220 Northbourne Avenue, Braddon	146	1,991	13.6
Hedley Beare Centre for Teaching and Learning, Stirling ¹	244	3,447	14.1
Gilmore Primary School, Majura Primary School, Melrose High School, Wanniassa (P-10) School Senior Campus & University of Canberra High School Kaleen ²	69	642	9.3
Callam Offices, Phillip ³ (The Office of the Board of Senior Secondary Studies)	12	466	38.8
Total	471^{4,5}	6,546	13.9

Source: Education Directorate

Notes:

¹ Approximate area occupied at Hedley Beare Centre for Teaching and Learning does not include meeting rooms and training facilities (1,955m²) available for booking by other Directorates of ACT Government and members of the public.

² School areas that are occupied by Education Support Office staff are from the Network Student Engagement and Hearing & Vision Support Teams.

³ The Office of the Board of Senior Secondary Studies has been relocated from Lyons Early Childhood School to Callam Offices in response to the planned transfer of a portion of Lyons Early Childhood School to the Chief Minister, Treasury and Economic Development Directorate. The office area has reduced from 713m² in 2015-16 down to 604m² in 2016-17 as a reflection of providing existing purpose built office accommodation. The Australian Institute for Teaching and School Leadership is co-located within the same office space and leases 138m² of the office area from the Education Directorate.

⁴ Staff numbers do not include twenty two (22) SSICT staff embedded in Hedley Beare Centre for Teaching and Learning and four (4) SSICT staff embedded in Callam Offices with the Office of the Board of Senior Secondary Studies.

⁵ Staff numbers have been calculated based on occupied work stations at 30 June 2017.

For further information contact:
Director
Infrastructure and Capital Works
(02) 6205 1289

C5. GOVERNMENT CONTRACTING

All procurement processes within the Directorate are required to comply with the procurement legislative framework including the *Government Procurement Act 2001*, *Government Procurement Regulation 2007* and subordinate guidelines and circulars. The procurement selection and management processes are authorised by the appropriate delegate within the Directorate.

Under the whole of government procurement arrangements, Procurement and Capital Works continued to provide advice and support in relation to procurement and contract management issues and undertook higher value procurements on behalf of the Directorate.

The Directorate continued to be responsible for the management of contracts. Where obligations were not met the contractor was required to rectify the non-compliance immediately to avoid cancellation of the contract.

Expenditure by the Directorate's Education Support Office included acquisition of expert advice regarding curriculum, national assessment testing and other education related matters, human resource issues, services to maintain assets and capital works activities. Contract information for schools covered a wide range of acquisitions including cleaning.

The content of Table C5.1 has been derived from the online Contracts Register. This covers agreements entered into from 1 July 2016 to 30 June 2017 in accordance with Government requirements. Staff were encouraged to notify relevant contracts for uploading to the Contracts Register website. The information is reported as at 12 September 2017.

TABLE C5.1: EDUCATION DIRECTORATE CONTRACTS EXECUTED IN 2016-17 WITH AN ESTIMATED TOTAL VALUE OF \$25,000 OR MORE

Contract Title	Procurement Methodology	Procurement Type	Contractor Name	Contract Amount \$	Execution Date	Expiry Date	Regional Small to Medium Enterprise (SME) *	Exemption from Quotation and Tender Threshold Requirements
Professional Learning and School Leader Development	Single Select	Goods	ACT Principals Association Incorporated	\$25,000	12/09/2016	30/06/2017	Yes	Yes
Amaroo School – Sound System Upgrade in Hall	Quotation	Goods	Sound Advice	\$25,156	06/01/2017	24/02/2017	Yes	No
Arawang Primary School – Year 5 and 6 Camp 2017	Single Select	Services (non-consultancy)	Old Mogo Town	\$25,347	30/01/2017	16/06/2017	Yes	Yes
Lyneham High School – Year 10 Formal	Quotation	Services (non-consultancy)	Ginger Catering at NAC Pty Ltd	\$25,713	07/12/2016	07/01/2017	Yes	No
220 Northbourne Avenue – Level 1 Annex Stage 2 Works	Public	Works	Schiavello Systems (ACT) Pty Ltd	\$25,727	15/03/2017	24/04/2017	No	No
Wanniassa Hills Primary School – Year 5 and 6 Camp	Single Select	Services (non-consultancy)	Away We Go Tours Pty Ltd	\$25,873	28/10/2016	08/02/2017	Yes	Yes
Telopea Park School – Installation of Automatic Gate	Quotation	Works	ACT Doorland	\$25,938	09/06/2017	30/06/2017	Yes	No

Contract Title	Procurement Methodology	Procurement Type	Contractor Name	Contract Amount \$	Execution Date	Expiry Date	Regional Small to Medium Enterprise (SME) *	Exemption from Quotation and Tender Threshold Requirements
Gilmore Primary School – Gym/Foyer Vinyl Replacement	Quotation	Goods	Hoods Carpet Court	\$25,938	20/02/2017	25/04/2017	Yes	No
North Ainslie Primary School – Year 5 and 6 Camp	Quotation	Services (non-consultancy)	The Trustee for Ray Family Trust	\$26,268	21/03/2017	31/03/2017	No	No
Evaluation of the School Climate Monitoring Tool	Quotation	Consultancy	Oakton Services Pty Ltd	\$27,060	13/07/2016	23/09/2016	No	No
Gordon Primary School – Year 5 and 6 Camp 2017	Single Select	Services (non-consultancy)	NSW Office of Sport and Recreation	\$27,194	23/11/2016	05/04/2017	No	Yes
Mt Rogers Primary School – Year 5 and 6 Camp	Single Select	Services (non-consultancy)	Away We Go Tours Pty Ltd	\$27,245	20/02/2017	22/02/2017	Yes	Yes
Canberra College – Purchase of New Furniture for College Cafe	Quotation	Goods	Furnware Australia	\$27,247	05/12/2016	21/02/2017	No	No
Molonglo Preschool to Year 6 Delivery Program Consultation	Single Select	Consultancy	Infrastructure Services Group Pty Ltd	\$27,500	18/05/2017	30/06/2017	No	Yes
Squiz Plus Agreement	Quotation	Services (non-consultancy)	Squiz Australia Pty Ltd	\$27,500	27/06/2017	30/08/2020	No	No
Bonython Primary School – Purchase of Kindergarten Furniture	Single Select	Goods	Furnware Australia	\$27,824	19/07/2016	23/01/2017	No	Yes
Aranda Primary School – Year 5 and 6 Camp 2017	Single Select	Services (non-consultancy)	NSW Office of Sport and Recreation	\$28,439	22/03/2017	24/03/2017	No	Yes
Harrison School – Purchase of Student Chairs	Quotation	Goods	Furnware Australia	\$28,512	23/09/2016	14/11/2016	No	No
Yarralumla Primary School – Pergola Roof for Learning Support Units	Quotation	Works	Sumloe Pty Ltd	\$28,967	10/02/2017	30/06/2017	No	No
Mawson Primary School – Year 4, 5 and 6 Camp	Quotation	Services (non-consultancy)	Coastlife Adventures	\$29,262	13/12/2016	08/03/2017	No	No
Florey Primary School – Year 5 and 6 Camp	Quotation	Services (non-consultancy)	Away We Go Tours Pty Ltd	\$29,521	16/01/2017	20/09/2017	Yes	No
Accelerus	Single Select	Goods	Sempahore Consulting Pty Ltd	\$29,601	01/01/2017	31/12/2017	No	Yes
Lyneham High School – Warrambui Musical Production Camp	Quotation	Services (non-consultancy)	Warrambui Retreat and Conference Centre	\$30,132	24/03/2017	09/05/2017	Yes	No

Contract Title	Procurement Methodology	Procurement Type	Contractor Name	Contract Amount \$	Execution Date	Expiry Date	Regional Small to Medium Enterprise (SME) *	Exemption from Quotation and Tender Threshold Requirements
Trend Micro Service Protect for Storage Maintenance Renewal	Quotation	Goods	Data#3 Limited	\$30,184	22/05/2017	30/05/2018	No	No
Harrison School – Year 9 and 10 Melbourne Discovery Trip	Quotation	Services (non-consultancy)	Melbourne Discovery Groups	\$30,210	13/05/2017	15/09/2017	No	No
Fraser Primary School – Year 5 and 6 Camp 2017	Single Select	Services (non-consultancy)	Away We Go Tours Pty Ltd	\$30,274	29/03/2017	31/03/2017	Yes	Yes
Student Resource Allocation Student With Disability Needs Based Loading	Single Select	Consultancy	Graeme Innes	\$30,800	01/08/2016	01/08/2017	No	Yes
Miles Franklin Primary School – Year 5 and 6 Camp	Quotation	Services (non-consultancy)	Away We Go Tours Pty Ltd	\$31,358	27/03/2017	29/03/2017	Yes	No
Narrabundah College – 2016 School Formal	Single Select	Services (non-consultancy)	Parliament House Catering	\$31,400	25/11/2016	25/12/2016	No	Yes
Florey Primary School – Year 5 and 6 Camp 2016	Single Select	Services (non-consultancy)	Away We Tours Pty Ltd	\$31,516	21/09/2016	23/09/2016	Yes	Yes
Mount Stromlo High School – Year 8 Camp	Quotation	Services (non-consultancy)	Camp Long Beach	\$31,704	07/04/2017	19/04/2017	No	No
Lyneham High School – Canteen Floor	Quotation	Works	Grindstones Australia Pty Ltd	\$31,872	27/04/2017	14/07/2017	Yes	No
Narrabundah College – International Baccalaureate 2017	Single Select	Services (non-consultancy)	International Baccalaureate Organisation	\$32,086	30/05/2017	30/11/2017	No	Yes
Majura Primary School – Conversion of Classroom to Learning Support Unit	Quotation	Works	Colda Constructions Pty Ltd	\$32,538	28/11/2016	31/01/2017	Yes	No
Mount Stromlo High School – Temperature Monitoring for Roof Upgrade	Select	Services (non-consultancy)	The Trustee for the Viridis Australasia Trust	\$32,560	15/11/2016	31/12/2018	No	Yes
Richardson Primary School – Active Transport Bicycle Enclosure	Public	Works	Sheds Shade and Turf Pty Ltd	\$32,890	08/06/2017	31/12/2017	Yes	No
Calwell High School – Year 9 Camp	Quotation	Services (non-consultancy)	Travel Design International Pty Ltd	\$33,000	04/04/2017	23/09/2017	No	No
Hughes Primary School – Installation of Classroom Air Conditioners	Quotation	Goods	Haavisto Industries Pty Ltd	\$33,007	06/12/2016	18/02/2017	Yes	No

Contract Title	Procurement Methodology	Procurement Type	Contractor Name	Contract Amount \$	Execution Date	Expiry Date	Regional Small to Medium Enterprise (SME) *	Exemption from Quotation and Tender Threshold Requirements
Lake Tuggeranong College – China Excursion	Quotation	Services (non-consultancy)	Amazing Worldwide Tours Pty Ltd	\$33,124	01/07/2016	31/10/2016	No	No
Fadden Primary School – Year 5 and 6 Camp	Quotation	Services (non-consultancy)	NSW Office of Sport and Recreation	\$33,212	03/02/2017	22/03/2017	No	No
Canberra College – Purchase of Science Equipment	Single Select	Goods	Cider House ICT Pty Ltd	\$33,423	02/09/2016	02/12/2016	No	Yes
North Ainslie Primary School – Interactive LED Panel Purchase	Quotation	Goods	ASI Solutions	\$34,017	26/05/2017	06/09/2017	No	No
University of Canberra Kaleen High – Concrete and Granite Works	Public	Works	Base Contractors Pty Ltd	\$34,034	03/08/2016	03/02/2017	Yes	No
Hedley Beare Centre for Teaching and Learning – Information Knowledge Service Expansion Works	Public	Works	Haavisto Industries Pty Ltd	\$34,232	12/12/2016	19/05/2017	Yes	No
Hughes Primary School – Year 5 and 6 Camp 2017	Quotation	Services (non-consultancy)	NSW Office of Sport and Recreation	\$34,795	22/03/2017	24/03/2017	No	No
Turner Primary School – Year 3 and 4 Camp	Single Select	Services (non-consultancy)	Birrigai Outdoor School and Accommodation Centre	\$35,000	28/04/2017	16/06/2017	No	Yes
Interim Data Management Consultancy	Single Select	Consultancy	Wollemi Systems Pty Ltd	\$35,151	20/01/2017	20/03/2017	Yes	Yes
University of Canberra Kaleen High – Active Transport Shed	Quotation	Works	Sheds Shade and Turf Pty Ltd	\$36,427	08/06/2017	31/12/2017	Yes	No
Weetangera Primary School – Year 5 and 6 Student Camp	Quotation	Services (non-consultancy)	Away We Go Tours Pty Ltd	\$37,031	01/09/2016	03/03/2017	Yes	No
Canberra College – Year 12 Formal	Quotation	Services (non-consultancy)	Ginger Catering at NAC Pty Ltd	\$37,641	30/11/2016	30/11/2016	Yes	No
Lyneham High School – Food Technology Flooring	Quotation	Goods	Thirlston Floor Coverings	\$37,748	28/03/2017	26/04/2017	Yes	No
Giralang Primary School – Heritage Plan	Quotation	Consultancy	GML Heritage Pty Ltd	\$37,917	01/08/2016	15/11/2016	No	No
Cranleigh School – Installation of PABX System	Public	Works	Datavoice Communications Pty Ltd	\$38,013	16/06/2017	16/09/2017	No	No
Arawang Primary School – Activity Play Equipment	Quotation	Goods	Swanshore Pty Ltd	\$38,655	30/01/2017	31/12/2017	No	No

Contract Title	Procurement Methodology	Procurement Type	Contractor Name	Contract Amount \$	Execution Date	Expiry Date	Regional Small to Medium Enterprise (SME) *	Exemption from Quotation and Tender Threshold Requirements
Dickson College – Formal 2016	Quotation	Services (non-consultancy)	National Convention Centre	\$39,038	28/11/2016	28/11/2016	No	No
Amaroo School – Classroom Furniture Replacement	Single Select	Goods	Furnware Australia	\$39,978	15/08/2016	16/12/2016	No	Yes
Weetangera Primary School – Year 3 and 4 Camp	Single Select	Services (non-consultancy)	NSW Office of Sport and Recreation	\$40,569	26/09/2016	03/03/2017	No	Yes
Provision of SCISWebb, SCIS Authority Files and SCIS Subject Headings to ACT Government Schools in 2017	Single Select	Services (non-consultancy)	Education Services Australia Limited	\$41,508	21/10/2016	31/12/2017	No	Yes
Consultation Design Services	Quotation	Services (non-consultancy)	Design Managers Australia Pty Ltd	\$41,621	19/04/2017	19/12/2017	Yes	No
0 to 8 Program Review	Quotation	Consultancy	Economic Intelligence	\$42,000	03/10/2016	06/12/2016	Yes	No
Turner Primary School – Year 5 and 6 Camp	Quotation	Services (non-consultancy)	Away We Go Tours Pty Ltd	\$43,090	09/03/2017	22/03/2017	Yes	No
Gold Creek School – New Caledonia Excursion	Single Select	Services (non-consultancy)	World Strides Pty Ltd	\$43,130	18/09/2016	30/09/2016	No	Yes
Teaching Young Children in English in Multilingual Contexts Tutor Training Program	Single Select	Services (non-consultancy)	Lexis Education Pty Ltd	\$43,312	30/05/2017	15/12/2017	No	Yes
Garran Primary School – Cooba Camp 2017	Single Select	Services (non-consultancy)	Away We Go Tours Pty Ltd	\$43,500	18/10/2016	17/05/2017	Yes	Yes
Hughes Primary School – Installation of Audio Visual Equipment in School Hall	Quotation	Goods	Canberra Visuals Pty Ltd	\$43,799	25/07/2016	16/02/2017	Yes	No
Neville Bonner Primary School – Smartboards for Transportables	Quotation	Goods	Vista Visuals Australia Pty Ltd	\$43,956	06/12/2016	30/01/2017	No	No
Hughes Primary School – Installation of Auto Sliding Doors	Quotation	Works	Haavisto Services Pty Ltd	\$46,692	06/06/2017	26/07/2017	Yes	No
Melrose High School – Electronic Sign	Quotation	Goods	Danthonia Designs	\$46,838	09/03/2017	31/03/2017	Yes	No
Melba Copland Secondary School – Student Resource Room	Quotation	Works	Colda Constructions Pty Ltd	\$48,114	23/05/2017	31/08/2017	Yes	No
Melrose High School – Year 7 Camp 2017	Single Select	Services (non-consultancy)	Action Learning Initiatives Pty Ltd	\$48,200	09/03/2017	11/03/2017	Yes	Yes

Contract Title	Procurement Methodology	Procurement Type	Contractor Name	Contract Amount \$	Execution Date	Expiry Date	Regional Small to Medium Enterprise (SME) *	Exemption from Quotation and Tender Threshold Requirements
Canberra College – Internal Upgrade	Single Select	Works	Independent Building Solutions (ACT) Pty Ltd	\$48,990	02/11/2016	30/06/2017	Yes	Yes
Narrabundah College – Italy School Excursion	Quotation	Services (non-consultancy)	Passport Travel	\$49,300	22/09/2016	09/10/2016	No	No
Chapman Primary School – Carpet and Vinyl Installation	Quotation	Goods	Hoods Carpet Court	\$49,841	16/02/2017	30/04/2017	Yes	No
Independent Cleaning Consultant	Single Select	Consultancy	Fresh Green Clean Pty Ltd	\$49,995	15/02/2017	31/07/2017	No	Yes
Content Keeper Education Web Licence Subscription	Public	Goods	Open Systems Australia	\$50,050	30/09/2016	30/11/2017	No	No
Mount Stromlo High School – Floor Coverings in Stairwells	Single Select	Works	Helen and Paul G Plunkett	\$50,182	19/04/2017	26/04/2017	Yes	Yes
Review of Organisational Structure	Quotation	Consultancy	Nous Group Pty Ltd	\$50,738	16/11/2016	08/12/2016	No	No
Evatt Primary School – Pergola Roof for Learning Support Unit	Quotation	Works	Tour Outdoor Space	\$52,352	09/02/2017	30/06/2017	No	No
Canberra High School – Central Australia Tour 2016	Quotation	Services (non-consultancy)	Trekset Tours	\$52,500	04/10/2016	14/10/2016	No	No
Amaroo School – Shade Structure	Quotation	Works	Greenline Group Pty Ltd	\$52,580	27/01/2017	28/04/2017	No	No
Aranda Primary School – Chromebook Program	Quotation	Goods	Learning With Technologies Pty Ltd	\$52,635	30/09/2016	31/12/2016	No	No
Hughes Primary School – Active Transport Bicycle Enclosure	Public	Works	Sheds Shade and Turf Pty Ltd	\$52,899	08/06/2017	31/12/2017	Yes	No
Amaroo School – Classroom Furniture Replacement	Single Select	Goods	Furnware Australia	\$53,304	19/08/2016	16/12/2016	No	Yes
Weetangera Primary School – Student Chairs and Desks	Quotation	Goods	R.E. Batger Pty Ltd	\$55,517	21/09/2016	20/01/2017	No	No
Amaroo School – New Playground Equipment	Quotation	Works	Adventure Plus	\$55,790	06/01/2017	03/02/2017	No	No
Black Mountain School – Half Basketball Court	Select	Works	Playground People	\$56,274	07/04/2017	09/06/2017	Yes	No
Financial Operations Review	Quotation	Consultancy	KPMG	\$57,618	13/10/2016	31/10/2016	No	No

Contract Title	Procurement Methodology	Procurement Type	Contractor Name	Contract Amount \$	Execution Date	Expiry Date	Regional Small to Medium Enterprise (SME) *	Exemption from Quotation and Tender Threshold Requirements
Yarralumla Primary School – Learning Support Unit Landscape Works	Quotation	Works	Dan and Dan Landscaping Pty Ltd	\$59,180	27/02/2017	30/06/2017	Yes	No
Narrabundah College – Purchase of School Calculators	Single Select	Goods	Abacus Calculators	\$59,400	17/10/2016	24/10/2016	No	Yes
Sustainable Development of Public School Facilities Life Cycle Costing	Quotation	Consultancy	Arup Pty Ltd	\$60,000	17/03/2017	30/06/2017	No	No
Quantity Surveyor Technical Advisory Services for North Gungahlin Preschool to Year 6 School	Single Select	Consultancy	Wilde and Woollard Quantity Surveyors Pty Ltd	\$60,500	31/03/2017	10/03/2018	No	Yes
Lyneham High School – New Assembly Hall Seating	Quotation	Goods	Sebel Furniture Ltd	\$60,877	11/05/2017	07/07/2017	No	No
Independent Assessment of Safety Management System for Occupational Violence Risk	Quotation	Consultancy	David Caple & Associates Pty Ltd	\$61,050	17/01/2017	14/04/2017	No	No
Campbell High School – Year 7 Camp	Quotation	Services (non-consultancy)	NSW Office of Sport and Recreation	\$61,880	23/05/2017	26/05/2017	No	No
Calwell Primary School – Re-Carpeting Administration and Learning Units	Quotation	Goods	Pikes Flooring Pty Ltd	\$63,275	22/01/2017	20/04/2017	Yes	No
Lyneham High School – Construction of External Doorway and Access Ramp	Quotation	Works	Quay Building Group	\$63,348	29/06/2017	30/08/2017	Yes	No
Lyneham High School – Student New Zealand Trip 2017	Quotation	Services (non-consultancy)	WorldStrides Pty Ltd	\$63,818	19/07/2017	30/09/2017	No	No
Mount Stromlo High School – Year 7 Camp	Quotation	Services (non-consultancy)	NSW Office of Sport and Recreation	\$66,790	05/04/2017	07/04/2017	No	No
North Ainslie Primary School – Double Glazing for Corridor and Classroom	Quotation	Goods	Solace Creations Pty Ltd	\$67,221	06/06/2017	01/09/2017	Yes	No
University of Canberra Senior Secondary College Lake Ginninderra – Student Japan Trip 2018	Quotation	Services (non-consultancy)	Flight Centre Travel Group	\$67,723	14/06/2017	31/01/2018	No	No

Contract Title	Procurement Methodology	Procurement Type	Contractor Name	Contract Amount \$	Execution Date	Expiry Date	Regional Small to Medium Enterprise (SME) *	Exemption from Quotation and Tender Threshold Requirements
Mount Stromlo High School – Japan Tour	Quotation	Services (non-consultancy)	JTB Australia Pty Ltd	\$67,876	01/07/2016	10/10/2016	No	No
Supply of Modular Classroom	Quotation	Works	AUSCO Modular Pty Limited	\$69,066	01/07/2016	29/12/2017	No	No
Google Management Console	Public	Services (non-consultancy)	ASI Solutions	\$70,400	22/05/2017	21/06/2017	No	No
Campbell High School – Japan Excursion	Quotation	Services (non-consultancy)	JTB Australia Pty Ltd	\$71,022	16/07/2016	10/10/2016	No	No
Lyneham High School – Malaysia Excursion 2017	Quotation	Services (non-consultancy)	G.E.T. Educational Tours Pty Ltd	\$71,980	21/09/2016	02/10/2016	No	No
Lanyon High School – Front Office Refurbishment	Quotation	Goods	Prestige Projects	\$72,293	01/05/2017	29/05/2017	Yes	No
Preparing ACT Public School Registered Training Organisations for an Australian Skills Quality Authority Re-Registration	Select	Services (non-consultancy)	CIT Solutions Pty Ltd	\$73,125	27/06/2017	31/08/2017	Yes	Yes
Google Chrome Management Licences for the Education Directorate	Quotation	Goods	Learning With Technologies Pty Ltd	\$73,700	15/09/2016	15/10/2016	No	No
Google Chrome Management Licences for the Education Directorate	Quotation	Goods	Learning With Technologies Pty Ltd	\$73,986	26/07/2016	28/07/2016	No	No
Principals As Numeracy Leaders	Single Select	Services (non-consultancy)	Association of Independent Schools of Western Australia Incorporated	\$74,280	01/03/2017	07/10/2017	No	Yes
Lyneham High School – Purchase of Student Desks	Quotation	Goods	R.E. Batger Pty Ltd	\$76,055	23/02/2017	13/04/2017	No	No
Giralang Primary School – Hard Court	Quotation	Works	Dynamic Sports Facilities	\$78,055	28/10/2016	20/01/2017	No	No
Dickson College – Japan Trip	Quotation	Services (non-consultancy)	Kinetetsu Educational Network	\$80,000	26/04/2017	19/09/2017	No	No
Amaroo School – Carpet Tiles	Quotation	Works	Thirlston Floor Coverings	\$82,346	22/12/2016	22/02/2017	Yes	No
Florey Primary School – Hard Court Reinstatement	Quotation	Works	Total Project Construction Pty Ltd	\$83,710	18/01/2017	19/05/2017	Yes	No
Wanniassa School – Junior Library and Quiet Room Upgrade	Quotation	Works	Aris Building Services Pty Ltd	\$84,517	22/03/2017	18/04/2017	Yes	No

Contract Title	Procurement Methodology	Procurement Type	Contractor Name	Contract Amount \$	Execution Date	Expiry Date	Regional Small to Medium Enterprise (SME) *	Exemption from Quotation and Tender Threshold Requirements
Read and Write for Windows	Single Select	Services (non-consultancy)	Texthelp Pty Ltd	\$88,649	19/10/2016	20/11/2016	No	Yes
Energy Assessments of 10 Canberra Public Schools	Public	Consultancy	The Trustee for the Viridis Australasia Trust	\$89,100	17/10/2016	30/05/2017	No	No
Amaroo School – Learning Support Unit Sensory Garden	Quotation	Works	Spacelab Studio Pty Ltd	\$89,154	20/01/2017	31/12/2017	Yes	No
Alfred Deakin High School – Year 7 Camp	Single Select	Services (non-consultancy)	Action Learning Initiatives Pty Ltd	\$90,622	02/12/2016	05/05/2017	Yes	Yes
ClickView Curriculum Library for ACT Public Schools	Single Select	Goods	ClickView Australia Pty Ltd	\$90,656	01/04/2017	31/03/2018	No	Yes
Amaroo School – Japan Trip	Quotation	Services (non-consultancy)	G.E.T. Educational Tours Pty Ltd	\$92,888	26/04/2017	03/10/2017	No	No
Majura Primary School – Playground Redevelopment	Quotation	Works	Brindabella Contractors Pty Ltd	\$94,610	09/01/2017	31/05/2017	Yes	No
Alfred Deakin High School – Northern Territory Excursion	Single Select	Services (non-consultancy)	G.E.T. Educational Tours Pty Ltd	\$95,788	17/09/2016	30/09/2016	No	Yes
Lyneham High School – Vietnam Tour 2017	Quotation	Services (non-consultancy)	WorldStrides Pty Ltd	\$105,344	01/02/2017	19/04/2017	No	No
Alfred Deakin High School – Japan Excursion	Single Select	Services (non-consultancy)	G.E.T. Educational Tours Pty Ltd	\$107,730	17/09/2016	02/10/2016	No	Yes
Turner Primary School – Painting	Public	Works	Glendening Commercial Painting and Maintenance Pty Ltd	\$109,476	11/04/2017	11/07/2017	Yes	No
Lyneham High School – Year 7 Camp	Single Select	Services (non-consultancy)	NSW Office of Sport and Recreation	\$109,560	07/11/2016	03/03/2017	No	Yes
Development of a Safe Schools Program	Single Select	Services (non-consultancy)	Sexual Health and Family Planning ACT	\$110,000	10/02/2017	31/05/2017	Yes	Yes
Turner School – Car Park Extension	Quotation	Works	CB Excavations Pty Ltd	\$111,864	24/03/2017	19/05/2017	Yes	No
Curtin Primary School – Courtyard Upgrade	Quotation	Works	Dan & Dan Landscaping Pty Ltd	\$123,332	26/05/2017	31/07/2017	Yes	No
Black Mountain School – Rooms 18-20 and 50-51 Upgrade	Quotation	Works	Aris Building Services Pty Ltd	\$131,633	17/02/2017	30/06/2017	Yes	No
Revaluation of Non-Current Physical Assets	Quotation	Consultancy	CIVAS (ACT) Pty Ltd	\$139,700	21/12/2016	24/03/2017	No	No

Contract Title	Procurement Methodology	Procurement Type	Contractor Name	Contract Amount \$	Execution Date	Expiry Date	Regional Small to Medium Enterprise (SME) *	Exemption from Quotation and Tender Threshold Requirements
Purchase of Equipment for the Belconnen Regional Trades Skill Centre Locations	Quotation	Goods	Aussie 3D	\$140,595	21/11/2016	21/11/2016	No	No
Melrose High School – Italy and Spain Excursion 2017	Quotation	Services (non-consultancy)	Reho Travel Pty Ltd	\$148,195	01/07/2016	03/10/2016	No	No
North Gungahlin Preschool to Year 6 School Project	Public	Consultancy	Arup Pty Ltd	\$149,504	27/07/2016	27/01/2018	No	No
Callum Offices – Board of Senior Secondary Studies (BSSS) and Australian Institute for Teaching and School Leadership (AITSL) Relocation	Quotation	Works	Colda Constructions Pty Ltd	\$162,915	05/04/2017	18/05/2017	Yes	No
Developed Design Construct for the Caroline Chisholm School Centre for Innovation and Learning	Public	Consultancy	IQON Pty Ltd	\$163,324	24/01/2017	28/02/2017	Yes	No
Wanniassa Senior School – Replacement of Cooling Tower and Pump	Public	Works	Carrier Australia Pty Ltd	\$168,960	24/10/2016	24/11/2016	No	No
Early Years Assessment Tool – Performance Indicators in Primary Schools (PIPS) 2017-2019	Single Select	Goods	University of Western Australia	\$169,013	09/01/2017	09/01/2020	No	Yes
Lyneham High School – Italy and Greece Tour 2018	Quotation	Services (non-consultancy)	WorldStrides Pty Ltd	\$180,450	30/03/2017	24/04/2018	No	No
Alfred Deakin High School – Europe Excursion	Quotation	Services (non-consultancy)	G.E.T. Educational Tours Pty Ltd	\$187,880	13/12/2016	02/10/2017	No	No
Continuum of Educational Support for High Schools (Years 7-10)	Quotation	Consultancy	Griffith University	\$189,091	06/09/2016	27/01/2017	No	No
Student Resource Allocation – Students With Disability Review	Quotation	Consultancy	Victoria University	\$204,244	08/09/2016	04/09/2017	No	No
Wanniassa School – Chillers and Chilled Water Pumps Replacement Works	Public	Works	Carrier Australia Pty Ltd	\$223,258	08/05/2017	08/08/2017	No	No

Contract Title	Procurement Methodology	Procurement Type	Contractor Name	Contract Amount \$	Execution Date	Expiry Date	Regional Small to Medium Enterprise (SME) *	Exemption from Quotation and Tender Threshold Requirements
Agreement: Professional Learning Leadership – Aspiring Leaders Program Cohort 2	Select	Services (non-consultancy)	UOM Commercial Ltd	\$231,928	20/12/2016	31/07/2018	No	No
Principal's Authorised Person (PAP) Services for Modernising Belconnen High School	Public	Consultancy	XACT Project Consultants Pty Ltd	\$286,000	10/05/2017	31/01/2019	Yes	No
Belconnen High School Modernisation – Request for Expression of Interest (REOI) for Developed Design Construct	Public	Consultancy	Cockram Construction Ltd	\$650,075	04/05/2017	31/07/2017	No	No
ACT Education Adobe Enterprise Term Licence Agreement	Single Select	Goods	Adobe Systems Pty Ltd	\$668,629	31/05/2017	30/05/2020	No	Yes
Copyright Licences for ACT Public Schools	Single Select	Services (non-consultancy)	Copyright Agency Ltd	\$681,678	01/03/2017	01/03/2018	No	Yes
North Gungahlin Preschool to Year 6 – Design, Construct and Maintain Tender Process	Public	Works	Joss Construction	\$954,280	25/05/2017	28/07/2017	No	No
Provision of Cleaning Services at ACT Public Schools	Public	Services (non-consultancy)	ACT Commercial Cleaning Pty Ltd	\$2,451,319	28/06/2017	30/06/2019	Yes	No
Capital Upgrade Programmed Works – CUP 2016-17 – Package 5	Public	Works	IQON Pty Ltd	\$3,293,607	23/02/2017	31/08/2017	Yes	No
Caroline Chisholm High School – Centre for Innovation and Learning – Construction	Public	Works	IQON Pty Ltd	\$4,109,395	03/03/2017	30/11/2017	Yes	No
Provision of Heating, Ventilation and Cooling (HVAC) Energy Management and Maintenance Services	Public	Services (non-consultancy)	Engie Mechanical Services Pty Ltd	\$4,520,001	23/12/2016	30/11/2020	No	No
Provision of Heating, Ventilation and Cooling (HVAC) Energy Management and Maintenance Services	Public	Services (non-consultancy)	Carrier Australia Pty Ltd	\$4,660,861	01/02/2017	30/11/2020	No	No

Contract Title	Procurement Methodology	Procurement Type	Contractor Name	Contract Amount \$	Execution Date	Expiry Date	Regional Small to Medium Enterprise (SME) *	Exemption from Quotation and Tender Threshold Requirements
Provision of Heating, Ventilation and Cooling (HVAC) Energy Management and Maintenance Services	Public	Services (non-consultancy)	Hirotec Maintenance Pty Ltd	\$4,773,858	14/12/2016	30/11/2020	No	No
Provision of Heating, Ventilation and Cooling (HVAC) Energy Management and Maintenance Services	Public	Services (non-consultancy)	King Air Pty Ltd	\$5,122,726	14/12/2016	30/11/2020	Yes	No
Provision of Cleaning Services at ACT Public Schools	Public	Services (non-consultancy)	Menzies International (Aust) Pty Ltd	\$5,301,809	29/06/2017	30/06/2019	No	No
Provision of Cleaning Services at ACT Public Schools	Public	Services (non-consultancy)	Vivid Property Services Pty Ltd	\$6,467,260	28/06/2017	30/06/2019	No	No
Provision of Cleaning Services at ACT Public Schools	Public	Services (non-consultancy)	Dimeo Cleaning Services Pty Ltd	\$9,504,433	28/06/2017	30/06/2019	No	No
Provision and Implementation of a School Administration System	Public	Services (non-consultancy)	SMS Management & Technology	\$9,562,249	08/09/2016	07/09/2022	No	No
Amaroo School Expansion Project	Public	Works	Manteena Commercial Pty Ltd	\$10,596,432	03/03/2017	08/12/2017	Yes	No
Schools for the Future – Modernising Belconnen High School	Select	Works	Cockram Construction Ltd	\$18,864,337	29/06/2017	31/01/2019	No	Yes

* A regional SME is a business with fewer than 200 employees and located in Canberra or the following NSW councils: Bombala, Boorowa, Cooma-Monaro, Eurobodalla, Goulburn-Mulwaree, Harden, Palerang, Queanbeyan, Snowy River, Upper Lachlan, Yass Valley or Young.

The content of Table C5.2 has been derived from the online Contracts Register. This covers agreements entered into from 1 July 2015 to 30 June 2016 in accordance with Government requirements and notified after 30 June 2016.

TABLE C5.2: ACTIVITIES EXECUTED IN 2015-16 FINANCIAL YEAR AND NOTIFIED TO THE CONTRACTS REGISTER IN 2016-17 FINANCIAL YEAR

Contract Title	Procurement Methodology	Procurement Type	Contractor Name	Contract Amount \$	Execution Date	Expiry Date	Regional Small to Medium Enterprise (SME)*	Exemption from Quotation and Tender Threshold Requirements
Education Directorate – Replacement of General Packet Radio Service (GPRS) Communication Units	Quotation	Goods	Security 1 Partnership	\$25,000	28/06/2016	31/07/2016	Yes	No
Gold Creek School – Purchase of Classroom Furniture for Junior School	Single Select	Goods	Woods Furniture Pty Ltd	\$25,565	10/11/2015	22/01/2016	No	Yes
Alfred Deakin High School – Year 10 Formal 2016	Single Select	Services (non-consultancy)	Ginger Catering at NAC Pty Ltd	\$25,894	12/11/2015	09/12/2016	Yes	Yes
Review of School Enrolment Projection Methodology	Single Select	Consultancy	The Australian National University	\$25,992	18/04/2016	02/06/2016	No	Yes
Workplace Investigation	Single Select	Consultancy	CPM Reviews Pty Ltd	\$27,296	09/09/2015	14/10/2015	Yes	Yes
Hawker Primary School – Year 5 and 6 Camp	Single Select	Services (non-consultancy)	Away We Go Tours Pty Ltd	\$27,339	22/02/2016	24/02/2017	Yes	Yes
Gold Creek School – Purchase of Classroom Furniture for Junior School	Single Select	Goods	Woods Furniture Pty Ltd	\$28,043	04/11/2015	22/01/2016	No	Yes
Marketing and Promotion Services	Single Select	Services (non-consultancy)	Beijing ShunYi ShenLi	\$28,240	16/05/2016	16/05/2016	No	Yes
Aranda Primary School – Year 5 and 6 Camp 2017	Quotation	Services (non-consultancy)	NSW Office of Sport and Recreation	\$28,439	22/02/2016	24/02/2017	No	No
Lyneham Primary School – Year 5 and 6 Camp	Single Select	Services (non-consultancy)	NSW Office of Sport and Recreation	\$30,995	05/02/2016	31/03/2017	No	Yes
Namadgi School – Purchase of Lockers	Single Select	Goods	FSP Australia Pty Ltd	\$32,246	22/03/2016	24/03/2016	No	Yes
Education Business Leadership	Single Select	Consultancy	Deakin University	\$32,890	25/02/2016	06/05/2016	No	Yes
Chapman Primary School – Year 5 and 6 Camp	Quotation	Services (non-consultancy)	NSW Office of Sport and Recreation	\$32,999	29/04/2016	01/03/2017	No	No
Aranda Primary School – Year 5 and 6 Camp	Single Select	Services (non-consultancy)	Away We Go Tours Pty Ltd	\$33,034	16/03/2016	18/03/2016	Yes	Yes

Contract Title	Procurement Methodology	Procurement Type	Contractor Name	Contract Amount \$	Execution Date	Expiry Date	Regional Small to Medium Enterprise (SME)*	Exemption from Quotation and Tender Threshold Requirements
Recruitment of International Students	Single Select	Consultancy	America and Australia International Education and Multi-Culture Centre Pty Ltd	\$33,350	15/04/2016	01/05/2019	No	Yes
Harrison School – Year 5 and 6 Camp	Quotation	Services (non-consultancy)	NSW Office of Sport and Recreation	\$33,501	29/09/2015	14/10/2016	No	No
Amaroo School – Softfall Repairs	Single Select	Works	Tour Outdoor Space (Tuff Group Pty Ltd)	\$39,909	29/04/2016	27/01/2017	No	Yes
Lake Tuggeranong College – Year 12 Formal	Single Select	Services (non-consultancy)	National Convention Centre	\$40,419	01/09/2015	20/01/2017	No	Yes
Dickson College – China Excursion	Quotation	Services (non-consultancy)	China Travel Service (Australia) Pty Ltd	\$41,785	29/04/2016	29/05/2016	No	No
Gungahlin College – Japan Excursion	Quotation	Services (non-consultancy)	JTB Australia Pty Ltd	\$42,998	27/06/2016	21/07/2016	No	No
Majura Primary School – Year 5 and 6 Camp	Single Select	Services (non-consultancy)	Away We Go Tours Pty Ltd	\$43,103	10/02/2016	15/02/2017	Yes	Yes
Curtin Primary School – Year 5 and 6 Camp	Single Select	Services (non-consultancy)	Away We Go Tours Pty Ltd	\$45,223	02/03/2016	04/03/2016	Yes	Yes
Boardmarker Online	Quotation	Goods	Spectronics	\$46,451	03/06/2016	04/06/2017	No	No
Canberra College – Electrical Works for Farmers Market	Single Select	Works	Everloch Electrical Pty Ltd	\$46,970	29/04/2016	30/07/2016	Yes	Yes
Wanniassa School – Ceiling Replacement	Quotation	Works	Scenic Group Pty Ltd	\$47,584	10/06/2016	30/06/2016	Yes	No
Gungahlin College – USA Trip 2017	Quotation	Services (non-consultancy)	Travelbound Education Pty Ltd	\$52,700	29/06/2016	19/04/2017	No	No
Telopea Park School – Year 7 Camp	Single Select	Services (non-consultancy)	NSW Office of Sport and Recreation	\$56,900	28/08/2015	22/02/2017	No	Yes
Harrison School – School Signage	Quotation	Goods	Danthonia Designs	\$65,195	10/05/2016	10/08/2016	No	No
Southern Cross Early Childhood School – Forrest Tree House and Bush Camp Stage 1	Quotation	Works	BAL Building Group Pty Ltd	\$66,347	12/04/2016	01/08/2017	No	No

Contract Title	Procurement Methodology	Procurement Type	Contractor Name	Contract Amount \$	Execution Date	Expiry Date	Regional Small to Medium Enterprise (SME)*	Exemption from Quotation and Tender Threshold Requirements
University of Canberra Senior Secondary College Lake Ginninderra – Student Japan Trip 2018	Quotation	Services (non-consultancy)	Flight Centre Travel Group	\$67,723	14/06/2017	31/01/2018	No	No
Gold Creek School – Purchase of Classroom Furniture for Senior School	Single Select	Goods	Woods Furniture Pty Ltd	\$76,339	05/02/2016	01/04/2016	No	Yes
ClickView Curriculum Library for ACT Public Schools	Single Select	Goods	ClickView Australia Pty Ltd	\$80,672	01/04/2016	31/03/2017	No	Yes
Harrison School – Japan Trip	Quotation	Services (non-consultancy)	JTB Australia Pty Limited	\$84,244	12/01/2016	02/10/2016	No	No
Maze Core Licence Support and Maintenance	Single Select	Goods	CIVICA Education Pty Ltd	\$99,480	01/01/2016	31/12/2017	No	Yes
Linkage Agreement – Innovative Learning Environments and Teacher Change	Single Select	Goods	University of Melbourne	\$120,000	24/05/2016	24/05/2020	No	Yes
Adobe Software Licence Agreement	Single Select	Goods	Edsoft Interactive Pty Ltd	\$248,288	31/05/2016	30/05/2017	No	Yes

* A regional SME is a business with fewer than 200 employees and located in Canberra or the following NSW councils: Bombala, Boorowa, Cooma-Monaro, Eurobodalla, Goulburn-Mulwaree, Harden, Palerang, Queanbeyan, Snowy River, Upper Lachlan, Yass Valley or Young.

For further information contact:
Director
Infrastructure and Capital Works
(02) 6205 1289

C6. STATEMENT OF PERFORMANCE



AUDITOR-GENERAL AN OFFICER
OF THE ACT LEGISLATIVE ASSEMBLY 

Sensitive: Auditor-General

A17/06

Ms Natalie Howson
Director-General
Education Directorate
Level 6, 220 Northbourne Avenue
BRADDON ACT 2612

Dear Ms Howson

**REPORT OF FACTUAL FINDINGS - EDUCATION DIRECTORATE
STATEMENT OF PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2017**

The Audit Office has completed the review of the statement of performance of the Education Directorate for the year ended 30 June 2017.

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

I have provided a copy of the statement of performance and report of factual findings to the Minister for Education and Early Childhood Development, Ms Yvette Berry MLA.

Yours sincerely

A handwritten signature in black ink, appearing to read 'M. Copper'.

Dr Maxine Copper
Auditor-General

5 September 2017

c.c. Ms Carol Lilley, Chair, Audit Committee
Ms Tracy Stewart, Director, Governance and Community Liaison
Mr Mark Whybrow, Chief Financial Officer
Ms Megan Young, Chief Internal Auditor

REPORT OF FACTUAL FINDINGS**EDUCATION DIRECTORATE****To the Members of the ACT Legislative Assembly****Review opinion**

I am providing an **unqualified review opinion** on the statement of performance of the Education Directorate (the Directorate) for the year ended 30 June 2017.

During the review, no matters were identified which indicate that the results of the accountability indicators reported in the statement of performance are not fairly presented in accordance with the *Financial Management Act 1996*.

Basis for the review opinion

The review was conducted in accordance with Australian Auditing Standards. I have complied with the requirements of the Accounting Professional and Ethical Standards 110 *Code of Ethics for Professional Accountants*.

I believe that sufficient evidence was obtained during the review to provide a basis for the review opinion.

Responsibility for preparing and fairly presenting the statement of performance

The Director-General of the Directorate 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 2017*; 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.

Responsibility for the review of the statement of performance

Under the *Financial Management Act 1996* and *Financial Management (Statement of Performance Scrutiny) Guidelines 2017*, I am responsible for issuing a report of factual findings on the statement of performance of the Directorate.

As required by Australian Auditing Standards, the auditors:

- applied professional judgement and maintained scepticism;
- identified and assessed the risks of material misstatements due to error or fraud* and implemented procedures to address these risks so that sufficient evidence was obtained to form a review opinion; and
- reported the scope and timing of the review and any significant deficiencies in reporting practices identified during the review to the Director-General.

(*The risk of not detecting material misstatements due to fraud is higher than the risk due to error, as fraud may involve collusion, forgery, intentional omissions or misrepresentations or the override of internal controls.)


Limitations on the scope of the review

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

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

This review 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;
- adequacy of controls implemented by the Directorate; or
- integrity of reviewed statement of performance presented electronically or information hyperlinked to or from the statement of performance. Assurance can only be provided for the printed copy of the reviewed statement of performance.


Dr Maxine Cooper
Auditor-General
5 September 2017

Education Directorate

Statement of Performance

For the Year Ended 30 June 2017

**Education Directorate
Statement of Performance
For the Year Ended 30 June 2017**

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 2017 and also fairly reflects the judgements exercised in preparing it.



Natalie Howson
Director-General
3 September 2017

Education Directorate
Statement of Performance
For the Year Ended 30 June 2017

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.

	2016-17 Target	2016-17 Result	Percentage variance from the target	Explanation of material variance (±10% or higher)
Cost (\$'000)¹				
1.1 Public Primary School Education	359,248	357,579	(0.5%)	
1.2 Public High School Education	180,155	177,117	(1.7%)	
1.3 Public Secondary College Education	119,469	115,667	(3.2%)	
1.4 Disability Education in Public Schools	77,685	74,679	(3.9%)	
Total Output Class	736,557	725,042	(1.6%)	
Controlled Recurrent Payments (\$'000)¹				
1.1 Public Primary School Education	304,934	300,623	(1.4%)	
1.2 Public High School Education	156,828	154,611	(1.4%)	
1.3 Public Secondary College Education	102,149	100,705	(1.4%)	
1.4 Disability Education in Public Schools	69,928	68,939	(1.4%)	
Total Output Class	633,839	624,878	(1.4%)	

Notes:

1. Cost and Controlled Recurrent Payments measures were not examined by the ACT Audit Office in accordance with the *Financial Management (Statement of Performance Scrutiny) Guidelines 2017*.

Education Directorate
Statement of Performance
For the Year Ended 30 June 2017

Output Class 1: Public School Education	2016-17 Target	2016-17 Result	Percentage variance from the target	Explanation of material variance (±10% or higher)
Accountability Indicators^a				
Early childhood education				
a. Number of enrolments in preschool in public schools	4,650	4,603	(1.0%)	
b. Number of enrolments of Aboriginal and Torres Strait Islander students in preschool in public schools	231	251	8.7%	
School participation				
a. Attendance rate of public school students in year 1 to year 10	91.5%	91.7%	0.2%	
Education and care services				
a. Assessment and ratings completed within legislated timeframes ^b	100%	98%	(2.0%)	
b. Annual compliance audit is delivered in full ^c	100%	100%	-	
Disability education				
a. Individual Learning Plans completed for students in special and mainstream schools who access special education services	100%	98%	(2.0%)	
Senior secondary education				
a. Percentage of year 10 students who proceed to public secondary college education	85%	93%	9.4%	
b. Percentage of year 10 Aboriginal and Torres Strait Islander students who proceed to public secondary college education	80%	86%	7.5%	
c. Apparent retention of public school students from year 7 to year 12	100%	100%	-	
d. Apparent retention of Aboriginal and Torres Strait Islander public school students from year 7 to year 12	75%	99%	32.0%	Note 1
e. Percentage of year 12 students who receive a Tertiary Entrance Statement	50%	48%	(4.0%)	
f. Percentage of year 12 Aboriginal and Torres Strait Islander students who receive a Tertiary Entrance Statement	20%	23%	15.0%	Note 2
g. Percentage of year 12 students who receive a nationally recognised vocational qualification	60%	50%	(17.0%)	Note 3
h. Percentage of year 12 Aboriginal and Torres Strait Islander students who receive a nationally recognised vocational qualification	50%	49%	(2.0%)	
Regulatory and process reform initiative				
a. Commenced implementation of red tape reduction initiatives ^d	30 June 2017	29 March 2017	-	
Average cost (\$) per student per annum in public:				
a. Preschools	6,768	7,026	3.8%	
b. Primary schools	14,473	13,632	(5.8%)	
c. High schools	18,764	17,799	(5.1%)	
d. Secondary colleges	19,217	18,184	(5.4%)	
e. Special schools	67,757	64,955	(4.1%)	Note 4
f. Mainstream Schools' student with a disability	29,721	27,132	(8.7%)	Note 4

Notes to indicators:

- The above Accountability Indicators were examined by the ACT Audit Office in accordance with the *Financial Management Act 1996*.
- Authorised Officers from Children's Education and Care Assurance conduct assessment and rating of services against the National Quality Standard. The process follows statutory provisions and national practice to the assessment and rating of the quality of education and care services across a variety of service settings. The process is a 20 week cycle with key activities including: notification of the cycle commencement; assessment visit; and the issue of a final report and rating notice. Evidence is collected at the assessment visit and a rating is assigned against 18 standards, the assessment report and rating notice is then issued. *Under the Education and Care Services*

**Education Directorate
Statement of Performance
For the Year Ended 30 June 2017**

National Law (ACT) Act 2011 the legislated timeframe between the assessment visit and the issue of the final report and rating notice is within 60 days.

- c. Over a year, the Regulatory Authority conducts scheduled audits of services on the basis of a risk rating or each service. The Regulatory Authority also prepares a schedule of audits for accountability against this indicator. Under the specifications of the indicator, this scheduled number is endorsed by the Directorate's Senior Executive Team. The indicator measures how many audits were completed against the number determined at the beginning of the financial year. In 2016-17 the scheduled number was 36 audits, which represents approximately 10 percent of approved services at the commencement of the financial year.
- d. Refining the School Data Tool (SDT) was chosen as the initiative for implementation at the start of the reporting period. A new version of the SDT was released on 29 March 2017. The new version included additional data sets and upgrades to the user interface.

Variance explanations:

- 1. The higher Aboriginal and Torres Strait Islander students' apparent retention rate reflects the Directorate's focus on providing additional support and encouragement to students to complete year 12, through initiatives such as the Student Aspirations Program, pathways planning, secondary and tertiary scholarships and by increasing cultural integrity in all ACT public schools.
- 2. More Aboriginal and Torres Strait Islander students in ACT public schools received a Tertiary Entrance Statement.
- 3. There was a reduction of 233 students (or 13.5%) undertaking a vocational qualification in 2016 from 2015 leading to a lower percentage of year 12 students receiving a nationally recognised vocational qualification.
- 4. The decrease is primarily related to the restructuring of administrative arrangements of Special Needs Transport services transferred from the Directorate to the Transport Canberra and City Services Directorate on 1 July 2016.

Education Directorate
Statement of Performance
For the Year Ended 30 June 2017

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.

	2016-17 Target	2016-17 Result	Percentage variance from the target	Explanation of material variance (±10% or higher)
Cost (\$'000)¹	3,808	3,840	0.8%	
Controlled Recurrent Payments (\$'000)¹	3,213	3,185	(0.9%)	
Accountability Indicators²				
a. All non-government schools operating in the ACT during the reporting period are registered	100%	100%	-	
b. The provisional registration of home educated students is completed within ten school days of the receipt of the application	100%	100%	-	
c. Grants paid within the required period of receiving funds from the Commonwealth Government ³	100%	100%	-	

Notes:

1. Cost and Controlled Recurrent Payments measures were not examined by the ACT Audit Office in accordance with the *Financial Management (Statement of Performance Scrutiny) Guidelines 2017*.
2. Accountability Indicators were examined by the ACT Audit Office in accordance with the *Financial Management Act 1996*.
3. The required period referred to in this accountability indicator is seven business days.