

PART C

PART C:
FINANCIAL
MANAGEMENT
REPORTING

C1. MANAGEMENT DISCUSSION AND ANALYSIS

GENERAL OVERVIEW

OBJECTIVES

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

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

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

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

RISK MANAGEMENT

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

Key risks, including mitigation strategies, are identified below:

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

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

ACCOUNTING CHANGES

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

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

DIRECTORATE FINANCIAL PERFORMANCE

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

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

TABLE C1.1: NET COST OF SERVICES

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

Notes

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

² Relates to Total Revenue excluding Controlled Recurrent Payments.

NET COST OF SERVICES

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

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

OPERATING RESULT

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

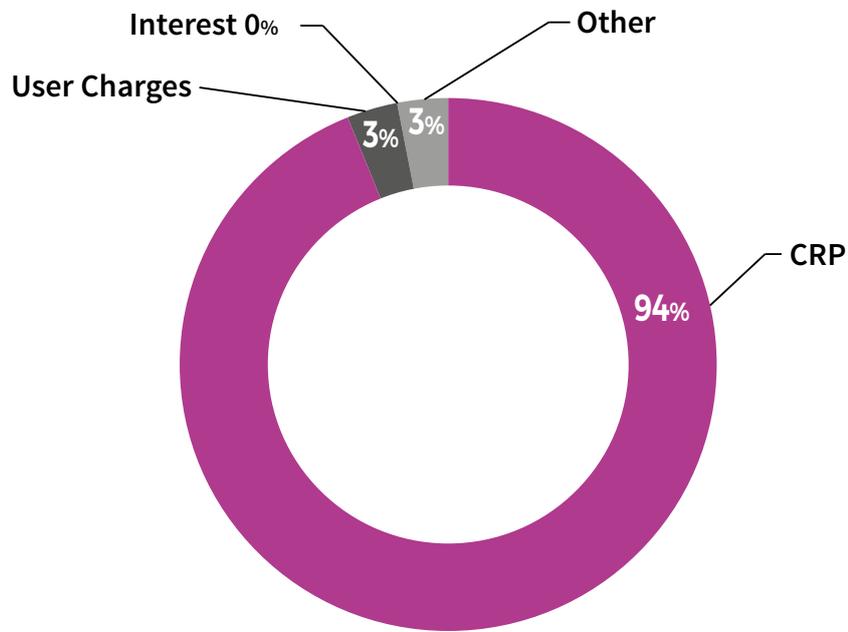
The 2016-17 total comprehensive surplus totalled \$82.0 million as a result of the revaluation of the Directorate's assets as at 30 June 2017. In line with ACT Government policy, the Directorate engages an independent valuer to revalue land, building and ground improvement assets every three years.

TOTAL REVENUE

COMPONENTS OF REVENUE

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

FIGURE C1.1: COMPONENTS OF REVENUE 2016-17



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

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

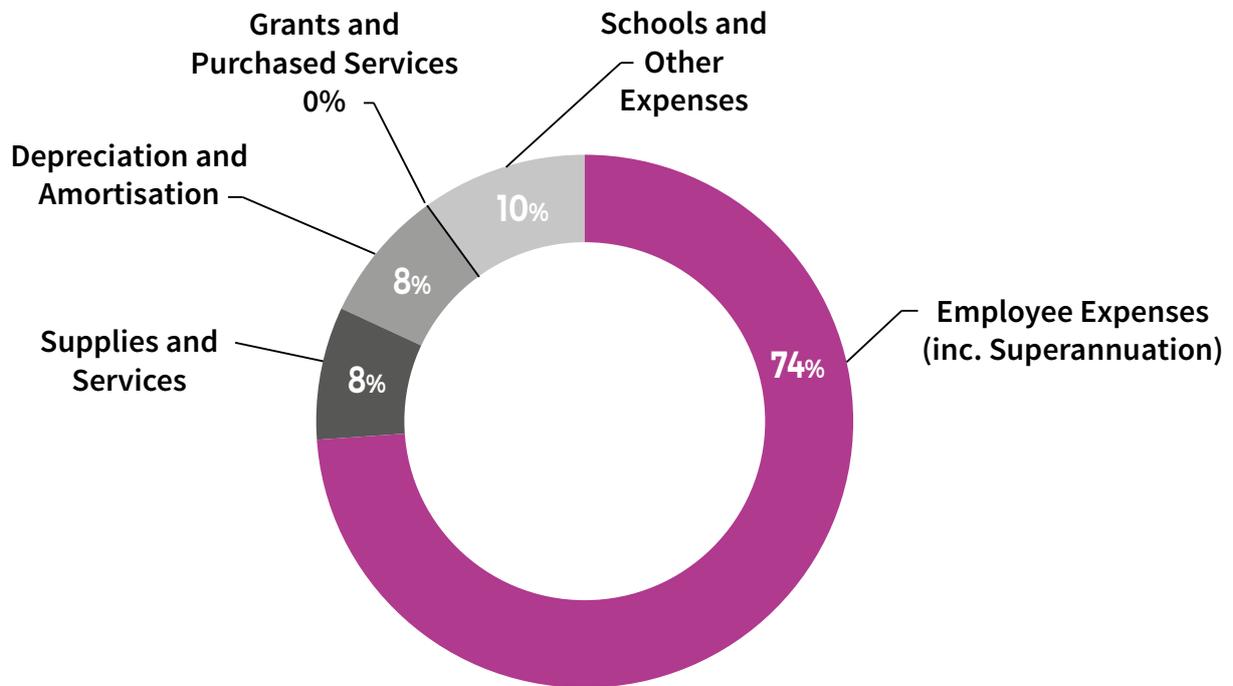
The increased revenue from 2015-16 is primarily due to additional funding received for increased wages associated with the enterprise agreements for teaching and non-teaching staff combined with increased funding for enrolment growth and Commonwealth grants. These increases were partially offset by the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

TOTAL EXPENSES

COMPONENTS OF EXPENSES

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

FIGURE C1.2: COMPONENTS OF EXPENDITURE 2016-17



Source: Education Directorate's 2016-17 Financial Statements

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

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

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

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

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

Notes:

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

² Figures may not add due to rounding.

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

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

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

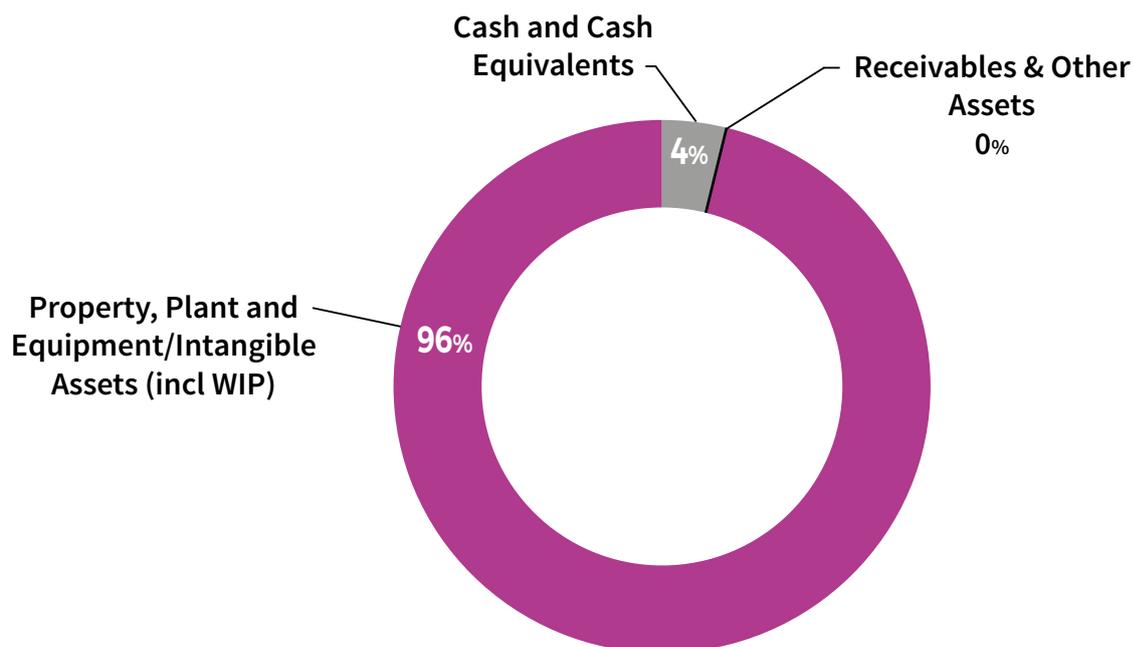
FINANCIAL POSITION

TOTAL ASSETS

Components of Total Assets

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

FIGURE C1.3: TOTAL ASSETS AT 30 JUNE 2017



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

Comparison to Budget

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

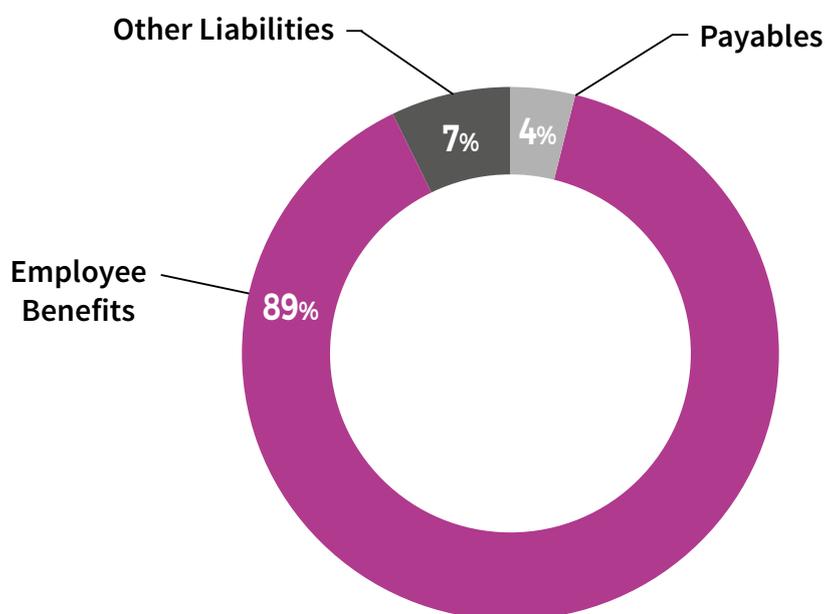
In comparison to 30 June 2016, total assets increased by \$105.4 million or 5.6 per cent primarily due to the revaluation increment for land, buildings and improvements to land.

FINANCIAL POSITION

Components of Total Liabilities

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

FIGURE C1.4: TOTAL LIABILITIES AT 30 JUNE 2017



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

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

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

CURRENT ASSETS TO CURRENT LIABILITIES

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

The Directorate's current liabilities primarily relate to employee benefits, and while the majority are classified under a legal entitlement as current, the estimated amount payable within 12 months is significantly lower and can be met with current assets. In addition, in the event of high termination levels requiring significant payment for leave balances, the Directorate is able to meet its obligations by seeking additional appropriation under Section 16A of the *Financial Management Act 1996*.

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

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

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

Notes:

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

² Figures may not add due to rounding.

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

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

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

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

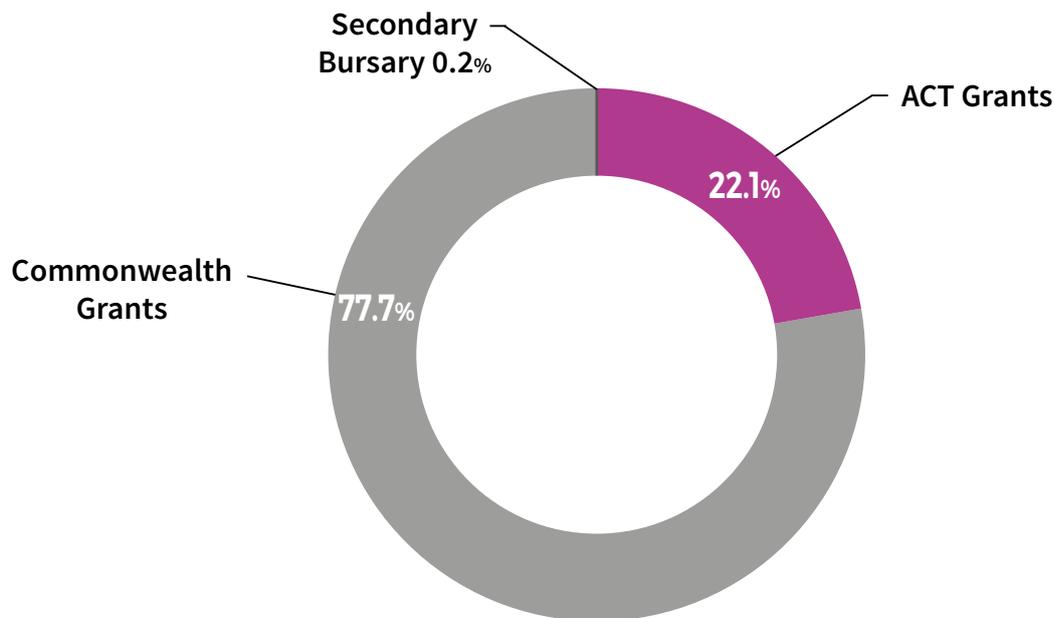
⁷ Primarily due to a higher than anticipated rate used to estimate the present value of long service leave and annual leave liabilities.

TERRITORIAL STATEMENT OF REVENUE AND EXPENSES

TERRITORIAL REVENUE

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

FIGURE C1.5: SOURCES OF TERRITORIAL REVENUE



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

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

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

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

TERRITORIAL EXPENSES

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

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

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

C2. EDUCATION DIRECTORATE FINANCIAL STATEMENTS 2016-17



AUDITOR-GENERAL AN OFFICER
OF THE ACT LEGISLATIVE ASSEMBLY 

Sensitive: Auditor-General

A17/06

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

Dear Ms Howson

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

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

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

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

Yours sincerely

A handwritten signature in black ink that reads 'M. Cooper'.

Dr Maxine Cooper
Auditor-General

31 August 2017

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

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

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

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

In my opinion, the financial statements:

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

Basis for the audit opinion

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

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

Responsibility for preparing and fairly presenting the financial statements

The Director-General of the Directorate is responsible for:

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

Responsibility for the audit of the financial statements

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

As required by Australian Auditing Standards, the auditors:

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

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

Limitations on the scope of the audit

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

An audit does not provide assurance on the:

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



Dr Maxine Cooper
Auditor-General

31 August 2017

Education Directorate

Financial Statements

For the Year Ended

30 June 2017

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

Statement of Responsibility

In my opinion, the financial statements are in agreement with the Directorate's accounts and records and fairly reflect the financial operations of the Directorate for the year ended 30 June 2017 and the financial position of the Directorate on that date.



Natalie Howson
Director-General
Education Directorate
31 August 2017

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

Statement by the Chief Finance Officer

In my opinion, the financial statements have been prepared in accordance with the Australian Accounting Standards, and are in agreement with the Directorate's accounts and records and fairly reflect the financial operations of the Directorate for the year ended 30 June 2017 and the financial position of the Directorate on that date.



Mark Whybrow
Chief Finance Officer
Education Directorate

31 August 2017

EDUCATION DIRECTORATE

CONTROLLED FINANCIAL STATEMENTS

FOR THE YEAR ENDED

30 JUNE 2017

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Description

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

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

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

Description

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

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

Education Directorate
Operating Statement for Output Class 3 - Vocational Education and Training
For the Year Ended 30 June 2017

Description

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

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

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

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

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

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

Column Heading Explanations

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

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

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

Variations between 'Original Budget' and 'Total Appropriated'

Controlled Recurrent Payments

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

Capital Injections

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

Variations between 'Total Appropriated' and 'Appropriation Drawn'

Controlled Recurrent Payments

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

Capital Injections

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

EDUCATION DIRECTORATE CONTROLLED NOTE INDEX

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

NOTE 1. OBJECTIVES OF THE DIRECTORATE

Operations and Principal Activities

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

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

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

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

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES

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

Appendix A - Basis of Preparation of the Financial Statements

Appendix B – Significant Accounting Policies

Appendix C – Impact of Accounting Standards Issued But Yet to be Applied

NOTE 3. CHANGE IN ACCOUNTING ESTIMATES

Refer to Appendix D – Change in Accounting Estimates.

NOTE 4. CONTROLLED RECURRENT PAYMENTS

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

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

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

NOTE 5. USER CHARGES

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

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

NOTE 6. INTEREST

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

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

NOTE 7. DISTRIBUTION FROM INVESTMENTS WITH THE TERRITORY BANKING ACCOUNT

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

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

NOTE 8. RESOURCES RECEIVED FREE OF CHARGE

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

| | 2017 \$'000 | 2016 \$'000 |
|---|----------------|----------------|
| Revenue from ACT Government Entities | | |
| Resources Received Free of Charge | 595 | 621 |
| Total | <u>595</u> | <u>621</u> |

NOTE 9. OTHER REVENUE

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

| Other Revenue | | |
|---|---------------|---------------|
| School Revenue | 20,875 | 20,939 |
| ACT Teacher Quality Institute – Teacher Registration Fees | 864 | 803 |
| Other | 203 | 461 |
| Total | <u>21,942</u> | <u>22,203</u> |

NOTE 10. GAINS ON INVESTMENTS

| Gains on Investments | | |
|---|----------|-----------|
| Unrealised Gains on Investments with the Territory Banking Account ¹ | - | 37 |
| Total | <u>-</u> | <u>37</u> |

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

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

NOTE 11. EMPLOYEE EXPENSES

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

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

NOTE 12. SUPERANNUATION EXPENSES

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

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

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

NOTE 13. SUPPLIES AND SERVICES

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

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

NOTE 14. DEPRECIATION AND AMORTISATION

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

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

NOTE 15. GRANTS AND PURCHASED SERVICES

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

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

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

NOTE 16. SCHOOL AND OTHER EXPENSES

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

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

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

NOTE 17. WAIVERS, IMPAIRMENT LOSSES AND WRITE-OFFS

| | | |
|---------------------|-----------|----------|
| Write-Off of Assets | 18 | 8 |
| Total | 18 | 8 |

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

NOTE 18. AUDITOR'S REMUNERATION

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

Audit Services

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

NOTE 19. CASH AND CASH EQUIVALENTS

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

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

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

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

NOTE 20. RECEIVABLES

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

1. Related to school receivables.

Ageing of Receivables

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

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

NOTE 20. RECEIVABLES - CONTINUED

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

Education Directorate
Notes to and Forming Part of the Financial Statements
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NOTE 21. INVESTMENTS

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

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

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

Education Directorate
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NOTE 22. PROPERTY, PLANT AND EQUIPMENT

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

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

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

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NOTE 22. PROPERTY, PLANT AND EQUIPMENT - CONTINUED

Reconciliation of Property, Plant and Equipment

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

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

Education Directorate
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NOTE 22. PROPERTY, PLANT AND EQUIPMENT - CONTINUED

Reconciliation of Property, Plant and Equipment

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

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

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NOTE 22. PROPERTY, PLANT AND EQUIPMENT - CONTINUED

Fair Value Hierarchy

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

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

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

2017

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

2016

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

Transfers Between Categories

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

Education Directorate
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NOTE 22. PROPERTY, PLANT AND EQUIPMENT - CONTINUED

Valuation Techniques, inputs and processes

Level 3 Valuation Techniques and Significant Unobservable Inputs

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

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

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

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

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

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

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

NOTE 23. INTANGIBLE ASSETS

The Directorate has internally generated software.

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

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

NOTE 24. CAPITAL WORKS IN PROGRESS

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

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

Reconciliation of Capital Works in Progress

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

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

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

NOTE 25. OTHER ASSETS

Other Current Assets

| | | |
|--------------------------|--------------|--------------|
| Prepayments ¹ | 1,859 | 1,457 |
| Total | 1,859 | 1,457 |

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

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NOTE 26. PAYABLES

| | 2017 | 2016 |
|---|------------------|------------------|
| | \$'000 | \$'000 |
| Current Payables | | |
| Payables - ACT Government Entities | 285 | 365 |
| Accrued Expenses | 6,773 | 4,175 |
| Total¹ | 7,058 | 4,540 |
| | | |
| Payables are aged as followed | | |
| Not Overdue | 7,033 | 4,514 |
| Overdue for Less than 30 Days | 12 | 14 |
| Overdue for 30 to 60 Days | 12 | 6 |
| Overdue for More than 60 Days | 1 | 6 |
| Total | 7,058 | 4,540 |
| | | |
| Classification of ACT Government/Non-ACT Government Payables | | |
| | | |
| Payables with ACT Government Entities | | |
| Payables | 68 | 64 |
| Accrued Expenses | 4,856 | 2,952 |
| Total Payables with ACT Government Entities | 4,924 | 3,016 |
| | | |
| Payables with Non-ACT Government Entities | | |
| Payables | 217 | 301 |
| Accrued Expenses | 1,917 | 1,223 |
| Total Payables with Non-ACT Government Entities | 2,134 | 1,524 |
| Total | 7,058 | 4,540 |

1. The increase in 2016-17 primarily relates to higher capital works accruals due to timing of payments.

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NOTE 27. EMPLOYEE BENEFITS

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

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

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

Education Directorate
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NOTE 28. OTHER LIABILITIES

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

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

NOTE 29. EQUITY

Asset Revaluation Surplus

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

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

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

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Notes to and Forming Part of the Financial Statements
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NOTE 30. RESTRUCTURE OF ADMINISTRATIVE ARRANGEMENTS

Restructures of Administrative Arrangements – 2016-17

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

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

There were no balance sheet transfer amounts.

Education Directorate
Notes to and Forming Part of the Financial Statements
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NOTE 30. RESTRUCTURE OF ADMINISTRATIVE ARRANGEMENTS – CONTINUED

Restructures of Administrative Arrangements – 2015-16

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

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

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NOTE 31. DISAGGREGATED DISCLOSURE OF ASSETS AND LIABILITIES

Year Ended 30 June 2017

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

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

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

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Notes to and Forming Part of the Financial Statements
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NOTE 31. DISAGGREGATED DISCLOSURE OF ASSETS AND LIABILITIES - CONTINUED

Year Ended 30 June 2016

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

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

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Notes to and Forming Part of the Financial Statements
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NOTE 32. FINANCIAL INSTRUMENTS

Terms, Conditions and Accounting Policies

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

Interest Rate Risk

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

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

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

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

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

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

Credit Risk

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

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

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

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Notes to and Forming Part of the Financial Statements
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NOTE 32. FINANCIAL INSTRUMENTS – CONTINUED

Credit Risk - Continued

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

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

Liquidity Risk

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

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

Appropriation received to fund operations is drawn down progressively throughout the year to meet the operating requirements. Under the cash management framework, in the event of cash pressure, access to additional appropriation from the Territory Bank Account can be obtained.

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

Price Risk

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

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

Cash and cash equivalents do not have a price risk.

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

Currency Risk

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

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

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NOTE 32. FINANCIAL INSTRUMENTS – CONTINUED

Fair Value of Financial Assets and Liabilities

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

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

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

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Notes to and Forming Part of the Financial Statements
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NOTE 32. FINANCIAL INSTRUMENTS - CONTINUED

Fair Value Hierarchy

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

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

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

Transfer between Categories

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

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For the Year Ended 30 June 2017

NOTE 32. FINANCIAL INSTRUMENTS – CONTINUED

The following tables set out the Directorate's maturity analysis for financial assets and liabilities as well as the exposure to interest rates, including the weighted average interest rates by maturity period as at 30 June 2017. Except for non-current payables, financial assets and liabilities which have a floating interest rate or are non-interest bearing will mature in 1 year or less. All amounts appearing in the following maturity analysis are shown on an undiscounted cash flow basis.

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

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

NOTE 32. FINANCIAL INSTRUMENTS – CONTINUED

The following tables set out the Directorate's maturity analysis for financial assets and liabilities as well as the exposure to interest rates, including the weighted average interest rates by maturity period as at 30 June 2016. Except for non-current payables, financial assets and liabilities which have a floating interest rate or are non-interest bearing will mature in 1 year or less. All amounts appearing in the following maturity analysis are shown on an undiscounted cash flow basis.

| As at 30 June 2016 | Note No. | Weighted Average Interest Rate | Floating Interest Rate | Fixed Interest Maturing In: | | | Non-Interest Bearing \$'000 | Total \$'000 |
|------------------------------------|----------|--------------------------------|------------------------|-----------------------------|-------------------------------|---------------------|-----------------------------|----------------|
| | | | | 1 Year or Less \$'000 | Over 1 Year to 5 Years \$'000 | Over 5 Years \$'000 | | |
| Financial Instruments | | | | | | | | |
| Financial Assets | | | | | | | | |
| Cash and Cash Equivalents | 19 | 1.94% | 44,038 | - | - | - | 36,799 | 80,837 |
| Investments | 21 | - | - | - | - | - | 2,172 | 2,172 |
| Receivables | 20 | - | - | - | - | - | 1,440 | 1,440 |
| Total Financial Assets | | | 44,038 | - | - | - | 40,411 | 84,449 |
| Financial Liabilities | | | | | | | | |
| Payables | 26 | - | - | - | - | - | (4,540) | (4,540) |
| Other Liabilities | 28 | - | - | - | - | - | (4,386) | (4,386) |
| Total Financial Liabilities | | | - | - | - | - | (8,926) | (8,926) |
| Net Financial Assets | | | 44,038 | - | - | - | 31,485 | 75,523 |

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

NOTE 32 FINANCIAL INSTRUMENTS - CONTINUED

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

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

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

Gains / (Losses) on Financial Assets

| | | |
|--|------|----|
| Financial Assets at Fair Value through the Profit and Loss | (51) | 37 |
|--|------|----|

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

NOTE 33. COMMITMENTS

Capital Commitments

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

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

Other Commitments

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

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

Operating Lease Commitments

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

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

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

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

NOTE 34. CONTINGENT LIABILITIES AND CONTINGENT ASSETS

Contingent Liabilities

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

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

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

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

NOTE 35. INTEREST IN A JOINT OPERATION

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

| Share of the Jointly Controlled Operation is as follows: | 2017 | 2016 |
|---|---------------|---------------|
| | \$'000 | \$'000 |
| Revenue | 103 | 76 |
| Expenses | (144) | (129) |
| Operating (Deficit) | (41) | (53) |
| Share of Asset in the Jointly Controlled Operation | | |
| Current Assets | 109 | 69 |
| Non-Current Assets | 3,188 | 3,273 |
| Total Assets | 3,297 | 3,342 |
| Current Liabilities | 2 | 6 |
| Total Liabilities | 2 | 6 |
| Net Assets | 3,295 | 3,336 |

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

NOTE 36. CASH FLOW RECONCILIATION

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

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

NOTE 37. RELATED PARTY DISCLOSURES

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

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

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

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

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

(A) CONTROLLING ENTITY

The Directorate is an ACT Government controlled entity.

(B) KEY MANAGEMENT PERSONNEL

B.1 Compensation of Key Management Personnel

Compensation of all Cabinet Ministers, including the Portfolio Minister, is disclosed in the note on related party disclosures included in the ACT Executive's financial statements for the year ended 30 June 2017.

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

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

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

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

NOTE 37. RELATED PARTY DISCLOSURES – CONTINUED

B.2 Transactions with Key Management Personnel

There were no transactions with KMP identified that were material to the financial statements of the Directorate.

B.3 Transactions with parties related to Key Management Personnel

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

(C) TRANSACTIONS WITH OTHER ACT GOVERNMENT CONTROLLED ENTITIES

All transactions with ACT Government controlled entities are disclosed in the relevant notes in these financial statements.

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

Note 38. BUDGETARY REPORTING

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

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

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

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

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

EDUCATION DIRECTORATE

TERRITORIAL FINANCIAL STATEMENTS

**FOR THE YEAR ENDED
30 JUNE 2017**

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

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

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

Education Directorate
Statement of Assets and Liabilities on Behalf of the Territory
As at 30 June 2017

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

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

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

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

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

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

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

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

Column Heading Explanations

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

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

The *Appropriation Drawn* is the total amount of appropriation received by the Directorate during the year in Appropriation. This amount appears in the Cash Flow Statement on behalf of the Territory.

Variances between 'Original Budget' and 'Total Appropriated'

Expenses on Behalf of the Territory

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

Variances between 'Total Appropriated' and 'Appropriation Drawn'

Expenses on Behalf of the Territory

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

TERRITORIAL NOTE INDEX

Income Notes

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

Expenses Notes

Note 40 Grants and Purchased Services – Territorial

Assets Notes

Note 41 Cash and Cash Equivalents – Territorial

Note 42 Receivables – Territorial

Liabilities Notes

Note 43 Payables

Other Notes

Note 44 Restructure of Administrative Arrangements – Territorial

Note 45 Financial Instruments - Territorial

Note 46 Cash Flow Reconciliation - Territorial

Note 47 Related Party Disclosure - Territorial

Note 48 Budgetary Reporting - Territorial

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

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

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

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

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

NOTE 40. GRANTS AND PURCHASED SERVICES – TERRITORIAL

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

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

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

NOTE 41. CASH AND CASH EQUIVALENTS – TERRITORIAL

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

1. The Territorial accounts are programs administered by the Directorate on behalf of the Territory. Territorial accounts cannot generate an operating result and must hold nil equity balance. This means cash held at year-end is recorded as a payable owed to the Territory Banking Account.
2. Under whole-of-government banking arrangements interest is not earned on cash at bank held with the Territorial Bank Account.

NOTE 42. RECEIVABLES – TERRITORIAL

Current Receivables

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

NOTE 43. PAYABLES – TERRITORIAL

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

Current Payables

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

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

NOTE 44. RESTRUCTURE OF ADMINISTRATIVE ARRANGEMENTS – TERRITORIAL

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

Restructure of Administrative Arrangements 2015-16

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

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

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

NOTE 45. FINANCIAL INSTRUMENTS – TERRITORIAL

Terms, Conditions and Accounting Policies

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

Interest Rate Risk

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

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

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

Credit Risk

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

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

Liquidity Risk

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

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

Price Risk

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

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

Currency Risk

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

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

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

NOTE 45. FINANCIAL INSTRUMENTS – TERRITORIAL – CONTINUED

Unrecognised Financial Assets and Financial Liabilities

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

Fair Value of Financial Assets and Liabilities

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

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

NOTE 45. FINANCIAL INSTRUMENTS – TERRITORIAL – CONTINUED

The following tables set out the maturity analysis for financial assets and liabilities as well as the exposure to interest rates, including the weighted average interest rates by maturity period as at 30 June 2017. All financial assets and liabilities which are non-interest bearing will mature in 1 year or less. All amounts appearing in the following maturity analysis are shown on an undiscounted cash flow basis.

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

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

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

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

NOTE 46. CASH FLOW RECONCILIATION – TERRITORIAL

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

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

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

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

NOTE 47. RELATED PARTY DISCLOSURES – TERRITORIAL

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

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

NOTE 48. BUDGETARY REPORTING – TERRITORIAL

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

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

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

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

Education Directorate
APPENDIX A - BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS
FORMS PART OF NOTE 2 OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017

APPENDIX A - BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS

LEGISLATIVE REQUIREMENT

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

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

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

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

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

ACCRUAL ACCOUNTING

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

CURRENCY

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

INDIVIDUAL REPORTING ENTITY

The Education Directorate is an individual reporting entity.

Education Directorate
APPENDIX A - BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS
FORMS PART OF NOTE 2 OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017

CONTROLLED AND TERRITORIAL ITEMS

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

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

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

REPORTING PERIOD

These financial statements state the financial performance, changes in equity and cash flows of the Directorate for the year ended 30 June 2017 together with the financial position of the Directorate as at 30 June 2017.

COMPARATIVE FIGURES

Budget Figures

To facilitate a comparison with the Budget Papers, as required by the FMA, budget information for 2016-17 has been presented in the financial statements. Budget numbers in the financial statements are the original budget numbers that appear in the Budget Statements.

Prior Year Comparatives

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

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

Rounding

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

GOING CONCERN

As at 30 June 2017, the Education Directorate's current assets are insufficient to meet its current liabilities. However, this is not considered a liquidity risk as its cash needs are funded through appropriation from the ACT Government on a cash-needs basis. This is consistent with the whole of government cash management regime, which requires excess cash balances to be held centrally rather than within individual agency bank accounts. The 2016-17 financial statements have been prepared on a going concern basis as the Directorate has been funded in 2017-18 Budget and Budget Papers include forward estimates for the Directorate.

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

APPENDIX B - SIGNIFICANT ACCOUNTING POLICIES

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

SIGNIFICANT ACCOUNTING POLICIES – INCOME

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

REVENUE RECOGNITION

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

NOTE 4 – CONTROLLED RECURRENT PAYMENTS

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

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

NOTE 5 – USER CHARGES

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

NOTE 6 – INTEREST

Interest revenue is recognised using the effective interest rate.

NOTE 7 - DISTRIBUTION FROM INVESTMENTS WITH THE TERRITORY BANKING ACCOUNT

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

NOTE 8 - RESOURCES RECEIVED FREE OF CHARGE

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

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

SIGNIFICANT ACCOUNTING POLICIES – INCOME CONTINUED

NOTE 9 – OTHER REVENUE

Revenue Received in Advance

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

SIGNIFICANT ACCOUNTING POLICIES – EXPENSES

NOTE 11 – EMPLOYEE EXPENSES

Employee benefits include:

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

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

(See Appendix B – **Note 27 Employee Benefits** for accrued wages and salaries, and annual and long service leave).

NOTE 12 – SUPERANNUATION EXPENSES

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

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

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

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

SIGNIFICANT ACCOUNTING POLICIES – EXPENSES CONTINUED

SUPERANNUATION LIABILITY RECOGNITION

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

NOTE 13 – SUPPLIES AND SERVICES

Insurance

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

Repairs and Maintenance

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

Operating Leases

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

NOTE 14 – DEPRECIATION AND AMORTISATION

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

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

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

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

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

SIGNIFICANT ACCOUNTING POLICIES – EXPENSES CONTINUED

NOTE 17 - WAIVERS, IMPAIRMENT LOSSES AND WRITE-OFFS

WAIVERS

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

IMPAIRMENT OF ASSETS

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

Impairment Losses and Write-Offs - Receivables

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

SIGNIFICANT ACCOUNTING POLICIES – ASSETS

ASSETS – CURRENT AND NON-CURRENT

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

Assets which do not fall within the current classification are classified as non-current.

Significant Accounting Judgements and Estimates - Fair Value of Assets

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

NOTE 19 – CASH AND CASH EQUIVALENTS

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

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

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

SIGNIFICANT ACCOUNTING POLICIES – ASSETS CONTINUED

NOTE 20 – RECEIVABLES

Accounts Receivables

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

Impairment Losses – Receivables

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

The Directorate considers the following as indicators of impairment:

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

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

NOTE 21 – INVESTMENTS

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

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

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

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

SIGNIFICANT ACCOUNTING POLICIES – ASSETS CONTINUED

NOTE 22 – PROPERTY, PLANT AND EQUIPMENT

Acquisition and Recognition of Property, Plant and Equipment

Property, plant and equipment is initially recorded at cost.

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

Property, plant and equipment with a minimum value of \$5,000 (exclusive of GST) are capitalised. Assets below \$5,000 are expensed in the reporting period of purchase. Assets that are individually below the threshold, but for which the aggregate value is material, may be capitalised depending on the nature of the assets.

Measurement of Property, Plant and Equipment after Initial Recognition

Land, buildings and improvements to land are measured at fair value. Plant and equipment including leasehold improvements are measured at cost. Land and buildings are revalued every three years. However, if at any time management considers that the carrying amount of an asset materially differs from its fair value, then the asset will be revalued regardless of when the last valuation took place. The most recent revaluation of the Directorate's land, buildings and land improvements was performed at 30 June 2017.

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

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

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

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

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

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

SIGNIFICANT ACCOUNTING POLICIES – ASSETS CONTINUED

Impairment of Assets

The Directorate assesses, at each reporting date, whether there is any indication that an asset may be impaired. Assets are also reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

Any resulting impairment losses for land, buildings and improvements are recognised against the relevant class of asset in the Asset Revaluation Surplus with corresponding reduction to the carrying amount in the Balance Sheet. Where the impairment loss is greater than the balance in the Asset Revaluation Surplus, the difference is expensed in the Operating Statement.

NOTE 23 – INTANGIBLE ASSETS

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

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

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

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

Intangible assets are measured at cost.

SIGNIFICANT ACCOUNTING POLICIES – LIABILITIES

LIABILITIES – CURRENT AND NON-CURRENT

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

Liabilities which do not fall within the current classification are classified as non-current.

NOTE 26 – PAYABLES

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

Payables include Trade Payables, Accrued Expenses and Other Payables.

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

SIGNIFICANT ACCOUNTING POLICIES – LIABILITIES CONTINUED

NOTE 27 – EMPLOYEE BENEFITS

Wages and Salaries

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

Annual and Long Service Leave

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

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

Annual and Long Services Leave Continued

The long service leave liability is estimated with reference to the minimum period of qualifying service. For employees with less than the required minimum period of 7 years of qualifying service, the probability that employees will reach the required minimum period has been taken into account in estimating the provision for long service leave and applicable on-costs. In 2016-17, the rate used to estimate the present value of future payments for long service leave is 103.4% (114.7% in 2015-16).

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

Significant Accounting Judgements and Estimates – Employee Benefits

Significant judgements have been applied in estimating the liability for employee benefits. The estimated liability for annual and long service leave requires a consideration of the future wage and salary levels, experience of employee departures, probability that leave will be taken in service and periods of service. The estimate also includes an assessment of the probability that employees will meet the minimum service period required to qualify for long service leave and that on-costs will become payable.

The significant judgements and assumptions included in the estimation of annual and long service leave liabilities include an assessment by an actuary. The Australian Government Actuary performed this

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

SIGNIFICANT ACCOUNTING POLICIES – LIABILITIES CONTINUED

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

NOTE 28 – OTHER LIABILITIES

Revenue Received in Advance

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

SIGNIFICANT ACCOUNTING POLICIES – EQUITY

NOTE 29 – EQUITY

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

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

SIGNIFICANT ACCOUNTING POLICIES – OTHER NOTES

NOTE 35 - INTEREST IN A JOINT OPERATION

The Directorate is involved in a joint operation with the Catholic Education Office at Gold Creek Primary School and its share of assets, liabilities, income and expenses have been recognised in the Directorate's financial statements under appropriate headings consistent with AASB 131 'Joint Arrangements'. Please refer to **Note 35 – Interest in a Joint Operation** for details.

NOTE 38 – BUDGETARY REPORTING

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

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

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

TERRITORIAL – SPECIFIC SIGNIFICANT ACCOUNTING POLICIES

SIGNIFICANT ACCOUNTING POLICIES – SPECIFIC TO TERRITORIAL – INCOME

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

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

TERRITORIAL NOTES REFERENCED TO CONTROLLED NOTES

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

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

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

NOTE 48 BUDGETARY REPORTING – TERRITORIAL: see Appendix B: Note 38 Budgetary Reporting.

Education Directorate
APPENDIX C - IMPACT OF ACCOUNTING STANDARDS ISSUED BUT YET TO BE APPLIED
FORMS PART OF NOTE 2 OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017

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

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

ACCOUNTING STANDARDS ISSUED BUT YET TO BE APPLIED

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

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

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

APPENDIX D - CHANGE IN ACCOUNTING ESTIMATES

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

CHANGE IN ACCOUNTING ESTIMATES

As disclosed in **Note 27 – Employee Benefits**, annual leave and long service leave, including applicable on-costs that do not fall due in the next 12 months are measured at the present value of estimated payments to be made in respect of services provided by employees up to the reporting date. The present value of future payments is estimated from an assessment made by the Australian Government Actuary.

Last financial year the rate used to estimate the present value of future long service leave and annual leave payments was 114.7% for long service leave and 101.4% for annual leave. The rate for 2016-17 is 103.4% for long service leave and 99.8% for annual leave. As such the estimate of the long service leave and annual leave liabilities has changed. This change has resulted in a decrease in the estimate of the long service leave liability and expense in the current reporting period of approximately \$11.342 million and a decrease to the estimate of the annual leave liability and expense in the current reporting period of approximately \$0.571 million.

REVALUATION OF ASSETS

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

C3. CAPITAL WORKS

OVERVIEW

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

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

NEW SCHOOLS

NORTH GUNGAHLIN PRIMARY SCHOOL

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

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

CAROLINE CHISHOLM SCHOOL CENTRE FOR INNOVATION AND LEARNING

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

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

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

MODERNISING BELCONNEN HIGH SCHOOL

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

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

INVESTMENT IN GUNGAHLIN SCHOOL INFRASTRUCTURE

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

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

CAPITAL UPGRADES PROGRAM

SCHOOL UPGRADES

Works completed in the 2016-17 year included:

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

BUILDING COMPLIANCE UPGRADES

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

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

AIR CONDITIONING IN SCHOOLS

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

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

Library upgrades occurred at the following schools:

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

Administration area upgrades occurred at the following schools:

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

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

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

ENVIRONMENTAL SUSTAINABILITY

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

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

TABLE C3.1: CAPITAL WORKS MANAGEMENT 2016-17

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

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

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

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

For further information contact:
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C4. ASSET MANAGEMENT

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

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

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

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

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

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

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

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

ASSETS MANAGED

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

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

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

Source: Education Directorate

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

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

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

Source: Education Directorate

SURPLUS ASSETS

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

ASSETS MAINTENANCE AND UPGRADE

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

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

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

ASSET MAINTENANCE

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

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

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

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

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

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

ASSETS UPGRADES

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

OFFICE ACCOMMODATION

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

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

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

Source: Education Directorate

Notes:

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

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

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

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

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

**For further information contact:
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C5. GOVERNMENT CONTRACTING

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

C6. STATEMENT OF PERFORMANCE



AUDITOR-GENERAL AN OFFICER
OF THE ACT LEGISLATIVE ASSEMBLY 

Sensitive: Auditor-General

A17/06

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

Dear Ms Howson

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

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

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

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

Yours sincerely


Dr Maxine Copper
Auditor-General
5 September 2017

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

Level 4, 11 Moore Street Canberra City ACT 2601 PO Box 275 Civic Square ACT 2608
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REPORT OF FACTUAL FINDINGS

EDUCATION DIRECTORATE

To the Members of the ACT Legislative Assembly

Review opinion

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

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

Basis for the review opinion

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

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

Responsibility for preparing and fairly presenting the statement of performance

The Director-General of the Directorate is responsible for:

- preparing and fairly presenting the statement of performance in accordance with the *Financial Management Act 1996* and *Financial Management (Statement of Performance Scrutiny) Guidelines 2017*; and
- determining the internal controls necessary for the preparation and fair presentation of the statement of performance so that the results of accountability indicators and accompanying information are free from material misstatements, whether due to error or fraud.

Responsibility for the review of the statement of performance

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

As required by Australian Auditing Standards, the auditors:

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

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

Limitations on the scope of the review

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

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

This review does not provide assurance on the:

- relevance or appropriateness of the accountability indicators reported in the statement of performance or the related performance targets;
- accuracy of explanations provided for variations between actual and targeted performance due to the often subjective nature of such explanations;
- adequacy of controls implemented by the Directorate; or
- integrity of reviewed statement of performance presented electronically or information hyperlinked to or from the statement of performance. Assurance can only be provided for the printed copy of the reviewed statement of performance.



Dr Maxine Cooper
Auditor-General
5 September 2017

Education Directorate

Statement of Performance

For the Year Ended 30 June 2017

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

Statement of Responsibility

In my opinion, the Statement of Performance is in agreement with the Directorate's records and fairly reflects the service performance of the Directorate for the year ended 30 June 2017 and also fairly reflects the judgements exercised in preparing it.



Natalie Howson
Director-General
3 September 2017

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

Output Class 1: Public School Education

Description

Public primary school education spans the years from preschool to year 6. It is available, on average, for eight years with a preschool age of four years and a kindergarten starting age of five years. A balanced curriculum allows the students to develop the qualities needed for lifelong learning. Public high school education covers the years 7 to 10. ACT public high schools offer a broad and comprehensive education across all key learning areas. Public secondary college education covers years 11 and 12, offering courses catering for a broad range of student needs and interests.

A range of educational settings are available in ACT public schools for students with a disability. These include special needs schools, special classes or units in mainstream schools and additional support in mainstream classes.

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

Notes:

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

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

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

Notes to indicators:

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

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

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

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

Variance explanations:

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

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

Output Class 2: Non-government Education

Output 2.1: Non-government Education

Description

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

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

Notes:

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