ACT AUDITOR-GENERAL'S OFFICE

A11/22

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

Dear ~~Dr Watterston~~ Jim

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

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

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

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

Yours sincerely

M. Cooper

Dr Maxine Cooper
Auditor-General
6 September 2011

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

Level 4, 11 Moore Street, Canberra City, ACT 2601 | PO Box 275, Civic Square, ACT 2608
Telephone: 02 6207 0833 | Facsimile: 02 6207 0826 | Email: actauditorgeneral@act.gov.au

ACT AUDITOR-GENERAL'S OFFICE

INDEPENDENT AUDIT REPORT

EDUCATION AND TRAINING DIRECTORATE

To the Members of the ACT Legislative Assembly

Report on the financial statements

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

- Directorate statements - operating statement, balance sheet, statement of changes in equity, cash flow statement and statement of appropriation.

- Territorial statements - statement of income and expenses on behalf of the Territory, statement of assets and liabilities on behalf of the Territory, cash flow statement on behalf of the Territory and statement of appropriation.

Responsibility for the financial statements

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

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

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

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

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

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

Electronic presentation of the audited financial statements

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

Independence

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

Audit opinion

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

(i) are presented in accordance with the *Financial Management Act 1996*, Accounting Standards and other mandatory financial reporting requirements in Australia; and

(ii) present fairly the financial position of the Directorate as at 30 June 2011 and the results of its operations and cash flows for the year then ended.

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

M. Cooper.

Dr Maxine Cooper
Auditor-General
6 September 2011

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

Statement of Responsibility

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

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

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

Statement by the Chief Finance Officer

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

SSharma

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

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

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

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

EDUCATION AND TRAINING DIRECTORATE
BALANCE SHEET
AS AT 30 JUNE 2011

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

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

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

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

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

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

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

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

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

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

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

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

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

Notes:

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

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

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

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

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

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

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

	Output Class 1 $'000	Output Class 2 $'000	Output Class 3 $'000	Total $'000
2011				
Total Income	503,666	2,629	34,653	540,948
Total Expenses	(555,816)	(1,873)	(30,206)	(587,895)
Operating (Deficit)/Surplus	**(52,150)**	**756**	**4,447**	**(46,947)**
2010				
Total Income	475,396	1,561	31,791	508,748
Total Expenses	(519,885)	(1,617)	(27,393)	(548,895)
Operating (Deficit)/Surplus	**(44,489)**	**(56)**	**4,398**	**(40,147)**

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

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

Description

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

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

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

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

Description

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

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

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

Description

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

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

EDUCATION AND TRAINING DIRECTORATE
DIRECTORATE'S NOTE INDEX

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

1. OBJECTIVES OF THE DIRECTORATE

a) Operations and Principal Activities

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

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

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

b) Impact of Administrative Arrangements 2011

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a) Basis of Accounting

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

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

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

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

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

a) Basis of Accounting - Continued

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

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

The Directorate is an individual reporting entity.

b) Directorate and Territorial Items

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

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

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

c) The Reporting Period

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

d) Comparative Figures

Budget Figures

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

Prior Year Comparatives

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

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

e) Rounding

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

f) Revenue Recognition

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

g) Resources Received Free of Charge

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

h) Repairs and Maintenance

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

i) Borrowing Costs

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

j) Waivers of Debt

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

k) Current and Non-Current Items

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

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

l) Impairment of Assets

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

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

l) Impairment of Assets – Continued

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

m) Cash and Cash Equivalents

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

n) Receivables

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

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

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

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

o) Investments

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

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

p) Acquisition and Recognition of Property, Plant and Equipment

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

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

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

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

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

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

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

r) Depreciation of Non-Current Assets

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

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

Depreciation for non-current assets is determined as follows:

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

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

s) Payables

Payables include Trade Payables and Accrued Expenses.

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

t) Joint Venture

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

u) Leases

The Directorate has entered into finance leases and operating leases.

Finance Leases

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

Operating Leases

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

v) Employee Benefits

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

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

v) Employee Benefits – Continued

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

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

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

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

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

w) Superannuation

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

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

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

w) Superannuation – Continued

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

x) Equity Contributed by the ACT Government

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

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

y) Insurance

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

z) Taxation

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

Revenue, expenses and assets are recognised net of GST:

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

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

aa) Contingent Liabilities and Assets

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

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

ab) Significant Accounting Judgements and Estimates

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

a) *Fair Value of Land and Buildings*: The Directorate has made a significant judgement regarding the fair value of its land and buildings. Land has been recorded at the market value of similar properties as determined by an independent valuer. Buildings are valued at depreciated replacement cost.

b) *Employee Benefits*: Significant judgements have been applied in estimating the liability for employee benefits. The estimated liability for employee benefits requires a consideration of the future wage and salary levels, experience of employee departures and periods of service. The estimate also includes an assessment of the probability that employees will meet the minimum service period required to qualify for long service leave and that on-costs will become payable. Further information on this estimate is provided in **Note 2 (v) – Employee Benefits** and **3 (a) – Changes in Accounting Estimates.**

c) *Estimation of Useful Lives of Property, Plant & Equipment:* The Directorate disclosed that Property, Plant and Equipment is systematically depreciated over its estimated useful life. The estimated useful life of Property, Plant and Equipment is reassessed each year and adjusted when the condition and other factors affecting the useful life of Property, Plant and Equipment indicate an adjustment is warranted.

d) *Impairment*: The Directorate discloses that Property Plant and Equipment is annually assessed for impairment. If this assessment indicates an asset is impaired, then an assessment of the asset's recoverable amount must be estimated to determine whether an impairment loss must be recognised. For 2010-11, the Directorate has undertaken assessment in relation to the school buildings and other property plant and equipment. The Directorate's impairment policy states that schools buildings used at less than 65% capacity are impaired. An adjustment is reflected in the financial statements if the overall impact is material.

ac) After Balance Date Events

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

ad) Going Concern

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

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

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

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

3. CHANGES IN ACCOUNTING POLICY AND ACCOUNTING ESTIMATES

a) Change in Accounting Estimate

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

b) Change in Accounting Policy

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

	2011 $'000	2010 $'000
INCOME		

4. Government Payment for Outputs

Government Payment for Outputs is revenue received from the ACT Government to fund the cost of delivering outputs. The ACT Government pays Government Payment for Outputs appropriation on a fortnightly basis.

	2011 $'000	2010 $'000
Government Payment for Outputs	501,215	472,965
Total	**501,215**	**472,965**

5. User Charges – ACT Government

This relates to revenue received from ACT Government entities.

	2011 $'000	2010 $'000
User Charges - ACT Government	458	100
Total	**458**	**100**

The increase mainly relates to specific purpose funding from the Health Directorate.

6. User Charges – Non-ACT Government

	2011 $'000	2010 $'000
International Private Students Program	5,805	6,053
Active Leisure Centre – Hire of Facilities and Recreational Activities[1]	3,532	2,380
National Agreements	4,222	3,747
Commonwealth Own Purpose Payments / Specific Projects[2]	1,954	3,212
Other	502	435
Total	**16,015**	**15,827**

1. The Active Leisure Centre operations were impacted by renovations in 2009-10. 2010-11 reflects a full year of operation.
2. Decrease primarily relates to reduced funding from the Commonwealth Government for the Local Schools Working Together program.

7. Interest

	2011 $'000	2010 $'000
Schools and Other Interest Received	2,087	966
Total	**2,087**	**966**

The increase mainly relates to interest generated on cash held for the Commonwealth Government's Digital and Building the Education Revolution programs.

8. Resources Received Free of Charge

This relates to legal advice and other legal services provided by the Justice and Community Safety Directorate.

	2011 $'000	2010 $'000
Resources Received Free of Charge	410	175
Total	**410**	**175**

9. Other Revenue

Other revenue mainly comprises voluntary contributions, fundraising revenue and excursion funds.

	2011 $'000	2010 $'000
School Revenue[1]	18,707	17,949
Other[2]	2,055	735
Total	**20,762**	**18,684**

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

GAINS

10. Other Gains

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

	2011 $'000	2010 $'000
Distribution from Investments from the Territory Banking Account	1	31
Total	**1**	**31**

EXPENSES

11. Employee Expenses

	2011 $'000	2010 $'000
Salaries and Related Costs[1]	326,596	309,563
Movements in Employee Benefits	5,650	5,616
Comcare Premium Payments	7,695	7,366
Other Employee Expenses	-	1,048
Total	**339,941**	**323,593**

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

12. Superannuation Expenses

	2011 $'000	2010 $'000
Superannuation	47,043	46,112
Employer Productivity Contribution	5,302	5,440
Total	**52,345**	**51,552**

	2011 $'000	2010 $'000

13. Supplies and Services

Supplies and services include costs paid centrally relating to both central office and schools' operations.

	2011 $'000	2010 $'000
Property and Maintenance	15,664	15,314
Materials and Services	23,941	23,324
Travel and Transport[1]	5,635	4,976
Administrative[2]	3,037	4,016
Financial[3]	4,176	3,578
Operating Lease Costs	1,374	1,279
Audit Fees[4]	419	318
Asset Write-Off	245	245
Total	**54,491**	**53,050**

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

14. Depreciation

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

	2011 $'000	2010 $'000
Buildings	31,745	30,514
Plant and Equipment	8,095	6,376
Land Improvements	6,096	6,030
Leasehold Improvements	828	829
Total	**46,764**	**43,749**

15. Grants and Purchased Services

	2011 $'000	2010 $'000
Grant Payments – educational, apprenticeships and user choice programs	25,293	23,109
Total	**25,293**	**23,109**

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

16. Borrowing Costs

	2011 $'000	2010 $'000
Interest on Finance Leases	42	123
Total	**42**	**123**

	2011 $'000	2010 $'000

17. Other Expenses

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

	2011 $'000	2010 $'000
School Expenses[1]	55,354	53,132
Transfer of Asset Outside Administrative Arrangement Orders[2]	12,788	-
Other	877	587
Total	**69,019**	**53,719**

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

18. Auditor's Remuneration

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

	2011 $'000	2010 $'000
Audit Fees paid to the ACT Auditor-General's Office	111	111
Total	**111**	**111**

19. Act of Grace Payments, Waivers and Write Offs

	2011 $'000	2010 $'000
Act of Grace Payments	-	8
Write-off of Assets[1]	245	245
Total	**245**	**253**

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

ASSETS

20. Cash and Cash Equivalents

	2011 $'000	2010 $'000
Central Office Bank Account	10,181	10,715
Investments	259	259
School Management Accounts[1]	26,347	22,962
Other Operations Bank Accounts[2]	8,463	147
Cash on Hand	11	11
Total	**45,261**	**34,094**

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

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

Ageing of Receivables

	Not Overdue	Past Due			Total
		Less than 30 Days	30 to 60 Days	Greater than 60 Days	
	$'000	$'000	$'000	$'000	$'000
2011					
Not impaired[1]					
Receivables	6,838	50	8	229	**7,125**
Impaired					
Receivables	-	-	-	5	**5**
2010					
Not impaired[1]					
Receivables	6,664	98	29	319	**7,110**
Impaired					
Receivables	-	-	-	5	**5**

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

Reconciliation of the Allowance for Impairment Losses

	2011	2010
Allowance for Impairment at the Beginning of the Reporting Period	5	5
Reduction in Allowance for Impairment Resulting from a Write-Back against the Receivable	-	-
Allowance for Impairment at the End of the Reporting Period	**5**	**5**

	2011 $'000	2010 $'000
21. Receivables - Continued		
Classification of ACT Government / Non-ACT Government Receivables:		
Receivables with ACT Government Entities		
Trade Debtors	72	287
Other Debtors	1,422	-
Accrued Revenue	-	-
Total Receivables with ACT Government Entities	**1,494**	**287**
Receivables with Non-ACT Government Entities		
Trade Debtors	1,156	929
Other Debtors	482	603
Accrued Revenue	35	24
GST Receivable from the Australian Taxation Office	3,963	5,272
Less: Allowance for Impairment Losses	(5)	(5)
Total Receivables with Non-ACT Government Entities	**5,631**	**6,823**
Total	**7,125**	**7,110**

22. Other Current Assets

Prepayments	3,653	2,697
Total	**3,653**	**2,697**

23. Investments

Investments with the Territory Banking Account – Fixed Interest Portfolio	1,774	1,773
Total	**1,774**	**1,773**

The investments primarily relate to Literacy and Numeracy funds.

24. Property, Plant and Equipment[1]

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

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

24. Property, Plant and Equipment - Continued

Property, Plant and Equipment Movement Schedule 30 June 2011

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

Property, Plant and Equipment Movement Schedule 30 June 2010

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

24. Property, Plant and Equipment - Continued

Assets under a Finance Lease[1]

	2011 $'000	2010 $'000
Items		
Plant and Equipment		
Gross Value	4,351	4,836
(Accumulated Depreciation)	(3,999)	(4,541)
Total	**352**	**295**

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

25. Capital Works in Progress

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

Assets under construction include buildings and building improvements.

	2011 $'000	2010 $'000
Capital Works in Progress[1]	26,751	128,052
Total	**26,751**	**128,052**

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

Reconciliation of Capital Works in Progress

	2011 $'000	2010 $'000
Balance at the Beginning of the Reporting Period	128,052	9,292
Transfer to Property, Plant and Equipment	(126,059)	(793)
Additions		
Building the Education Revolution	-	59,620
Capital Works[1]	24,736	55,584
Capital Initiatives	22	4,349
Balance at the End of the Reporting Period	**26,751**	**128,052**

1. Primarily relates to Harrison High School.

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

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

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

	2011 $'000	2010 $'000
Not overdue	5,439	12,122
Overdue for Less than 30 Days	23	-
Overdue for 30 to 60 Days	1	9
Overdue for More than 60 Days	-	-
Total	**5,463**	**12,131**

Classification of ACT Government / Non-ACT Government Payables

	2011 $'000	2010 $'000
Payables with ACT Government Entities		
Payables	19	34
Accrued Expenses	2,928	9,998
Total Payables with ACT Government Entities	**2,947**	**10,032**
Payables with Non-ACT Government Entities		
Payables	152	242
Accrued Expenses	2,364	1,857
Total Payables Non-ACT Government Entities	**2,516**	**2,099**
Total	**5,463**	**12,131**

27. Finance Leases[1]

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

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

28. Employee Benefits

	2011 $'000	2010 $'000
Current		
Annual Leave	24,309	22,454
Long Service Leave	57,613	51,304
Accrued Salaries	9,057	7,119
Purchased Leave	318	277
Other Employee Benefits	-	1,048
Total Current	**91,297**	**82,202**
Non-Current		
Long Service Leave	8,480	11,925
Total Non-Current	**8,480**	**11,925**
Total	**99,777**	**94,127**

	2011 $'000	2010 $'000
28. Employee Benefits – Continued		
For Disclosure Purpose Only		
Estimate of when leave is payable		
Estimated Amount Payable within 12 months		
Salaries	9,057	8,167
Annual Leave	24,309	22,454
Long Service Leave	5,924	6,296
Purchased Leave	318	277
Total Payable within 12 Months	**39,608**	**37,194**
Estimated Amount Payable after 12 Months		
Long Service Leave	60,169	56,933
Total Payable after 12 Months	**60,169**	**56,933**
Total	**99,777**	**94,127**

29. Other Current Liabilities

	2011 $'000	2010 $'000
International Students Fees Received in Advance	2,759	2,746
Schools Revenue Received in Advance	222	364
Other Revenue Received in Advance	806	890
Total	**3,787**	**4,000**

30. Other Provisions

Provision for Make good

On 1 July 2008, the Directorate entered into a lease agreement for the office space at Centrecourt – Unit 17 Fyshwick. There are clauses in the lease agreement which require the Directorate, upon cessation of the tenancy, to return the office space to the condition it was in before it was leased (this is referred to as 'make good'). The tenancy runs for 5 years. The estimated costs to make good this office space is $0.057 million.

	2011 $'000	2010 $'000
Reconciliation of Provision for Make Good		
Provision for Make Good at the Beginning of the Reporting Period	57	-
Total	**57**	**-**

	2011 $'000	2010 $'000

EQUITY

31. Equity

Asset Revaluation Surplus

	2011 $'000	2010 $'000
Balance at the Beginning of the Reporting Period	887,297	887,687
Asset Revaluation	140,846	-
Impairment[1]	(6,920)	(390)
Balance at the End of the Reporting Period	**1,021,223**	**887,297**

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

OTHER

32. Commitments[1]

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

Capital Commitments	2011 $'000	2010 $'000
• Within One Year	30,681	89,359
• Later than One Year but not later than Five Years	2,703	27,022
• Later than Five Years	367	367
Total	**33,751**	**116,748**

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

Operating Lease Commitments[1]

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

	2011 $'000	2010 $'000
• Within One Year	2,131	2,162
• Later than One Year but not later than Five Years	3,595	4,951
Total	**5,726**	**7,113**

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

	2011 $'000	2010 $'000
32. Commitments - Continued		
Other Commitments[1]		
• Within One Year	34,077	28,616
• Later than One Year but not later than Five Years	32,455	27,435
• Later than Five Years	-	-
Total	**66,532**	**56,051**

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

33. Gain from the Disposal of Non-Current Assets

Gain from the Sale of Assets	3	9
Net Gain from the Disposal of Non-Current Assets	**3**	**9**

34. Contingent Liabilities

The estimated liability for known personal injury litigation cases not settled as at 30 June 2011 and 30 June 2010	**3,533**	**2,991**

35. Financial Instruments

Terms, Conditions and Accounting Policies

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

35. Financial Instruments - Continued

Interest Rate Risk

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

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

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

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

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

Credit Risk

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

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

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

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

Liquidity Risk

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

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

35. Financial Instruments - Continued

Liquidity Risk - Continued

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

Price Risk

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

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

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

Currency Risk

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

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

Unrecognised Financial Assets and Financial Liabilities

There were no unrecognised financial assets and liabilities.

35. Financial Instruments - Continued

Fair Value of Financial Assets and Liabilities

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

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

Fair Value Hierarchy

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

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

35. Financial Instruments - Continued

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

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

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

Transfer between Categories

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

Maturity Analysis and Exposure to Interest Rate

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

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

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

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

35. Financial Instruments - Continued

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

1. The finance lease includes the interest component.

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

1. The finance lease includes the interest component.

35. Financial Instruments - Continued

Carrying Amount of Each Category of Financial Asset and Financial Liability

	2011 $'000	2010 $'000
Financial Assets		
Receivables	7,125	7,110
Financial Assets at Fair Value through Profit and Loss	1,774	1,773
Financial Liabilities		
Financial Liabilities Measured at Amortised Cost	5,715	12,765

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

36. Interest in Joint Venture

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

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

37. Cash Flow Reconciliation

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

	2011 $'000	2010 $'000
Operating (Deficit)	(46,947)	(40,147)
Non-Cash Items and Changes in Operating Assets and Liabilities		
Depreciation and Amortisation	46,764	43,749
Increase in Employee Benefits	5,649	5,616
Assets Written-Off	245	245
(Decrease)/Increase in Revenue Received in Advance	(213)	403
(Decrease) in Creditors	(488)	(857)
(Increase) in Receivables	(15)	(2,150)
(Increase)/ Decrease in Prepaid Expenditure	(955)	375
(Gain) from Sale of Assets	(3)	(9)
Transfer of Assets[1]	12,641	-
Unrealised Gain on Investment	(1)	(31)
Net Cash Inflows from Operating Activities	**16,677**	**7,194**

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

(b) Non-Cash Financing Activities

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

	2011 $'000	2010 $'000
Plant and Equipment	127	132
Total	**127**	**132**

	2011 $'000	2010 $'000

37. Cash Flow Reconciliation - Continued

(c) Reconciliation of Cash and Cash Equivalents

Cash at the End of the Reporting Period as shown in the Cash Flow Statement is reconciled to the items in the Balance Sheet as follows:

	2011 $'000	2010 $'000
Cash Flow Statement		
Cash at End of the Reporting Period	45,261	34,094
Balance Sheet		
Cash and Cash Equivalents	45,261	34,094

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

38. Disaggregated Disclosure of Assets and Liabilities

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

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

38. Disaggregated Disclosure of Assets and Liabilities - continued

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

1 Unallocated Cash and Cash Equivalents

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

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

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

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

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

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

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

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

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

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

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

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

	2011 $'000	2010 $'000

INCOME

39. Payment for Expenses on Behalf of the Territory

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

	2011 $'000	2010 $'000
Amounts Received to Meet Expenses Incurred on Behalf of the Territory	212,454	225,421
Total	**212,454**	**225,421**

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

40. Fees

	2011 $'000	2010 $'000
Fees for Regulatory Services – Training	246	239
Total	**246**	**239**

41. Interest

	2011 $'000	2010 $'000
Interest	-	1
Total	**-**	**1**

	2011 $'000	2010 $'000

EXPENSES

42. Grants and Purchased Services

Payments for grants and subsidies were made as follows:

	2011 $'000	2010 $'000
Grants – Non Government Schools[1]	212,009	224,984
Junior Bursary Scheme	356	345
Block Release Grants	89	92
Total	**212,454**	**225,421**

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

43. Transfer to Government

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

	2011 $'000	2010 $'000
Transfer to Government	246	240
Total	**246**	**240**

ASSETS

44. Cash

	2011 $'000	2010 $'000
Cash at bank	558	241
Total	**558**	**241**

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

45. Receivables

Current

	2011 $'000	2010 $'000
GST Receivable from the Australian Taxation Office	46	19
Other Receivables	53	2
Total	**99**	**21**

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

	2011 $'000	2010 $'000
Receivables	99	21
Total	**99**	**21**

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

47. Financial Instruments

Terms, Conditions and Accounting Policies

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

Interest Rate Risk

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

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

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

Credit Risk

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

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

Liquidity Risk

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

47. Financial Instruments – Continued

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

Price Risk

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

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

Currency Risk

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

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

Unrecognised Financial Assets and Financial Liabilities

There were no unrecognised financial assets and liabilities.

Fair Value of Financial Assets and Liabilities

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

47. Financial Instruments – Continued

Maturity Analysis and Exposure to Interest Rates

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

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

47. Financial Instruments – Continued

Fair Value Hierarchy

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

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

(b) Reconciliation of Cash

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

	2011 $'000	2010 $'000
Cash Flows Statement:		
Cash at the End of the Reporting Period	558	241
Statement of Assets and Liabilities on Behalf of the Territory:		
Cash	558	241
Total	**558**	**241**