



Victorian
Registration &
Qualifications
Authority

Annual Report 2022–23

Victoria's
education and
training regulator



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The Hon. Ben Carroll MP
Minister for Education

The Hon Gayle Tierney MLC
Minister for Skills and TAFE

Tim Pallas MP
Minister for Economic Growth

Dear Ministers,

In accordance with the *Financial Management Act 1994* and the *Education and Training Reform Act 2006*, I am pleased to present the Victorian Registration and Qualifications Authority Annual Report for the year ended 30 June 2023.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Pam White', with a long horizontal stroke extending to the right.

Pam White PSM
Chair
Victorian Registration and Qualifications Authority

11 September 2023

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Report of operations – year in review

The VRQA's purpose

To regulate for quality learning outcomes.

The VRQA's principles

These principles underpin all our interactions with duty holders, co-regulators, stakeholders, and the public:

- transparency
- proportionality
- consistency and predictability
- sector neutrality
- efficiency and agility.

The VRQA's values

The Victorian Registration and Qualifications Authority (VRQA) upholds the Victorian Public Sector Values and applies them at all levels of the organisation.



Report of the Chair

I am pleased to present the VRQA's annual report for 2022–23, a year where the VRQA received a new Ministerial Statement of Expectations (SoE) and new legislative powers.

During the reporting period, the VRQA undertook significant work to mitigate the risk of harm to Victorian apprentices and trainees. This critical government priority required establishment of an expansive reform program that included the implementation of in-house field services, removal of inactive employers from the apprentice and trainee system and increased cooperation with our co-regulators.

New Child Safe Standards were implemented in the previous reporting period. By legislation, on 1 January 2023 the VRQA became the sole regulator of compliance with these standards for all our registered education providers.

These are significant regulatory changes, that the Board has been pleased to implement and embed in its *VRQA Strategic Plan 2022–25* and *VRQA Regulatory Approach Statement 2022*.

The *VRQA Regulatory Approach Statement 2022* outlines a scope of harms encompassing physical, psychological, emotional and financial harms, and reduction in the individual and societal benefits of education and training. It provides our regulated entities, government and the public with a clear statement of how we perform our role and what can be expected from us.

The VRQA has capably fulfilled the commitments laid out in this statement, the priorities in the *VRQA Strategic Plan 2022–25*, and the expectations of the Victorian Government. Details can be found in Table 1 on page 7.

The input of our clients and stakeholders has been vital in the modernisation and reform of our regulatory functions. The annual VRQA Board and stakeholder breakfast was held in person this year after being held online, due to COVID-19 restrictions, in the previous 2 reporting periods. I thank those who attended and all who provided thoughtful and constructive feedback through our other client and stakeholder forums and research this year. Together we have supported a healthy Victorian education and training system and identified opportunities to strengthen VRQA services.

My thanks also to Jonathan Kaplan and his team. The Board is consistently impressed by the VRQA staff's commitment, capability and dedication to regulate for quality learning outcomes. Their resolve to continuously adapt and improve has ensured that both new and existing operations are delivered to a high standard.

A handwritten signature in black ink, appearing to read 'Pam White', with a long horizontal flourish extending to the right.

Pam White PSM
Chair



Report of the Chief Executive Officer (Director)

In 2022–23, the VRQA strengthened its regulatory approach by improving delivery of existing regulatory activities and responding to new Victorian Government expectations. We intensified our commitment to eliminate or minimise harm, and the risk of harm, demonstrating this by undertaking significant reform initiatives.

A review of the processes for the conduct of registrations, reviews, re-registration audits and assessment of amendment applications to identify opportunities for the streamlining of regulation was implemented. The Review Body Assurance Program was also implemented to drive improved compliance and consistency of assessment in schools. These initiatives were supported by the signing of a new review body Memorandum of Understanding (MoU) with the Catholic Education Commission of Victoria (CECV), complementing the MoU signed with the Department of Education (the department) in 2021. This will reinforce transparent and sector-neutral application of the minimum standards for the registration of schools in Victoria.

This is particularly important as on 1 January 2023, the VRQA became the integrated sector (sole) regulator of compliance with Victoria's Child Safe Standards for:

- registered schools
- registered school boarding premises
- school-sector organisations providing courses to overseas students
- student exchange organisations
- non-school senior secondary or foundation secondary providers
- registered training organisations (RTOs) that are regulated by the VRQA.

As a result of this change, the VRQA has additional legislative powers. However, we continued to use our influence and provide education and support resources to drive voluntary compliance during the reporting period. This included online information sessions about the Child Safe Standards and new assessment templates.

Influencing duty holders towards maximum engagement and voluntary compliance were also key aspects of our reform initiatives in the apprentice and trainee sector. The *VRQA Compliance and Enforcement Framework for regulating apprenticeships and traineeships* underpins this work and responds to measures set out in the VRQA's new Ministerial Statement of Expectations (SoE).

In 2022–23 we:

- supported development of the department's School-based Apprentice and Trainee (SBAT) reforms
- increased communications about the monitoring and compliance of employers
- worked with 7 co-regulators to facilitate information sharing
- revoked the approval of 58,706 aged and inactive employers
- established in-house field services.

The establishment of in-house field services means we have directly employed authorised officers to conduct workplace inspections and confirm employers are meeting their obligations to Victorian apprentices and trainees. Where required, these officers will take regulatory action to protect the rights of young and vulnerable workers and ensure their training and supervision mitigates the risk of harm.

In the vocational education and training sector, the VRQA continued to use its discretionary authority to extend vocational training package and qualification end-dates. This ensured that VRQA-registered providers are not unfairly disadvantaged relative to those registered with the Commonwealth regulator.

In the regulation of home schooling, we provided resources to help families address learning areas and enrich their educational programs. This included providing clarity about the scheduling of home schooling reviews and the time taken to complete a review.

Informing and strengthening all our work was engagement with our stakeholders. I thank the school review bodies, home schooling and parent advisory groups, industry and trade unions and our co-regulators in the apprentice and trainee sector. Their contributions and considered feedback in this reporting period have assisted us to reform and improve our regulatory approach.

I also thank the VRQA Board for its steadfast, strategic focus, and Chair Pam White, who champions its vision. The Board's expert application of accountability and thorough governance ensures we support the best possible outcomes for learners.

Finally, I thank the dedicated and agile VRQA executives and staff. You have embraced transformation and your work this year exceeds expectations.



Jonathan Kaplan
Chief Executive Officer (Director)

Introduction

This annual report meets the financial reporting direction FRD 30D, *Standard requirements for the publication of annual reports*, that states annual reports must be ‘reports of the financial and business operations of an entity, produced to comply with legislation and financial reporting directions’. This report complies with the Department of Treasury and Finance’s *2022–23 Model Financial Report* and does not include material not required under relevant legislation and directions.

Appendix 1 is an index of the VRQA’s compliance with statutory disclosure requirements.

Purpose and functions

Strategic purpose

The VRQA regulates for quality learning outcomes.

Regulation aims to eliminate or minimise harm. For the VRQA, harm includes physical, psychological, emotional and financial harms, and reductions in individual and societal benefits of education and training. The VRQA seeks to eliminate or minimise harm, and the risk of harm, to children, students, apprentices and trainees receiving education and training services within its scope of regulation. We do this directly and through our co-regulators.

Functions

The VRQA is a statutory authority established under the *Education and Training Reform Act 2006*, and is responsible to the Minister for Education, the Minister for Training and Skills, and the Minister for Trade and Investment.

The VRQA registers:

- vocational education and training (VET) providers delivering accredited training to domestic students in Victoria only, or Victoria and Western Australia only
- school education providers, including approval on the Commonwealth Register of Institutions and Courses for Overseas Students (CRICOS) for courses in schools
- school and non-school senior secondary or foundation secondary education providers
- school boarding premises
- children for home schooling in Victoria.

The VRQA also:

- regulates apprenticeships and traineeships in Victoria
- issues trade papers
- recognises group training organisations (GTOs) in Victoria
- approves school and non-school providers as overseas secondary student exchange organisations
- accredits courses and registers qualifications for VRQA-registered providers and senior secondary courses and qualifications in Victoria
- investigates complaints against its registered providers
- maintains a register of all VRQA-registered education providers and accredited courses
- acts to protect the interests of students as consumers of education.

Strategic priorities, ministerial expectations and key achievements

Strategic plan

The VRQA Board developed the *VRQA Strategic Plan 2022–25* (the Strategic Plan) which sets out 6 strategic priorities:

1. **Implement government directions effectively** – deliver government decisions and expectations on time and to a high quality.
2. **Continue to strengthen our regulatory approach** – provide duty holders with clear education and support to drive compliance, and strengthen our oversight of review bodies undertaking regulatory functions on our behalf.
3. **Build greater clarity and visibility about our role** – strengthen the visibility and understanding of our role and function, and continue to clarify roles with co-regulators to ensure effective regulatory oversight.
4. **Continue to improve business processes and systems** – streamline business processes to improve internal efficiency and productivity, and apply technology to improve client interactions. Evidence-based decision-making will be supported by building on our business analytics capabilities.
5. **Develop, empower and support our people** – build a positive workplace climate and culture underpinned by integrity that encourages leadership, energy and enthusiasm. We will attract and develop staff capabilities to meet current and future operational requirements.
6. **Prudent financial management** – undertake our regulatory functions and activities on a sustainable basis, working with the Department of Education to clarify our financial needs and pressures, including the dynamic and continuing changes in the sectors that we regulate.

The VRQA Board monitors on a quarterly basis progress and achievements against the Strategic Plan, which are highlighted throughout this report.

Statement of Expectations

Statements from the Minister for Education and the Minister for Training and Skills outline the Victorian Government's expectations of the VRQA as a regulator.

Effective from November 2022, the current Statement of Expectations (SoE) replaced the statement issued in July 2021. The current statement is reproduced in full in Appendix 2.

This SoE is the seventh issued by ministers. It details 7 expectations in the areas of:

- home schooling
- schools
- apprenticeships and traineeships.

The Department of Treasury and Finance revised the *Statement of Expectations Framework for Regulators* in September 2022. The new framework has removed the requirement to update SoEs every 2 years and allows regulators to align updates with existing planning processes and timelines, unless changes in government or regulator priorities require more timely updates.

The VRQA Board monitors progress and achievements against the SoE. This progress is reported as required directly to ministers and in line with the Department of Treasury and Finance's *Statement of Expectations Framework for Regulators*, included in this annual report.

Key achievements

Table 1 highlights the VRQA's key achievements in the 2022–23 reporting period and aligns them to the VRQA's 6 strategic priorities and the 7 expectations in its SoE.

Table 1. Key achievements against the strategic priorities and SoE

Key achievements in 2022–23	SoE alignment	Strategic priority
Home schooling		
Supported the Victorian Home Education Advisory Committee.	1a	1, 3
Strengthened resources to help families address the learning areas and enrich their educational programs. In the 2022 VRQA Client and Stakeholder Research Report, 92% of home schooling respondents rated VRQA information about meeting the requirements of registration as 'excellent' or 'good'.	1b	1, 3
Provided clarity about the scheduling of home schooling reviews and the time taken to complete a review by publishing 2022 quarterly reports on the VRQA website.	2	2, 3
Schools		
Implemented the new Child Safe Standards, including: <ul style="list-style-type: none"> guidance and resources on the Child Safe Standards for Education Providers web pages on vic.gov.au briefings for all regulated sectors compliance reporting through changes to VRQA's Customer Relationship Management functionality to enable improved collection and reporting of data. 	3a, 4a	1, 2, 4
Implemented the revised Review Body Assurance Program including: <ul style="list-style-type: none"> 2 Review Body Community of Practice sessions assessment templates for schools, school boarding premises and the Child Safe Standards validation of out-of-cycle assessments, sample of cyclical review assessments and shadowing of reviews monthly officer and bimonthly executive meetings negotiated and signed a new review body MoU with CECV. 	3a, 4a, 4b, 4c	1, 2
Implemented senior secondary certificate reforms, including: <ul style="list-style-type: none"> supported the development of the department's SBAT reforms and related public consultation paper approved amendments to the Victorian Certificate of Education (VCE) to include the Vocational Major program, and accrediting the Victorian Pathways Certificate (VPC) deemed providers to deliver new certificates provided advice and data to the department to support reforms relating to non-school senior secondary and foundation secondary providers, community providers and alternative education reviews, as well as for other sector-related reforms. 	4b, 7c	1, 2, 3

Key achievements in 2022–23	SoE alignment	Strategic priority
<p>Improved the efficiency of VRQA's regulation of schools, improved compliance and drove consistency of assessment, including:</p> <ul style="list-style-type: none"> reviewed the processes for the conduct of registrations, reviews, re-registration audits and assessment of amendment applications, to identify opportunities for streamlining of regulation conducted a structural and process design review to improve efficiency approved a review of the approach to school regulation developed streamlined registration processes for review body schools commenced development of an Assessor Guide to the minimum standards, to clearly define evidence that demonstrates compliance and to drive consistency of assessment. 	3, 4	2, 3
Apprenticeships and traineeships		
<p>Implemented recommendations from the Protecting Victorian Apprentices regulatory review, including:</p> <ul style="list-style-type: none"> revoked approval of 58,706 aged and inactive employers a new <i>VRQA Compliance and Enforcement Framework for regulating apprenticeships and traineeships</i>, focusing on employers with consistently poor outcomes chaired the Operational Working Group with 7 co-regulators to facilitate information-sharing and to progress development of a cross-agency information and complaints portal increased communications about the monitoring and compliance of employers commissioned the development of an apprenticeship and traineeship education, channels and brand strategy commenced a project on minimum requirements for training plans and better monitoring of labour hire employers. 	5a, 5b, 5e, 5f, 7a, 7b, 7d, 7e, 7f	1, 3
<p>Established in-house apprenticeship field services and implemented them on 1 July 2023, including:</p> <ul style="list-style-type: none"> recruited and appointed a new team of authorised officers and associated staff. 	5a, 6, 7g	2, 4
<p>Finalised a set of outcome metrics to better monitor the effectiveness of the regulatory regime in conjunction with the Department of Jobs, Skills, Industry and Regions.</p>	7h	2, 3
Corporate		
<p>Undertook a funding review, including:</p> <ul style="list-style-type: none"> reviewing the cost base and cost drivers for internal schools and VET units. 		6
<p>Built organisational capacity through onboarding, learning and development, including:</p> <ul style="list-style-type: none"> continued the commitment to integrity across all regulatory operations and at all management meetings increased professional development opportunities. 		5

Key achievements in 2022–23	SoE alignment	Strategic priority
Implemented a Knowledge Reform Strategy, including new digitisation and website transition projects.		4
Continued to embed VRQA's high-level regulatory approach at an operational level and publishing the <i>VRQA Regulatory Approach Statement</i> in October 2022.	6	2, 3, 4
Commenced research to inform the new education, channels, and brand strategy for apprenticeship and traineeship regulation.	5a, 5b	3

Progress towards objectives and indicators

Schools, school boarding premises, senior and foundation secondary education

Significant activities and achievements

The VRQA registers and regulates all Victorian schools across the government, Catholic and independent sectors. It regulates government and Catholic schools through review body arrangements with the department and CECV.

All Victorian schools must meet the minimum standards for registration of schools (minimum standards).

In 2022–2023 the VRQA's work focused on:

- improving the efficiency of VRQA's regulation of schools to minimise regulatory burden for schools, consistent with its risk-based approach to regulation
- strengthening review body arrangements through the Review Body Assurance Program and entering into a strengthened review body MoU with CECV
- driving consistency of understanding of the minimum standards across sectors
- embedding the implementation of the new Child Safe Standards
- continuing to provide guidance to schools about compliance with the minimum standards and the new Ministerial Order 1359 – Implementing the Child Safe Standards – Managing the risk of child abuse in schools and school boarding premises (Ministerial Order 1359)
- continuing to provide guidance for duty holders on the VRQA's new Child Safe Standards website
- continuing to implement the Senior Secondary Certificate reforms arising out of the *Review into vocational and applied learning in senior secondary school* (Firth Review).

Following changes including the introduction of Ministerial Order 1359 and the VCE Vocational Major and VPC, the VRQA updated guidelines for the school sector that came into effect on 1 July 2022:

- Guidelines to the Minimum Standards and Requirements for School Registration
- Guidelines to the Minimum Standards and Requirements for School Boarding Premises Registration
- Guidelines for Non-school Providers: Minimum Standards for Registration to Provide an Accredited Senior Secondary or Foundation Secondary Course
- Guidelines for Student Exchange Programs
- Guidelines for Enrolment of Overseas Students Aged Under 18.

To support the implementation of these guidelines, several resources were updated during the reporting period, including:

- New school application readiness tool
- Evidence tool for independent school review
- Financial capability assessment for non-school providers
- associated application and amendment forms.

These resources help schools and providers self-assess their compliance with the minimum standards and:

- guide schools and providers through the requirements for each standard
- detail the required evidence
- link to relevant guidelines and publications and the VRQA's new Child Safe Standards website.

The VRQA held online, hybrid and in-person information sessions for duty holders to provide them with guidance about the cyclical review process for schools and school boarding premises, Ministerial Order 1359, and the process for reapproval of registration to provide education to overseas students. Information sessions and pre-application meetings were also conducted for prospective independent school applicants.

The VRQA also presented at a range of duty holder forums, including at sessions for new principals in the government and independent sectors. It also provided guidance to schools about compliance at school system forums, and to school boarding premises at the Australian Boarding School Association forum.

The VRQA strengthened its assurance of its appointed school review bodies (the department and CECV) through implementation of the Review Body Assurance Program. This program seeks to drive consistency and the quality of the review and assurance of government and Catholic schools by the appointed review bodies. It includes a Community of Practice, validation of review assessments, provision of assessment templates, and shadowing of department and Catholic reviewers. MoUs with both review bodies strengthen reporting and performance requirements and introduce key performance indicators to further drive consistency and the quality of review body performance.

School boarding premises regulation

In 2021, the VRQA commenced regulating school boarding premises to ensure they meet minimum standards and the Child Safe Standards.

Thirty-eight school boarding premises (2 government, 8 Catholic, 24 independent and 4 non-school providers) are registered in Victoria.

The VRQA provides guidance to school and non-school providers on compliance with the school boarding premises minimum standards.

Cyclical reviews of school boarding premises' compliance with the minimum standards for registration of school boarding premises and Ministerial Order 1359 commenced in 2022.

Secondary education pathways reform

Following the Firth Review, the VRQA approved an amendment to the VCE to include the VCE Vocational Major, and accredited the VPC.

The VCE Vocational Major is a new program of study within the VCE that replaces the Intermediate and Senior Victorian Certificate of Applied Learning (VCAL) in 2023. The VPC is a foundation secondary course that replaces Foundation VCAL in 2023.

VRQA resources, guidelines and registration processes were updated during the reporting period to implement these changes.

The VRQA continued to work with the department and the Victorian Curriculum and Assessment Authority to implement the Firth Review recommendations.

Other activities

The VRQA conducts cyclical reviews of independent schools on a 5 year cycle to assure their continuing compliance with the minimum standards. The VRQA may also open an out-of-cycle review if concerns are identified about a school's compliance with the minimum standards, including matters relating to the safety of students.

Of Victoria's 2,310 schools, 68% are government schools, 22% are Catholic and 10% are independent. In 2022–23, the VRQA registered 15 new schools – 10 primary schools, 2 secondary schools, 2 specialist schools and one specific purpose school.

Table 2. Number of registered schools at 30 June 2023^(a)

School type	2023	2022
Government	1,584	1,575
Catholic	500	499
Independent	226	231
Total	2,310	2,305

Note:

^(a) The department's census date for registered schools is February; VRQA's census date is June. Unlike the department's data, VRQA data includes schools with temporary populations, such as hospital schools and those in juvenile justice facilities.

Figure 1. Registered schools by sector at 30 June 2023

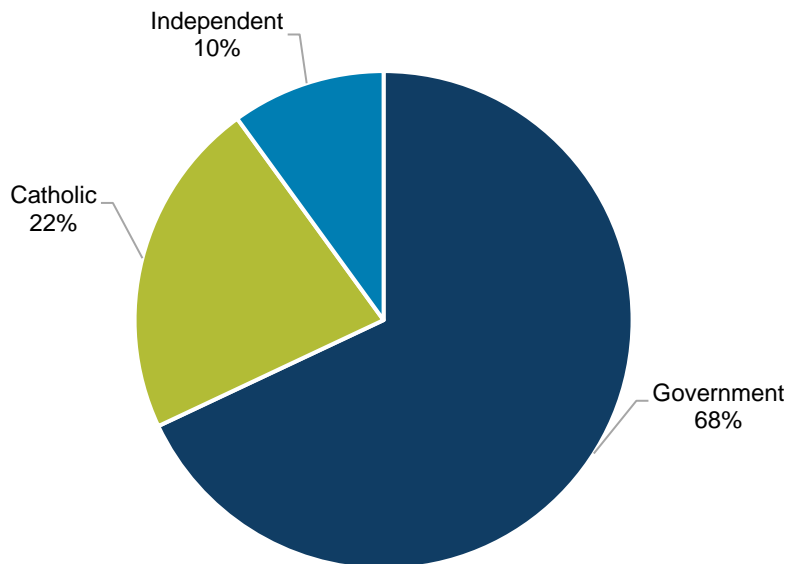


Table 3. School registration activity 2022–23

Registration type	Government	Catholic	Independent	Total
New school				
Primary	9	1	0	10
Secondary	2	0	0	2
Specialist	2	0	0	2
Specific purpose	1	0	0	1
Additions and amendments				
School amalgamations	0	0	3	3
Additional campuses	5	3	11	19
Additional school secondary year levels	3	2	11	16
Additional school primary year levels	0	0	3	3
Additional campus year levels	2	0	0	2
School relocations	3	0	2	5
Senior secondary registration	6	1	1	8
Additional senior secondary courses	36	2	3	41
Closures/cancellations				
Schools closed	5	0	5	10
Campuses closed	2	1	4	7
School boarding premises closed	0	0	1	1

Table 4. Number of registered school boarding premises at 30 June 2023

School boarding premises type	2023
Government	2
Catholic	8
Independent	24
Non-school provider ^(a)	4
Total	38

Note:

(a) See non-school provider section for description of this provider category.

Non-school providers of senior secondary or foundation secondary courses

Significant activities and achievements

Non-school providers deliver senior secondary or foundation secondary courses to students in a non-school environment.

The VRQA provided bespoke information sessions and guidance on its Child Safe Standards website to assist non-school providers to comply with the new Child Safe Standards introduced on 1 July 2022.

The number of non-school providers continued to decrease, with only 23 providers still registered. Most of these providers are technical and further education institutes (TAFEs).

Other activities

At 30 June 2023, Victoria had 23 registered non-school providers, including community-based adult education providers, TAFE institutes and universities. In the reporting period, no new non-school providers were registered, and no non-school providers requested voluntary cancellation of their registration.

Table 5. Non-school providers at 30 June 2023

Organisation type	2023	2022
Community-based adult education provider	3	3
TAFE institute/university	15	15
Other	5	5
Total	23	23

International education

Significant activities and achievements

At 30 June 2023, there were 82 Victorian providers of school education to international students registered on CRICOS. These comprised 81 registered schools (63 independent and 18 Catholic) and the department. Victorian government schools are registered under a single CRICOS registration held by the department.

International education activity increased significantly in the reporting period following the disruptions of the COVID-19 pandemic. In April 2022, the Victorian Government approved the resumption of student exchange programs operated by VRQA-approved student exchange organisations (SEOs). The VRQA supported SEOs to resume operation with ongoing information and guidance.

During the height of the COVID-19 pandemic, the Minister for Education issued a Ministerial Direction allowing Victorian schools to use online and remote learning arrangements to deliver CRICOS school courses to international students until the end of Term 2, 2022. This meant many international students did not return to Victoria until the beginning of the reporting period.

VRQA guidelines were updated to reflect Victoria's new Child Safe Standards and new secondary education pathways and came into effect on 1 July 2022. The guidelines relevant to international education are:

- Guidelines for the Enrolment of Overseas Students Aged Under 18
- Guidelines for Student Exchange Programs.

Three online briefings were held in 2023 to assist schools re-applying for CRICOS approval, providing guidance on new guidelines and the new Child Safe Standards. A range of forms and related resources for international education providers were also updated during the reporting period.

Other activities

The VRQA regulates secondary student exchange programs in Victoria and approves a range of schools and not-for-profit organisations that offer outbound student exchange programs to Victorian students, and in-bound exchange programs to international students.

The VRQA issued Acceptance Advice for Secondary Exchange Student documentation in 2022–23 for 199 incoming students. Students from France, Italy, and Germany accounted for 68% of the total.

The VRQA received outbound registers from SEO providers for 238 students departing Victoria to participate in Student Exchange Programs.

The VRQA reapproved 13 non-government schools to provide courses to overseas students.

Table 6. CRICOS approval activity, 2022–23

Approval type	Government	Catholic	Independent	Non-school	Total
CRICOS re-approvals	-	1	12	-	13
Amendments to approval	-	-	1	-	1

Table 7. Student exchange organisations, 30 June 2023

Approved student exchange organisations	2023	2022
Government school	8	10
Non-government school	7	7
Non-school organisation	13	12
Total	28	29

Vocational education and training

Victoria's regulatory framework for VET providers comprises the Australian Quality Training Framework and the VRQA Guidelines for VET Providers. These apply to all VRQA-registered providers delivering VET qualifications in Victoria.

Significant activities and achievements

The VRQA focused on supporting VET providers to recover from the impacts of the COVID-19 pandemic and understand their obligations under the new Child Safe Standards.

An amendment to the *Education and Training Reform Act 2006* gave the VRQA authority to extend training package and qualification transition end-dates beyond the standard 12 month period. The VRQA used this authority to implement 31 extensions.

The VRQA developed tailored information and guidance material to support VET providers to understand and comply with the new Child Safe Standards. The VRQA:

- delivered 3 online briefing sessions in August 2022
- reminded VET providers that from 1 January 2023 the Child Safe Standards are fully auditable for RTOs that deliver to students under 18 years of age
- commenced a 3 year audit program of all RTOs where the Child Safe Standards apply.

Other activities

The VRQA approved 156 amendment-to-scope applications and applied sanctions to 2 RTO registrations in the form of enforceable undertakings.

In terms of course accreditation activity, the VRQA:

- accredited 6 courses
- re-accredited 19 courses
- extended 27 courses

The VRQA also conducted 2 workshops, for existing or prospective RTOs.

Group Training Organisations

The VRQA is responsible for GTO recognition and assesses compliance against the GTO National Standards. At 30 June 2023, there were 39 organisations recognised as GTOs. The VRQA received 9 new applications in the reporting period and awarded recognition to 7 new organisations. The VRQA conducted 11 financial capability assessment audits and 7 quality audits of GTOs.

Table 8. Number of VRQA-registered RTOs by type at 30 June 2023

Organisation type	2023	2022
Education/training business or centre	37	43
Community-based adult education provider	41	48
Industry association	6	6
Enterprise – non-government	3	3
Enterprise – government	9	10
School – government	15	17
School – independent	18	20
School – Catholic	5	6
Other – not elsewhere classified	2	2
Total	136	155

Table 9. Number of new VRQA-registered RTOs by type

Organisation type	2022–23
Education/training business or centre	1
School – independent	1
Industry association	1
Total	3

Table 10. VET registration activity

Registration activity	2022–23	2021–22
New registration	3	6
Cancellation	18	14
Renew registration	8	25
Amendment to scope	156	188

Table 11. Course accreditation activity

Activity type	2022–23	2021–22
New courses accredited	6	10
Courses re-accredited	19	9
Course modifications	1	Nil
Course accreditations extended (max. 12 months)	27	23
Courses expired/deleted	28	4

Table 12. VRQA-accredited courses by qualification type at 30 June 2023

Qualification type	2023	2022
Short courses	86	76
Certificate I	9	9
Certificate II	15	18
Certificate III	18	20
Certificate IV	16	15
Diploma	13	12
Advanced diploma	11	9
Graduate certificate	2	1
Graduate diploma	3	2
Total	173	162

Child Safe Standards

The VRQA worked with the department and the Commission for Children and Young People (CCYP) in the lead-up to the implementation on 1 July 2022 of the new Child Safe Standards and Ministerial Order 1359.

The VRQA created a dedicated Child Safe Standards website to guide education providers on how to comply. The VRQA completed stakeholder research to ensure the website provides appropriate support and guidance to:

- schools across all sectors
- school boarding premises
- non-school senior secondary and foundation secondary providers
- international education providers
- RTOs.

Following a series of information sessions held prior to the introduction of the Child Safe Standards, 4 additional online information sessions were held during the reporting period, one for schools and school boarding premises and 3 for RTOs. Information sessions for new school registration applicants and for schools and school boarding premises scheduled for reviews in 2023 also included guidance about Ministerial Order 1359.

In addition to information sessions for duty holders, briefings covering Ministerial Order 1359 and the Child Safe Standards were held for school reviewers and RTO auditors. The VRQA also presented at multiple forums for review bodies, and for system owners, including CECV, Independent Schools Victoria and the department.

Discussion of Ministerial Order 1359 and assuring consistent approaches to compliance and assessment was also a frequent topic at meetings of the Review Body Community of Practice, whose members comprise the VRQA, the department and CECV.

Significant activities and achievements

On 1 January 2023, amendments to the *Child Wellbeing and Safety Act 2005* made the VRQA the sole regulator responsible for assuring compliance with the Child Safe Standards for:

- registered schools
- registered school boarding premises
- school-sector organisations providing courses to overseas students
- SEOs
- non-school senior secondary or foundation secondary providers
- RTOs that are regulated by the VRQA.

Prior to 1 January 2023, CCYP was also responsible for ensuring the compliance of these providers.

The amendments to the legislation also provide the VRQA with expanded regulatory tools and powers to ensure compliance with the Child Safe Standards.

Other activities

Monitoring of compliance with the Child Safe Standards

There were 611 assessments completed of providers' compliance with the Child Safe Standards. This included registration and review activities for regulated entities, complaints investigations, and assessments following concerns raised with the VRQA, including through referrals from CCYP and other regulators.

Table 13 (on page 20) shows data about compliance with the Child Safe Standards collected by the VRQA and its school review bodies for schools, non-school providers, international providers and RTOs.

Table 13. Monitoring of compliance with the Child Safe Standards

1 July 2022 to 30 June 2023	No.	% assessed as not compliant	% assessed as not compliant following rectification ^(a)
School and school boarding premises reviews	548	76%	Nil
School and school boarding premises investigations	8	88%	Nil
Registration activity, including assessment of compliance against the Child Safe Standards			
Schools and school boarding premises	28	82%	Nil
Non-school providers of senior secondary or foundation secondary	Nil	n/a	n/a
SEOs	2	50%	Nil
RTOs	1	Nil	n/a
Complaints – all sectors			
Complaint investigations (Child Safe Standards) ^(b)	17	29%	Nil
Sanctions			
Sanctions imposed relating to the Child Safe Standards	7	n/a	n/a
Enforceable undertakings relating to the Child Safe Standards	Nil	n/a	n/a
Total	611		

Notes:

^(a) Rectification action was still underway at the reporting date for some reviews.

^(b) This includes 2 complaints addressed as part of school review.

Home schooling

Significant activities and achievements

Home schooling registrations stabilised during the 2022–23 reporting period. Quarterly reports were published on the VRQA website.

During the reporting period, the VRQA:

- communicated to home schooling families about the 2022 review cycle and what to expect if they were selected for review
- published 2 new video resources to explain the review process to families
- notified families about re-registration and provided guidance on how to respond.

The VRQA took 13 days on average to notify families about the outcomes of their registration applications. This is a decrease from the 2021–22 reporting period, when the average was 19 days.

The VRQA Home Education Facebook page continued to be used to communicate and interact with the Victorian home schooling community during the reporting period. At 30 June 2023, the page had 2,063 followers.

Other activities

During the reporting period, the VRQA completed 254 reviews, received 3,127 home schooling applications and registered 3,104 children. Home schooling registrations have decreased by 8% since the previous reporting period, with 10,481 children registered in 6,998 households, down from 11,332 children in 2022 (Table 14). Some home schooling applications were still being assessed at the close of the reporting period.

The VRQA did not refuse any applications in the reporting period.

The 555 exemptions granted from one or more of the learning areas were mainly for children with individual learning needs. For older children, exemptions were generally made due to the irrelevance of the learning area(s) for the child's future study or career goals. Some exemption applications were withdrawn by the parent, following clarification from the VRQA. This included cases where the parent had applied for an exemption and still provided content for the relevant learning area.

Table 14. Home schooling registrations at 30 June 2023

	2023	2022
Children	10,481	11,332
Households	6,998	7,291

Table 15. Metrics from the SoE, 1 July 2022 to 30 June 2023

Metric	2022–23
Registrations	3104
Applications received	3127
Incomplete applications received	503
Average days to notify of incomplete application	9
Average days to notify of outcome of complete application	13
Applications seeking an exemption from one or more learning area	578
Exemptions from learning area(s) granted	555
Applications refused	0
Registrations reviewed	254
Registrations cancelled	0
VRQA registration decisions resulting in an internal review request	0
VRQA registration decisions resulting in the applicant seeking review at VCAT	0

Apprenticeships and traineeships

Significant activities and achievements

The *VRQA Regulatory Approach Statement 2022* and the *VRQA Compliance and Enforcement Framework for regulating apprenticeships and traineeships* explains that the VRQA's starting point is to seek duty holder compliance through education and support. However, where necessary, the VRQA uses the full range of regulatory powers and tools to secure compliance.

The VRQA's 2 main sanctions are:

- revoke an employer's approval to employ apprentices and trainees in Victoria
- cancel training contracts.

In 2022–23, to protect apprentices and trainees from harm, the VRQA imposed these sanctions at a higher rate than previously. During the reporting period:

- 24 employer approvals were revoked (up from 14 in 2021–22 and nil in 2020–21)
- there were 274 delegate-ordered training contract cancellations and withdrawals (up from 62 in 2021–22 and 12 in 2020–21).

In response to the November 2022 Ministerial SoE, the VRQA implemented a significant program of reforms. A cornerstone of these reforms was preparation for the insourcing of regulatory field services on 1 July 2023. The previously contracted agency, Victorian Apprenticeship Field Services (VAFS), finished on 30 June 2023. The VRQA recruited, onboarded and trained a new team of in-house authorised officers ahead of the 1 July 2023 start date.

The reform program delivered:

- a campaign to contact aged and inactive employers that had not employed an apprentice or trainee in the past 5 years. This resulted in 58,706 employers having their approval to employ apprentices and trainees revoked. This reform strengthens existing protections for apprentices and trainees, who are among the youngest and most vulnerable workers
- consultation on and development of a new *VRQA Compliance and Enforcement Framework for regulating apprenticeships and traineeships*, published in May 2023
- a set of output and outcome metrics to better monitor the effectiveness of the regulatory regime, developed in conjunction with the Department of Jobs, Skills, Industry and Regions.

Other reform initiatives commenced in the reporting period are in progress. These include:

- the development of a new apprenticeship and traineeship education, channels and brand strategy
- a project on minimum requirements for training plans and better monitoring of labour hire employers
- a streamlined cross-agency information and complaints portal for apprentices and trainees.

This work was informed by consultation with the Operational Working Group with 7 co-regulators with shared responsibility for a range of apprentice and trainee conditions in Victoria. The group's purpose is to work together to mitigate the risk of harm by formalising and intensifying existing regulator cooperation. The group, chaired by the VRQA, met 3 times in 2022–23.

Other activities

The VRQA operates a call centre that received over 19,000 calls for assistance in the reporting period. These included calls from apprentices and trainees, parents, employers, Apprenticeship Network Providers and RTOs.

Many of these calls were resolved immediately or soon after the call. Others were referred to more appropriate services for assistance, including to the VAFS investigation team.

The VRQA also received over 25,000 emails, many seeking assistance regarding matters directly or indirectly impacting a successful apprenticeship and traineeship experience.

During the reporting period, the VRQA continued its periodic email newsletter to employers, providing information and support to help them achieve compliance, and its biannual newsletter to all commencing apprentices and trainees, offering information about their obligations and rights.

The VRQA also intensified and increased public communications about the monitoring and compliance of employers and other issues impacting the apprentice and trainee sector. In the reporting period, website news stories were published and shared with stakeholders about:

- TAFE training contract processing times
- extension of the apprentice vehicle registration discount in Victoria
- Apprenticeships Victoria's supervision guidance note and fact sheets to employers, supervisors, and apprentices and trainees
- regulatory campaigns or investigations that resulted in employer and training contracts being cancelled because of inappropriate supervision, apprentice and trainee work duties not matching their skills or qualification, and Occupational Health and Safety breaches
- VRQA's MoU with Energy Safe Victoria to collaborate more effectively on achieving electrical safety for apprentices and their employers
- VRQA's MoU with the Victorian Building Authority, which commits the parties to exchange information without a request in certain circumstances where they become aware of possible breaches of building, plumbing and apprenticeship and traineeship regulations.

Table 16. Apprenticeship and traineeship activity

Activity type	2022–23	2021–22	2020–21
Training contracts registered	58,620	50,564	39,418
Employer approvals	6,325	6,660	5,599
Employer approvals revoked	24	14	-
Employer approvals expired ^(a)	58,706	n/a	n/a
Training schemes approved	18	19	32
Apprenticeship cancellations	16,333	11,842	7,624
Traineeship cancellations	13,879	8,500	5,979
Formal disputes listed	11	4	2
Delegate as guardian on training contract	8	3	1
Delegate-ordered cancellations or withdrawals	274	62	12

Note:

^(c) Refers to the new initiative to revoke employers who had not employed an apprentice or trainee in the last 5 years.

Apprenticeship and traineeship regulatory field services

In the reporting period, the VRQA continued to deploy authorised officers into the field through VAFS to investigate and confirm that employers, apprentices and trainees were meeting their training contract obligations. The service uses a risk-based methodology and conducted 6,014 telephone contacts with apprentices and trainees in the reporting period. The contacts were to determine if sufficient progress was being made and what, if any, issues could be resolved with further assistance or intervention.

This resulted in 1,089 potential issues related to training, supervision, work environment and scope of work being escalated for further investigation.

This meant that 433 medium-complexity investigations were conducted, with authorised officers deployed into the field. Officers investigated and resolved, where possible, issues associated with the initial query, and any common issues affecting other apprentices and trainees at the same workplace.

A further 118 issues were escalated to 99 high-complexity investigations (some investigations involved more than one issue). Authorised officers also conducted another 24 high-complexity investigations, in response to requests for assistance to resolve disputes between employers and their apprentices. These mostly concerned a disagreement about the continuation of the apprenticeship, with 11 requiring the VRQA to determine the outcome and issue orders.

Table 17. VAFS activity

Job type	2022–23	2021–22
Risk assessment services	6,014	7,012
Medium-complexity investigations	433	883
High-complexity investigations – escalations	99	73
High-complexity investigations – disputes	24	39
Total	6,570	8,007

Table 18. VAFS risk assessment activity 2022–23

Issue type	Number	%
Training	635	58
Supervision	300	28
Premises/equipment	11	1
Scope of work undertaken	100	9
Other	43	4
Total escalations	1,089	100

Table 19. VAFS medium-complexity investigations 2022–23

Issue type	Number	%
Training	296	67
Supervision	84	19
Premises/equipment	2	0
Scope of work undertaken	24	5
Other	37	8
Total escalations	443	100

Table 20. VAFS high-complexity investigations – escalations 2022–23

Issue type	Number	%
Training	32	27
Supervision	20	17
Premises/equipment	1	1
Scope of work undertaken	28	24
Other	37	31
Total escalations	118	100

The VRQA made necessary adjustments to how VAFS delivered its services during the reporting period to prepare for the transition to in-house services on 1 July 2023. This included reducing the number of medium-complexity investigations to be completed and focusing remaining resources towards high-complexity investigations, including complaints and disputes.

Regulatory campaigns

The VRQA conducted campaigns to investigate potential apprenticeship and traineeship regulatory issues identified through feedback from industry stakeholders, field intelligence and data analysis. This included the Boosting Apprenticeship Commencements campaign, focused on monitoring and investigating employers that had commencements from 5 October 2020 onwards and were at high risk of non-compliance with regulatory requirements.

Where compliance issues were identified, the VRQA worked with employers to support them to make improvements or took decisive action to reduce any harm to apprentices and trainees as appropriate.

Twenty-four employers had their approval to employ apprentices or trainees revoked for not complying with their obligations under a training contract.

The VRQA gathered and shared intelligence with other agencies to help them better protect the interests of young and/or vulnerable workers. These agencies included:

- the department
- Department of Jobs, Skills, Industry and Regions
- Australian Government Department of Education
- Australian Government Department of Employment and Workplace Relations
- WorkSafe Victoria
- Australian Skills Quality Authority (ASQA)
- Victorian Skills Authority
- Energy Safe Victoria
- Fair Work Ombudsman
- Victorian Building Authority
- Local Jobs First Commissioner
- Wage Inspectorate Victoria.

Trade papers

A trade paper is a certificate recognising the successful completion of a trade apprenticeship. The Victorian Government re-introduced trade papers in 2019. From 1 July 2021, the VRQA has automatically issued trade papers to apprentices. Apprentices who completed before 1 July 2021 must apply to receive their trade papers. In the reporting period, the VRQA issued 10,485 trade papers.

Complaints

Significant activities and achievements

The VRQA received 248 complaints in 2022–23, an increase of 7% compared to 2021–22 (Table 21). This was mostly due to increased complaints about schools. School complaints within jurisdiction mainly related to complaints about compliance with the minimum standards for care, safety and welfare of students, enrolment, and student learning. There was a decrease in the number of complaints about VRQA-registered RTOs.

Consistent with its strategic goal to build greater visibility and clarity about its role, the VRQA also began publishing complaints data on its website during the reporting period.

Other activities

The number of apprenticeship and traineeship complaints remained low. These are complaints lodged through the VRQA's website complaints form and passed on to apprenticeship field services for appropriate action. However, the main gateway for employers, apprentices and trainees, and related stakeholders to raise issues with the VRQA is through its dedicated apprenticeship administration call centre. See the 'Apprenticeships and traineeships' section on page 22 for details of the issues identified and investigated.

Table 21. Number of complaints received

Year	VET-VRQA	VET-ASQA	School	VRQA	Senior secondary	SEO	Home school	Apprenticeships	Other	Total
2022–23	12	59	129	11	2	4	2	12	17	248
2021–22	24	54	113	10	4	1	7	5	13	231
2020–21	15	60	76	5	3	1	6	7	18	191

Access to information

VRQA website

The VRQA publishes online information, advice, policies and data to give duty holders and stakeholders access to quality information across all regulatory areas. The VRQA also publishes its annual stakeholder research findings.

The VRQA continues to implement feedback from stakeholders to improve the VRQA website. In 2022–23, the website had 668,220 page views, for 330,737 sessions, by 190,525 users, of which 46% were via mobile devices (including tablet devices).

The new Child Safe Standards for education providers website, a shared department and VRQA resource hosted on the vic.gov.au platform, had 96,118 session views by 57,664 users in 2022–23.

Information sessions

To maximise accessibility and attendance, VRQA held most information sessions online during the reporting period.

Information sessions provide another channel to engage with duty holders and stakeholders on issues affecting them across regulatory areas. The VRQA hosted 11 information sessions in 2022–23. Ten sessions were online only, and one hybrid session allowed attendees to register to attend online or in person. All sessions gave attendees opportunities to ask questions.

State Register

The VRQA website offers access to the State Register, which provides information on VRQA-registered education and training providers, and the qualifications and courses they deliver. The State Register also publishes each Victorian school's annual report. In 2022–23, it was accessed 42,447 times.

Electronic newsletters and social media

In 2022–23, the VRQA published:

- 4 editions of the VRQA e-News for all stakeholders
- 4 editions of a newsletter for the apprentice and trainee sector (2 for employees and 2 for employers)
- 3 editions of the Child Safe Standards email update
- 9 email updates for Epsilon portal users.

The VRQA also posted 97 times on the VRQA Home Education Facebook page.

Working with stakeholders and duty holders

The individuals and entities the VRQA regulates have duties and obligations under Victorian law. We refer to these entities as 'duty holders'. VRQA recognises that effective engagement of stakeholders and duty holders improves regulatory capacity.

The *VRQA Regulatory Approach Statement 2022* outlines the high-level regulatory approach, including key terms, regulatory purpose, regulatory toolkit, who we regulate and how we regulate. It provides regulated individuals, entities and the public with a clear statement of how the VRQA performs its role and what can be expected from it. It sets out 5 regulatory principles that underpin how VRQA engages with stakeholders and duty holders. They are:

- Transparency – that relevant information, other than private and commercial-in-confidence information, is available to duty holders and the community.
- Proportionality – that processes, incentives and penalties are proportional to the consequences of the particular risk.
- Consistency and predictability – that processes and decisions will be sufficiently consistent as to be predictable to duty holders.
- Sector neutrality – that all duty holders will be held to the same standards within the regulated sector while respecting their diversity and not taking a one-size-fits-all approach.
- Efficiency and agility – that processes deliver maximum public benefit for minimum resources. We will use co-regulators effectively, allow for flexible, case-specific responses, and decisions will be timely.

The annual VRQA Board and stakeholder breakfast returned this reporting period, after being replaced by online forums in the previous period. The breakfast forum, held on 4 May 2023, provided an opportunity for stakeholders to directly engage with the VRQA Board, exchange views on education and training and provide feedback to the VRQA.

Client and stakeholder research

The VRQA conducts annual client and stakeholder research to measure provider and stakeholder satisfaction with the VRQA's performance as a regulator. The VRQA uses this research for reporting, to update services and to improve regulatory activities. The 2022 study included qualitative and quantitative research. It received feedback from schools, RTOs, home educators, apprentices, trainees and their employers.

Key 2022 findings include that:

- 90% of independent schools and 96% of RTOs surveyed considered the VRQA an effective regulator
- 70% of independent schools, 87% of RTOs and 86% of home educators surveyed were satisfied with the VRQA's performance
- satisfaction levels were driven by fair and consistent regulation, and open and transparent communication
- 50% of employers and 37% of apprentices and trainees surveyed reported awareness of the VRQA
- the VRQA achieved very high ratings in terms of the helpfulness of the new Child Safe Standards for education providers website (from 92% to 100% across all sectors).

These research results will contribute to opportunities including:

- improving communications with schools about regulatory requirements
- the development of the apprentice and trainee regulation education, channels and brand strategy
- reviewing the clarity and accessibility of website content and resources for all education providers.

Year in financial review

This is the VRQA's 16th year of operation. Table 22 summarises the 2022–23 financial information and compares it with that of previous years.

In 2022–23, total income from transactions increased by \$0.55 million to \$18.97 million.

VRQA's major sources of revenue were grants and resources received free of charge from the Victorian Government, representing 93.63%. Fees represented 4.37%, and interest and other income represented 2.0%.

In addition:

- total expenses from transactions decreased by \$0.46 million to \$19.41 million
- the VRQA ended the year with a net deficit of \$0.44 million, compared to a net deficit of \$1.45 million in 2021–22
- total assets decreased by \$0.83 million to \$11.86 million
- total liabilities decreased \$0.39 million to \$1.98 million.

Table 22. Five year financial summary

	2023 \$	2022 \$	2021 \$	2020 \$	2019 \$
Total income from transactions	18,969,608	18,413,634	18,880,832	17,676,948	13,846,517
Total expenses from transactions	19,410,944	19,867,122	17,265,534	16,585,542	15,269,956
Net result from transactions	(441,336)	(1,453,488)	1,615,298	1,091,406	(1,423,439)
Net gain/loss on non-financial assets	-	-	-	-	-
Comprehensive result	(441,336)	(1,453,488)	1,615,298	1,091,406	(1,423,439)
Net cash flow from (used) operating activities	186,919	994,267	627,885	1,705,457	(184,661)
Total assets	11,863,324	12,693,244	13,054,326	11,650,764	11,097,143
Total liabilities	1,981,906	2,370,490	1,278,083	1,489,819	2,027,604

Report of operations – governance and organisational structure

Ministers

Minister for Education and Minister for Women

The Hon Natalie Hutchins MP

Until 2 October 2023

The Hon. Ben Carroll MP became Minister for Education on 2 October 2023

Minister Hutchins is the Member for Sydenham and was elected to the Victorian Parliament as the Member for Keilor in 2010. She has been Minister for Education and Minister for Women since June 2022.

Minister Hutchins previously served as Minister for Local Government from December 2014 to September 2017, Minister for Aboriginal Affairs and Minister for Industrial Relations from December 2014 to December 2018, Minister for Women and Minister for Prevention of Family Violence from September 2017 to December 2018, and Minister for Crime Prevention, Minister for Corrections, Minister for Youth Justice and Minister for Victim Support from June 2020 to June 2022.

The Minister for Education oversees Victoria's Education State reforms and is responsible for providing education to more than a million Victorian students. This portfolio includes government investment in school infrastructure and programs.

Minister for Training and Skills, Minister for Higher Education, and Minister for Agriculture

The Hon Gayle Tierney MLC

Minister for Skills and TAFE, and Minister for Regional Development from 2 October 2023

Minister Tierney was elected to the Victorian Parliament as the Member for Western Victoria in 2006. She has held the office of Minister for Training and Skills since November 2016, Minister for Higher Education since November 2018, and Minister for Agriculture since June 2022.

Minister Tierney has also served as Deputy Leader of the Government in the Legislative Council, Minister for Corrections, Cabinet Secretary and Deputy President of the Legislative Council. She was Deputy Chair of the Rural and Regional Parliamentary Committee from March 2007 to November 2010, and Deputy Chair of the Education and Training Parliamentary Committee from February 2010 to June 2013.

The Minister for Training and Skills is responsible for ensuring that Victoria's Vocational Education and Training and Adult Community Education systems play a key role in achieving the economic and social objectives of government, industry, local communities and individuals.

Minister for Trade and Investment, Minister for Industrial Relations Tim Pallas MP

Minister Economic Growth and Minister for industrial Relations from 2 October 2023

Minister Pallas was elected to the Victorian Parliament in 2006 as the member for the seat of Werribee, in Melbourne's west and is currently Victorian Treasurer.

Minister Pallas previously served as Minister for Roads and Ports, Minister for Major Projects and Minister for Resources.

Minister Pallas' parliamentary career followed roles as Chief of Staff to Premier Steve Bracks and Assistant Secretary of the Australian Council of Trade Unions.

The VRQA Board

VRQA Board membership is by ministerial nomination and appointment is by the Governor in Council. Section 4.2.4 of the *Education and Training Reform Act 2006* sets out criteria the Minister must regard when considering nominees.

Nominations aim to ensure the Board incorporates appropriate skills and experience from relevant fields, including education (school education, vocational education and training, and adult, community and higher education), quality assurance, business management, institutional governance, law, finance and industry.

The Board met 6 times during the reporting period.

Ms Pam White, PSM BA (Hons), GAICD Chair

Ms Pam White has over 30 years of experience in senior management and leadership positions in the Victorian Public Service, in both policy development and operations. Most of her work has been in child protection, disability, housing, youth justice and emergency management.

For 2 years, she led the State Services Authority (now the Victorian Public Sector Commission), the body responsible for public sector administration, governance, service delivery, and workforce management and development. She is a member of the Country Fire Authority and the department's Remuneration Committee. She is also a Board Director of Oak Possability and Launch Housing.

Ms White has an expert understanding of the roles and workings of all levels of government, the development and administration of legislation and regulations, and the importance of good governance in delivering effective and integrated public services. In 2012, she was awarded the Public Service Medal (PSM) for her work in improving services for vulnerable children, and for services to emergency management recovery services.

Ms Jenny Atta, PSM, BASc, MPP Ex officio member

Jenny Atta has been Secretary of the department since March 2019. Prior to this, Jenny was Acting Secretary from November 2018.

Ms Atta is directly responsible for the management of the department and for supporting the early childhood, education and training portfolio ministers in the management and administration of their portfolios.

Ms Atta joined the department in December 2015 as Deputy Secretary, Infrastructure and Finance Services Group. In this role, Ms Atta was responsible for the management and oversight of the department's financial, procurement and information technology services, along with strategic advice and planning for State Budget processes, and infrastructure policy and delivery. This followed a range of senior roles in the VPS, including with the Department of Treasury and Finance and the Department of Human Services.

Ms Atta holds a Bachelor of Applied Science and a Master of Public Policy and was awarded a PSM in June 2021 for outstanding public service to strategic social policy reform and delivery in Victoria. In 2019, Ms Atta was inducted as an Institute of Public Administration Australia Victorian Fellow.

Ms Atta was represented at Board meetings by Ms Kylie White, Deputy Secretary, Policy, Strategy and Performance during the reporting period.

Dr Julie Caldecott, MBBS, MBA Member

Dr Julie Caldecott has extensive experience as a consultant and non-executive director across both the public and private sectors. As a Director and Partner of Boston Consulting Group, she focused on consumer goods, health and public policy reforms. She trained as a medical practitioner prior to joining Boston Consulting Group, and has an MBA from the Melbourne Business School, University of Melbourne.

Her previous board memberships include Board Chair of Blue Cross Aged Care and non-executive directorships at Melbourne's Royal Children's Hospital, the Victorian Transport Accident Commission, and the Institute for Safety, Compensation and Recovery Research.

Dr Caldecott is a member of the Victorian Major Transport Infrastructure Board and also chairs its Audit and Risk Committee. She was Board Chair of MaxLifeCare Ltd until 30 June 2023.

Mr Stephen Elder, OAM, BEd, DipEd Member

Mr Stephen Elder has had an extensive career across politics, local government and educational administration. He was a member of the Victorian Parliament from 1988 to 1999, serving as Parliamentary Secretary for Education from 1988 to 1999, and responsible for the government's reform agenda in education from 1992 to 1999.

Mr Elder went on to serve as the Executive Director of Catholic Education Melbourne and the Catholic Education Commission of Victoria until 2019. He is currently Adjunct Professor, Faculty of Education and Senate member of Australian Catholic University, and a member of the Sir Henry Bolte Trust Committee, Barwon Health Board and Iona College Advisory Board. Mr Elder was also a member of the Mercy Health Foundation until October 2022.

Mr Elder has also served in a wide variety of governance roles, including for the Deakin University Council, as Director/Company Secretary of Catholic Capital Grants, and for the Board of the Australian Institute for Teaching and School Leadership. He was also a member of the Australian Government's Ministerial Deregulation Advisory Council.

In 2016, Mr Elder was awarded an Order of Australia for services to the Victorian community.

Ms Penny Hutchinson, MA, BA, AICD, FCA, AMusA Member

Ms Penny Hutchinson commenced her professional career with a chartered accounting firm in London, before migrating to Australia in 1983. Ms Hutchinson was the Director of Arts Victoria from 2000 to 2013, managing relationships across several major government institutions and numerous non-government organisations across arts and culture. She had a leadership role in several major cultural infrastructure projects in Victoria. Ms Hutchinson is also highly experienced in the finance sector. She is a chartered accountant and was a partner in a large financial services and consultancy firm.

Ms Hutchinson has been on the Board of and chaired the audit committee of many organisations, including Medibank Private, the Federal Airports Corporation and Monash University, and is currently on the Board of Eastern Health and Central Gippsland Water.

Ms Hutchinson holds a master degree in Public Policy and Management from the University of Melbourne, a Music Performance Diploma, and an honours degree in German and Music from the University of London. She is also a Graduate of the Australian Institute of Company Directors, a Fellow of Chartered Accountants Australia and New Zealand, and an Associate of the Institute of Chartered Accountants in England and Wales.

Mr Peter Loney, BA Member

Mr Peter Loney is a former teacher, Member of Parliament and academic. Following a long teaching career, he was elected to the Parliament of Victoria in 1992.

A Member of Parliament until 2006, Mr Loney held several parliamentary positions, including Deputy Speaker, Chair of the Public Accounts and Estimates Committee, Chair of the Australasian Council of Public Accounts Committees, Chair of the Privileges Committee, and member of the Standing Orders and Law Reform Committees.

From 2006–2010 Mr Loney was Adjunct Professor and Executive Director of the Public Sector Governance and Accountability Research Centre at La Trobe University and was Adjunct Professor specialising in legislative governance at Deakin University's Alfred Deakin Research Institute from 2010–2019.

Mr Anthony Nippard, MA, BCom (Hons), BA, FCIS, FGIA, FCHSM Member

Mr Anthony Nippard is a governance professional, Board Chair, Board Director and committee member. Since 1988, he has been a director of not-for-profit and public entities spanning sectors including higher education and training, children's services, community and mental health, and school governance. He has worked on advisory committees in the child protection, defence, public sector governance and university sectors.

Mr Nippard currently chairs Neami National and Mental Health and Wellbeing Australia Ltd. He is a Board Member of the Victorian TAFE Association, the Audit and Risk Committee for the Commission for Children and Young People, Box Hill Enterprises Ltd and Box Hill Institute. Mr Nippard also provides governance training and advice, board evaluations, inductions and strategic planning for public sector and not-for-profit organisations. He is a Principal of Thoughtpost Governance and Managing Director of Nippard Pty Ltd. He formerly chaired Moreland Affordable Housing and was a Board Director of Melbourne Forum.

Mr Nippard has extensive experience as a senior executive in various roles, primarily in the areas of health, housing finance, public and community housing, homeless housing services, financial management, corporate services, public administration and integrity, knowledge management and public sector governance.

Ms Fran Reddan, BA (Hons), Dip Ed., B Ed St., M Ed.St, FACE, FACEL, GAICD Member

Ms Fran Reddan is a Board Director, Consultant and Executive Coach who specialises in supporting leaders to excel. With a distinguished career in education spanning more than 30 years, Ms Reddan has been honoured with national fellowships and is recorded in *Who's Who* for her contribution to education. She has deep leadership experience, including serving as Principal of Mentone Girls' Grammar School, where she pursued excellence and innovation for over 14 years. An outstanding educator, she was noted on *The Educator's Hotlist 2018* and has taught at primary, secondary and tertiary levels. Ms Reddan has worked as an accredited school reviewer and is conversant with Australian and international quality benchmarks.

Her previous board positions include serving as President of the Alliance of Girls' Schools Australasia, the peak advocacy group for girls' education, as well as the boards of a university residential college, a charitable trust, and an organisation serving the teaching profession.

As a consultant, Ms Reddan advises in strategy, innovation and reputation, and specialises in leadership and executive coaching in a variety of organisational settings.

Ms Judy Rose, PSM, BA, B Ed, GradDipSpecEd, DipEd Member

Ms Judy Rose was the Regional Director for the North Eastern Victoria Region Department of Education and Training, where she had direct responsibility for over 400 schools, and a key role to play in the early childhood and further education sectors. She has worked in the Victorian Government's education portfolios for over 35 years in metropolitan and rural Victoria, as well as in the Education faculty at Monash University.

Ms Rose has served on the Education State Board, the Australian Institute for Teaching and School Leadership's School Teaching and Learning Advisory Committee, and Deakin University's Education Faculty Board (Primary Education).

Ms Rose is a passionate advocate for education and the right of all children and young people to have equal opportunity for high-quality educational pathways, no matter their personal circumstances. This is reflected in her current work with the Colman Education Foundation and its key work in Victoria's most vulnerable communities.

In 2016, Ms Rose was awarded the PSM in the Queen's Birthday Honours, primarily for her work in establishing flexible learning options for disengaged young people in North East Victoria.

Mr Jim Williamson, BA, DipEd, BEd, MEd Member

Mr Jim Williamson has been the Director of a public policy research and program development company, providing specialised advice to business, government and community organisations for over 3 decades. During that time, he has held senior managerial responsibilities in Community Development, Employment and Training at the Brotherhood of St Laurence. He was also a Senior Policy Manager – Youth Transition at Mission Australia.

Mr Williamson began his career as a secondary school teacher and as a lecturer in education at the Melbourne College of Advanced Education. He went on to senior policy officer roles at the department, and at the Victorian Department of Premier and Cabinet. He is currently the Chair of the Mental Health and Wellbeing Interim Regional Board in the Western Metropolitan Region.

Standing committee

The Board's one standing committee is the Audit and Risk Management Committee.

Audit and Risk Management Committee

- Penelope Hutchinson (Chair), VRQA Board (independent)
- Anthony Nippard, VRQA Board (independent)
- Fran Reddan, VRQA Board (independent)

The Committee helps the VRQA Board fulfil its monitoring and oversight responsibilities for governance, risk management, audit, integrity and business assurance activities, including monitoring board delegations. The Committee exchanges minutes with the department Audit and Risk Committee. The Committee met 4 times during 2022–23.

Other subcommittees

VRQA Board subcommittees provide advice and make recommendations to the Board on specific areas. These subcommittees convened during 2022–23:

VET Subcommittee

- Jim Williamson (Chair), VRQA Board
- Judy Rose, VRQA Board
- Peter Loney, VRQA Board

This subcommittee oversees VET regulation, and the reform and modernisation of apprenticeship and traineeship regulation, on behalf of the VRQA Board. It met twice in 2022–23.

Compliance and Quality Subcommittee

- Dr Julie Caldecott (Chair), VRQA Board
- Stephen Elder, VRQA Board
- Judy Rose, VRQA Board
- Rick Tudor, external member until 31 December 2022

This subcommittee oversees providers' compliance with regulatory requirements. It provides guidance on specific matters as they arise, and periodically tests the VRQA's regulatory framework to ensure the effectiveness of its quality assurance processes. It met 3 times in 2022–23.

Information Technology and Knowledge Management Subcommittee

- Anthony Nippard (Chair), VRQA Board
- Fran Reddan, VRQA Board
- Jim Williamson, VRQA Board
- Michonne van Rees, external member until 31 December 2022

This subcommittee supports the VRQA Board's governance obligation to major information technology development projects, and emerging issues and opportunities in the VRQA's use of information and technology, including business improvement. It met twice in 2022–23.

Home Schooling Review Subcommittee

- Pam White (Chair), VRQA Board
- Julie Caldecott, VRQA Board
- Anthony Nippard, VRQA Board
- Fran Reddan, VRQA Board
- Stephen Elder, VRQA Board
- Judy Rose, VRQA Board

This subcommittee provides an internal review mechanism for parents, where an initial application for their child's registration for home schooling is refused, or they are advised the VRQA intends to cancel their child's registration following a review. The subcommittee formed in February 2018 and meets when needed. It did not meet in 2022–23.

Board Working Group: Apprenticeship Review

- Stephen Elder (Chair), VRQA Board
- Peter Loney, VRQA Board

- Anthony Nippard, VRQA Board

This working group provides oversight of the VRQA's role in the development and implementation of the apprenticeships and traineeships reform program, as set out in the November 2022 SoE for the VRQA. It met 3 times in 2022–23.

VRQA staff

VRQA staff are department employees. They provide advice and report to the VRQA Board on the functions they perform, which include:

- accrediting courses, and registering education and training providers
- developing and implementing accreditation and registration procedures and processes
- quality assurance services related to:
 - Victorian minimum standards for school, school boarding premises and non-school senior secondary registration
 - providing VET and complying with national standards and protocols
 - providing courses to overseas students
- regulating apprenticeships and traineeships
- regulating secondary exchange organisations
- regulating home schooling
- monitoring various institutions' and agencies' quality of implementation of the VRQA directions
- strategic planning
- managing VRQA resources.

Chief Executive Officer (Director)

The CEO (Director) is responsible to the VRQA Board for the effective and efficient implementation of the Board's decisions, and to the department Secretary for the organisation's management and effective interaction with the department.

Staff organisation

VRQA staffing was organised into the 14 functional areas of:

- home schooling
- communications
- information technology
- complaints and student services
- finance
- legal
- governance and corporate services
- international education
- regulatory projects
- schools quality assurance
- schools and senior secondary
- apprenticeships field services
- apprenticeships administration
- VET industry and engagement.

VRQA has a core staffing establishment, with additional staff appointed through secondments or short-term contracts to work on specific projects.

Figure 2 (on page 38) illustrates the VRQA's organisational structure.

Delegations

Section 4.2.7 and clause 11 of Schedule 2 of the *Education and Training Reform Act 2006* empowers the VRQA Board to delegate its functions and powers. The VRQA Board has delegated the following functions and powers:

- all functions and powers of the VRQA, other than the power of delegation, to the VRQA CEO (Director)
- all functions and powers of the VRQA in Chapters 4 and 6 (except for the reserved powers listed in the Limitations and Conditions), other than the power of delegation, to the Deputy CEO – Schools
- all functions and powers of the VRQA under Chapter 4, Part 5.5 and Chapter 6 of the Act (except for the reserved powers listed in the Limitations and Conditions), other than the power of delegation, to the Deputy CEO – Skills and Training, and the Deputy CEO – Students and Services
- all functions and powers under sections 4.3.16, 4.3.19, 4.3.25, 5.5.2 and 5.5.17 of the Act to the Manager, VET and Industry Engagement, VRQA
- all functions and powers under sections 5.5.2 and 5.5.14 of the Act to the Manager, Apprenticeship Field Officers, VRQA
- all functions and powers under section 5.5.17 of the Act to the Principal Lawyer, VRQA
- all functions and powers under section 4.3.9(1)(a) of the Act and regulations 72, 73(1), 74, and 76 to 80 of the Education and Training Reform Regulations 2017 (ETR Regulations), other than the power of delegation, to the Manager Home Schooling, VRQA and the Home Schooling Senior Officer, VRQA
- all functions and powers under section 4.3.9 of the Act and Part 6 of the ETR Regulations, other than the power of delegation, to the members of the Home Schooling Review Subcommittee
- all functions and powers under section 5.5.24 of the Act relating to the payment of subsidies to apprentices to officers within the department's Higher Education and Skills Group (until 31 December 2022, thereafter, to be delegated to officers within the Department of Jobs, Skills, Industry and Regions)
- the power to establish and maintain an Emergency Contact Register for Schools and School Boarding Premises under section 4.2.3(1) of the Act, in connection with section 4.2.2(1)(g) of the Act, to specified positions in the department's Security and Emergency Management Division.

(Note: Financial delegations to the CEO are from the Minister; financial delegations to the management team are from the Secretary.)

A report on activities conducted under delegation is made at each Board meeting to ensure statutory responsibilities are being met.

Authorised officers

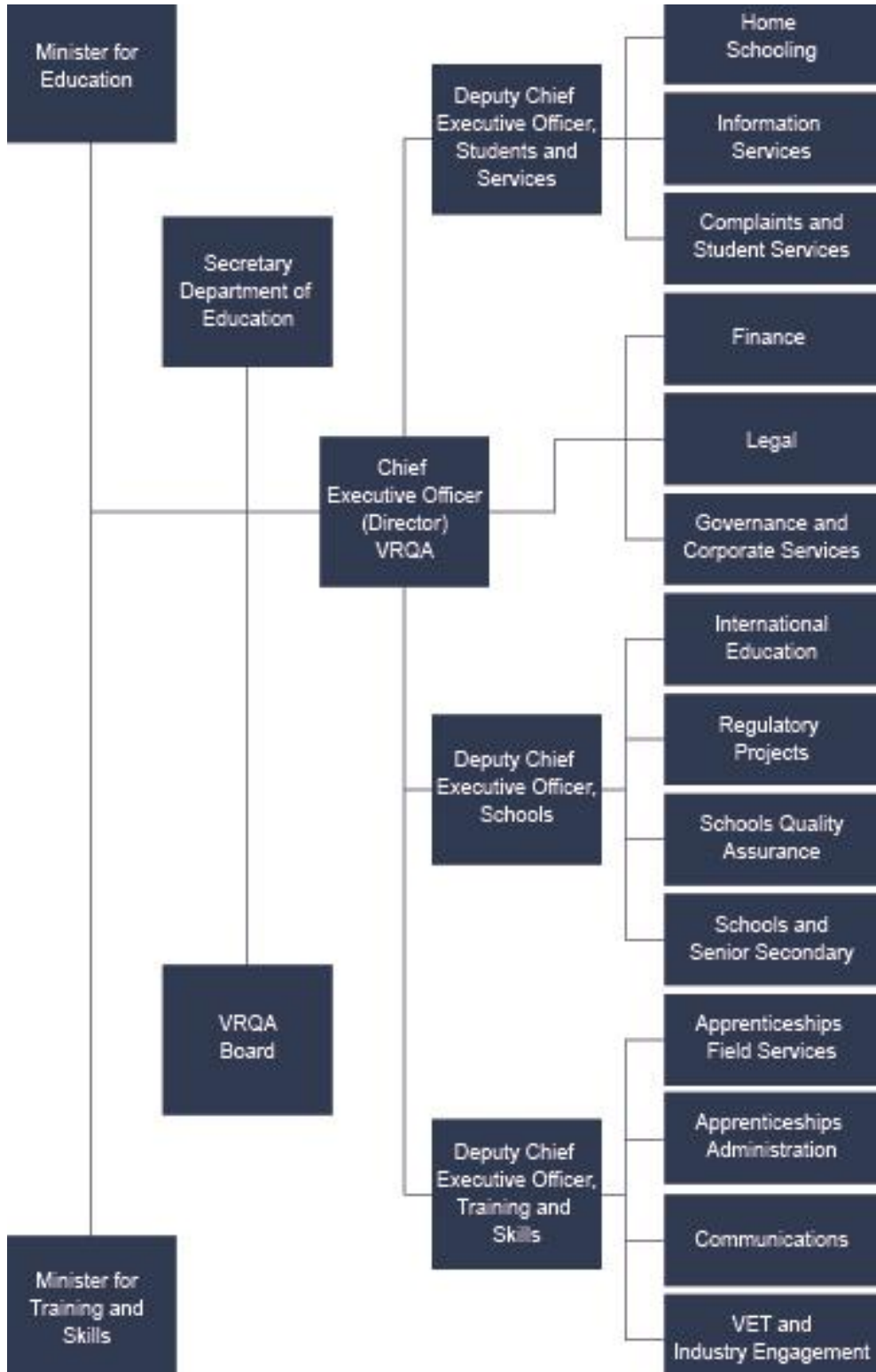
Part 5.8 of the Act provides for the appointment of authorised officers.

At 30 June 2023, there were 47 authorised officers, 42 approved VRQA office staff authorised officers and 5 authorised officers employed by an approved training agent.

All authorised officers are issued with identification cards and, where applicable, a document setting out their powers in accordance with Part 5.8 of the Act.

VRQA organisational structure

Figure 2. Organisational structure at 30 June 2023



Report of operations – workforce data

The VRQA operates within the financial, asset, human resources and information technology policy frameworks of the department.

Public administration values and employment principles

The VRQA applies the employment principles issued by the Victorian Public Sector Commission. These set out the essential requirements for managers to apply the public sector values and employment principles under the *Public Administration Act 2004*.

The principles stipulate that:

- employment decisions are merit-based
- public sector employees are treated fairly and reasonably
- equal employment opportunity is provided
- public sector employees have a reasonable avenue of redress against unfair or unreasonable treatment
- a career in the public service is fostered (in the case of public service bodies).

The VRQA is committed to developing and supporting its workforce by:

- building leadership capacity
- building a future workforce by enhancing workforce capacity
- actively shaping supply and managing employee relations
- creating and supporting a culture of health, safety and wellbeing
- creating and supporting a performance and development culture
- implementing robust human resources management systems.

Occupational health and safety

The VRQA operates within the department's infrastructure and abides by the department's occupational health and safety policies and procedures (see the *Department of Education Annual Report 2022–23* for more information).

Comparative workforce data

Table 23. Full-time equivalent (FTE) staffing trends 2019–23 ^{(a) (b)}

2023	2022	2021	2020	2019
77.7	71.9	74.9	70.8	65.2

Notes:

- (a) Figures are for staff on pay during the last full pay period in June of each year, and excludes those on leave without pay or absent on secondment, external contractors and consultants, temporary staff employed by employment agencies, and a small number of people who are not employees but appointees of a statutory office, as defined in the *Public Administration Act 2004*.
- (b) Victorian Public Service comprises Senior Executive Service (SES), VPSG-classified staff, allied health staff, nurses, senior medical advisers and ministerial transport officers.

Table 24. Summary of employment levels, June 2022 and 2023 ^{(a) (b)}

	Ongoing employees (headcount)				Fixed-term and casual employees
	Employees	Full-time	Part-time	FTE	FTE
June 2023	79	73	4	77.7	2
June 2022	74	66	7	71.9	1

Notes:

- (a) Figures are for staff on pay during the last full pay period in June of each year, and exclude those on leave without pay or absent on secondment, external contractors and consultants, temporary staff employed by employment agencies, and a small number of people who are not employees but appointees of a statutory office, as defined in the *Public Administration Act 2004*.
- (b) Victorian Public Service comprises SES, VPSG-classified staff, allied health staff, nurses, senior medical advisers and ministerial transport officers.

Table 25. VRQA Victorian Public Service staff employment levels, June 2022 and 2023 ^{(a) (b) (c) (d)}

		June 2023						June 2022							
		All employees		Ongoing		Fixed-term and casual employees		All employees		Ongoing		Fixed-term and casual employees			
		Headcount	FTE	Full-time (headcount)	Part-time (headcount)	FTE	Headcount	FTE	Headcount	FTE	Full-time (headcount)	Part-time (headcount)	FTE	Headcount	FTE
Gender															
Demographic data	Women	48	46.9	44	3	45.9	1	1.0	45	43.1	39	6	43.1	-	-
	Men	30	29.8	28	1	28.8	1	1.0	28	27.8	26	1	26.8	1	1.0
	Self-described	1	1	1	-	1.0	-	-	1	1.0	1	-	1.0	-	-
Age															
Demographic data	Under 25	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	25–34	12	12.0	10	-	10.0	2	2.0	12	12.0	11	-	11.0	1	1.0
	35–44	20	20.0	20	-	20.0	-	-	18	17.7	16	2	17.7	-	-
	45–54	26	25.8	25	1	25.8	-	-	24	24.0	24	-	24.0	-	-
	55–64	19	18.7	17	2	18.7	-	-	18	17.5	15	3	17.5	-	-
	Over 64	2	1.2	1	1	1.2	-	-	3	1.7	1	2	1.7	-	-
VPSG1–6		76	74.7	70	4	72.7	-	-	70	67.9	62	7	66.9	1	1.0
Classification data	VPSG1	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	VPSG2	6	6.0	6	-	6.0	-	-	5	5.0	5	-	5.0	-	-
	VPSG3	10	10.0	10	-	10.0	-	-	9	9.0	8	-	8.0	1	1.0
	VPSG4	18	17.9	17	1	17.9	-	-	14	14.0	14	-	14.0	-	-
	VPSG5	26	25.0	22	2	23.0	2	2.0	29	27.1	23	6	27.1	-	-
	VPSG6	16	15.8	15	1	15.8	-	-	13	12.8	12	1	12.8	-	-

Senior employees	3	3.0	3	-	3.0	-	-	4	4.0	3	-	3.0	-	-
STS	-	-	-	-	-	-	-	-	-	-	-	-	-	-
SES	3	3.0	3	-	3.0	-	-	4	4.0	4	-	4.0	-	-
Total employees	79	77.7	73	4	75.7	2	2.0	74	71.9	65	7	69.9	1	1.0

Notes:

- (a) 'Headcount' refers to the number of people employed, where each person counts as an employee regardless of the number of hours engaged to work.
- (b) 'Casual' means a person who is subject to clause 25, Casual Employees – Loading of the VPS Agreement 2006, or similar clauses in other relevant agreements. It includes persons employed on a sessional basis where such provision is made under an applicable industrial agreement.
- (c) 'Age' of staff calculated at 30 June each year.
- (d) The category VPSG2 includes Graduate Recruits.

Executive data

Table 26. Number of Senior Executive Service (SES) classified in 'ongoing' and 'special projects'

Class	All		Ongoing		Special projects	
	Number	Variance	Number	Variance	Number	Variance
SES-3	-	-	-	-	-	-
SES-2	1	-	1	-	-	-
SES-1	2	-	2	-	-	-
Total	3	-	3	-	-	-

Table 27. Gender breakdown of SES in 'ongoing' and 'special projects'

Class	Male		Female		Self-described		Ongoing		Special projects		Vacancies	
	No.	Var.	No.	Var.	No.	Var.	Number	No.	Var.	No.	Var.	Number
	SES-3	-	-	-	-	-	-	-	-	-	-	-
SES-2	1	-	-	-	-	-	-	-	-	-	-	-
SES-1	1	-	1	-	-	-	-	-	-	-	-	-
Total	2	-	1	-	-	-	-	-	-	-	-	-

Table 28. Reconciliation of executive numbers

		2023	2022
	Executives with total remuneration over \$100,000 (see Note 8.3.1)	3	3
Add	Vacancies	-	-
	Executives employed with total remuneration less than \$100,000	-	-
	Accountable officer (Director)	1	1
Less	Separations	-	-
Less	Portfolio entity executives	-	-
	Total executive numbers at 30 June	4	4

Report of operations – other disclosures

Local Jobs First

There were no contracts related to the *Local Jobs First Act 2003*, which brings together the Victorian Industry Participation Policy and the Major Skills Guarantee. Details of disclosed contracts can be viewed at www.buyingfor.vic.gov.au.

Social Procurement Strategy achievements

The VRQA actioned its Social Procurement Strategy during the 2022–23 reporting period. In 2019, the VRQA set an objective to engage more local or domestic suppliers. In 2022–23, the VRQA continued its engagement with BUSY At Work.

BUSY At Work is a Queensland-based not-for-profit specialising in apprenticeship and disability employment support services. It seeks to support communities with skills training and employment opportunities and carries out paid government and private-sector contracts to finance its work in Australian communities. Since 2019, BUSY At Work has operated in Victoria as Victorian Apprenticeship Field Services, providing apprenticeship and trainee support, workplace visits, audits, and ‘check-ins’ on the VRQA’s behalf. The annual spend on this contract was \$1.65 million.

Major consultancies and contracts

There were no major consultancies over \$10,000 for the period 1 July 2022 to 30 June 2023. The VRQA did not engage any consultancies costing less than \$10,000 each during 2022–23.

There were no major contracts greater than \$10 million in value entered into by VRQA during the financial year ended 30 June 2023.

Major research and development

The annual VRQA Client and Stakeholder Research project was carried out in 2022 and delivered during the reporting period. The project gathers feedback from VRQA stakeholders and duty holders about the VRQA’s performance in the preceding 12 months, and presents the findings in a report that the VRQA uses in strategic planning and operations.

The project surveys duty holders and stakeholders across Victoria’s school, school boarding, VET, apprenticeships and traineeships, and home schooling communities. In the 2022–23 reporting period, the project was carried out by Wallis Social Research. It was in-field from August to November of 2022, and the final report was presented to the VRQA in February 2023. The estimated cost was \$109,986 and the final cost was \$109,986 (ex. GST).

Freedom of information

The *Freedom of Information Act 1982* (FOI Act) allows public access to documents of the Victorian Government and its agencies, including those held by the VRQA.

For the 12 months ended 30 June 2023, the VRQA received 7 freedom of information (FOI) applications.

Two decisions were made within the statutory 30-day period and 2 were made within an extended statutory 30 to 60-day period. Two FOIs were released outside of the FOI Act and one is currently in progress. The VRQA met all response times required by statute in the reporting period.

The information required to be published pursuant to section 7 of the FOI Act is contained elsewhere in this report or at www.vrqa.vic.gov.au.

Making a request

To access documents, write to the relevant FOI officer detailed in section 17 of the FOI Act. The request should:

- be in writing
- clearly identify which document is being requested
- be accompanied by the appropriate application fee (may be waived in certain circumstances)
- be addressed to:

Freedom of Information Officer
Victorian Registration and Qualifications Authority
GPO Box 2317
Melbourne VIC 3001

Email: vrqa@education.vic.gov.au
Telephone: (03) 9637 2806

Access charges may apply once documents have been processed and a decision on access is made, for example photocopying, and search and retrieval charges.

Visit www.ovic.vic.gov.au for more information about FOI.

Compliance with the *Building Act 1993*

The VRQA operates within the department's infrastructure, and abides by the department's infrastructure policies and procedures (see the *Department of Education Annual Report 2022–23* for more information).

Competitive Neutrality Policy

The review of fees and charges indicated that the VRQA did not add any restrictions on competition between providers of accredited courses.

Compliance with the Public Interest Disclosures Act 2012

The *Public Interest Disclosures Act 2012* encourages and facilitates people making disclosures of:

- improper conduct by public officers, public bodies and other persons
- any detrimental action taken in reprisal for a person making a disclosure.

This Act also provides for the confidentiality of the content of those disclosures and the identity of the people making the disclosures.

Under the Act, disclosures made to the VRQA about improper or corrupt conduct are not protected disclosures.

To be protected, a disclosure must be made to the Independent Broad-based Anti-corruption Commission.

The VRQA Board does not tolerate improper conduct by employees or reprisals against those who disclose such conduct. The Board is committed to ensuring transparency and accountability in its administrative and management practices. It supports the making of disclosures that reveal corrupt conduct, conduct involving a substantial mismanagement of public resources, or conduct involving a substantial risk to public health and safety or the environment.

The VRQA Board will take all reasonable steps to protect people who make such disclosures from reprisal. To the extent it is legally possible, it will also afford natural justice to the person who is the subject of the disclosure.

Making disclosures

Disclosures of improper or corrupt conduct by the VRQA Board or its employees are protected if made in accordance with Division 2 of Part 2 of the *Public Interest Disclosures Act 2012* to either the:

- Independent Broad-based Anti-corruption Commission
GPO Box 24234
Melbourne VIC 3001

Telephone: 1300 735 135
Website: www.ibac.vic.gov.au

Or the:

- Victorian Ombudsman
Level 2, 570 Bourke Street
Melbourne VIC 3000

Telephone: (03) 9613 6222
Toll-free: 1800 806 314 (regional only)
Email: ombudvic@ombudsman.vic.gov.au
Website: www.ombudsman.vic.gov.au

Disclosures of detrimental action taken by the VRQA Board or its employees in reprisal for making a protected disclosure, may be made to:

- The Public Interest Disclosures Coordinator
Victorian Registration and Qualifications Authority
GPO Box 2317
Melbourne Vic 3001

Procedures under the *Public Interest Disclosures Act 2012*

The procedures for protecting people from detrimental action in reprisal for making a protected disclosure are available on request.

The VRQA Board did not receive disclosures of detrimental action taken in reprisal for the making of a protected disclosure in 2022–23.

Compliance with the Carers Recognition Act 2012

The VRQA operates within the department's infrastructure and abides by the department's human resources policies and procedures (see the *Department of Education Annual Report 2022–23* for more information).

Environmental impacts

The VRQA operates within the department's infrastructure and abides by the department's Environmental Management System (see the *Department of Education Annual Report 2022–23* for more information).

Fees and charges

Section 5.2.13 of the *Education and Training Reform Act 2006* enables ministers to fix fees and charges. Ministerial Order 957 held VET fees at 2014 levels.

All other fees were increased on 1 January 2023. Details of fees and charges are available on the VRQA website.

Additional information available on request

In compliance with the requirements of the Standing Directions of the Assistant Treasurer, details in respect of the items listed have been retained by the VRQA and are available on request, subject to the FOI Act provisions, including:

- a statement that declarations of pecuniary interests have been duly completed by all relevant officers
- details of shares held by a senior officer as nominee or held beneficially in a statutory authority or subsidiary
- details of publications produced by the entity about the entity, and how these can be obtained
- details of changes in prices, fees, charges, rates and levies charged by the VRQA
- details of any major external reviews carried out on the VRQA
- details of major research and development activities undertaken by the VRQA
- details of overseas visits undertaken, including a summary of the objectives and outcomes of each visit
- details of major promotional, public relations and marketing activities undertaken by the VRQA to develop community awareness of the VRQA and its services
- details of assessments and measures undertaken to improve the occupational health and safety of employees
- a general statement on industrial relations within the VRQA, and details of time lost through industrial accidents or disputes
- a list of major committees sponsored by the VRQA, the purposes of each committee and the extent to which the purposes have been achieved
- details of all consultancies and contractors, including:
 - consultants/contractors engaged
 - services provided
 - expenditure committed for each engagement.

This information is available on request from:

- Manager, Governance and Corporate Services, VRQA
GPO Box 2317
Melbourne VIC 3001

Telephone: (03) 9637 2806

Compliance with DataVic Access Policy

Consistent with the DataVic Access Policy issued by the Victorian Government in 2016, which enables public access to government data, information included in this annual report will be available at DataVic in machine-readable format.

The VRQA contributes to data sets published by the department to DataVic.

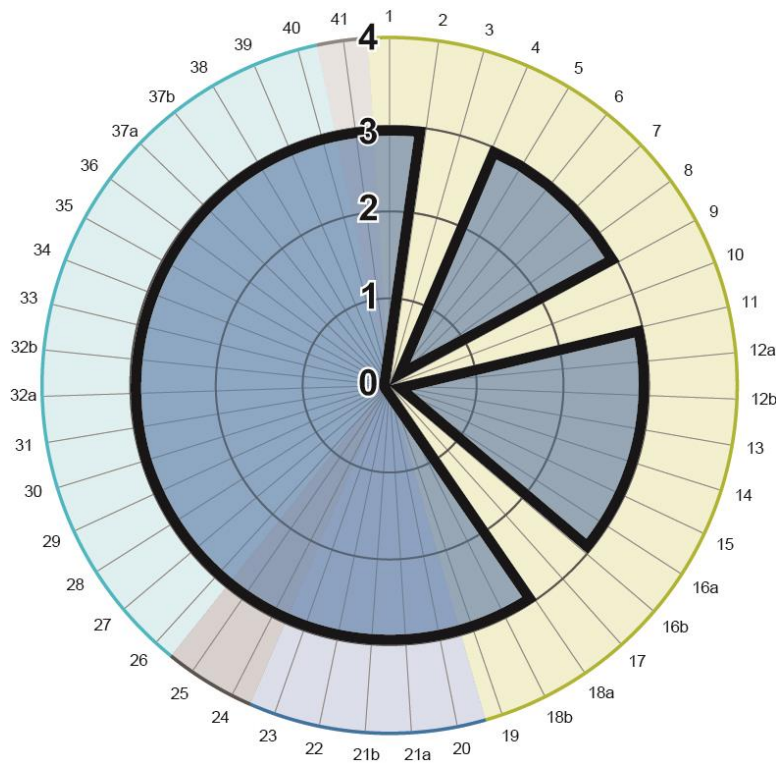
Compliance with the Asset Management Accountability Framework

The following information summarises the VRQA’s assessment of maturity against the requirements of the Asset Management Accountability Framework (AMAF).

The AMAF is a non-prescriptive, devolved accountability model of asset management that requires compliance with 41 mandatory requirements. These requirements can be found on the Department of Treasury and Finance website at www.dtf.vic.gov.au/infrastructure-investment/asset-management-accountability-framework

The VRQA’s target maturity rating is ‘competence’, meaning systems and processes are fully in place, consistently applied and systematically meeting the AMAF requirements, including a continuous improvement process to expand system performance above AMAF minimum requirements.

Figure 3. VRQA’s Asset Management Accountability Framework maturity assessment



Legend

Target

Overall

Status	Scale
Not applicable	N/A
Innocence	0
Awareness	1
Developing	2
Competence	3
Optimising	4
Unassessed	U/A

Leadership and accountability (requirements 1–19)

The VRQA has met its target maturity level under most requirements within this category. Requirements 3 and 10 were not applicable, since the VRQA does not outsource asset management functions to entities excluded from the Standing Directions. Requirement 17 is not applicable, since the VRQA does not have an Asset Information Management System. This is due to the very small number and short-term life cycle of the VRQA assets.

The VRQA can still provide relevant asset information and performance data, and respond to reasonable information reporting requests, as required by government and central agencies.

There is no material non-compliance reported in this category.

Planning (requirements 20–23)

The VRQA has met its target maturity level in this category.

Acquisition (requirements 24 and 25)

The VRQA has met its target maturity level in this category.

Operation (requirements 26–40)

The VRQA has met its target maturity level in this category.

Disposal (requirement 41)

The VRQA has met its target maturity level in this category.

Attestation for financial management compliance with Ministerial Standing Direction 5.1.4

Victorian Registration and Qualifications Authority Financial Management Compliance Attestation Statement

I, Pam White, on behalf of the Responsible Body, certify that the Victorian Registration and Qualifications Authority has no Material Compliance Deficiency with respect to the applicable Standing Directions under the *Financial Management Act 1994* and Instructions.

A handwritten signature in black ink, appearing to read 'P White', with a long horizontal stroke extending to the right.

Pam White PSM
Chair
Victorian Registration and Qualifications Authority

11 September 2023

Financial statements

Declaration in the financial statements

The attached financial statements for the Victorian Registration and Qualifications Authority have been prepared in accordance with Direction 5.2 of the Standing Directions of the Assistant Treasurer under the *Financial Management Act 1994*, applicable Financial Reporting Directions, Australian Accounting Standards including interpretations, and other mandatory professional reporting requirements.

We further state that, in our opinion, the information set out in the comprehensive operating statement, balance sheet, statement of changes in equity, cash flow statement and accompanying notes, presents fairly the financial transactions during the year ended 30 June 2023 and financial position of the Victorian Registration and Qualifications Authority at 30 June 2023.

At the time of signing, we are not aware of any circumstance which would render any particulars included in the financial statements to be misleading or inaccurate.

We authorise the attached financial statements for issue on 11 September 2023.




Pam White PSM
Chair
Victorian Registration and Qualifications Authority

Melbourne
11 September 2023



Jonathan Kaplan
Chief Executive Officer (Director)
Victorian Registration and Qualifications Authority

Melbourne
11 September 2023



Matthew Tibb
Chief Finance Officer
Victorian Registration and Qualifications Authority

Melbourne
11 September 2023

Victorian Auditor-General's Office Report



Independent Auditor's Report

To the Board of the Victorian Registration and Qualifications Authority

Opinion	<p>I have audited the financial report of the Victorian Registration and Qualifications Authority (the authority) which comprises the:</p> <ul style="list-style-type: none">• balance sheet as at 30 June 2023• comprehensive operating statement for the year then ended• statement of changes in equity for the year then ended• cash flow statement for the year then ended• notes to the financial statements, including significant accounting policies• declaration by chair, chief executive officer and chief finance officer. <p>In my opinion the financial report presents fairly, in all material respects, the financial position of the authority as at 30 June 2023 and its financial performance and cash flows for the year then ended in accordance with the financial reporting requirements of Part 7 of the <i>Financial Management Act 1994</i> and applicable Australian Accounting Standards.</p>
Basis for Opinion	<p>I have conducted my audit in accordance with the <i>Audit Act 1994</i> which incorporates the Australian Auditing Standards. I further describe my responsibilities under that Act and those standards in the <i>Auditor's Responsibilities for the Audit of the Financial Report</i> section of my report.</p> <p>My independence is established by the <i>Constitution Act 1975</i>. My staff and I are independent of the authority in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 <i>Code of Ethics for Professional Accountants</i> (the Code) that are relevant to my audit of the financial report in Victoria. My staff and I have also fulfilled our other ethical responsibilities in accordance with the Code.</p> <p>I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion</p>
Other information - Report of Operations	<p>The Board is responsible for the "Other Information" included in the Authority's Report of Operations for the year ended 30 June 2023. The Report of Operations does not include the financial report and my auditor's report thereon, which together with the Report of Operations forms the authority's annual report.</p> <p>My opinion on the financial report does not cover the other information included in the Report of Operations and accordingly I do not express any form of assurance conclusion thereon.</p> <p>In connection with my audit of the financial report, my responsibility is to read the Report of Operations when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.</p> <p>If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact. I have nothing to report in this regard</p>
Board's responsibilities for the financial report	<p>The Board of the authority is responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards and the <i>Financial Management Act 1994</i>, and for such internal control as the Board determines is necessary to enable the preparation and fair presentation of a financial report that is free from material misstatement, whether due to fraud or error.</p> <p>In preparing the financial report, the Board is responsible for assessing the authority's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless it is inappropriate to do so.</p>

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Auditor's responsibilities for the audit of the financial report

As required by the *Audit Act 1994*, my responsibility is to express an opinion on the financial report based on the audit. My objectives for the audit are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

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

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

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

MELBOURNE
22 September 2023



Charlotte Jeffries
as delegate for the Auditor-General of Victoria

How this financial report is structured

The Victorian Registration and Qualifications Authority (VRQA) has presented its audited general-purpose financial statements for the financial year ended 30 June 2023 in the following structure to provide users with information about the VRQA's stewardship of resources entrusted to it.

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Comprehensive operating statement for the financial year ended 30 June 2023

	Notes	2023 \$	2022 \$
Continuing operations			
Revenue and income from transactions			
Grants	2.2.1	16,920,221	16,916,415
Registration and accreditation fees	2.2.2	828,659	925,103
Fair value of assets and services received free of charge or for nominal consideration	2.2.3	841,625	536,890
Interest	2.2.4	378,980	35,106
Other income	2.1	123	120
Total revenue and income from transactions		18,969,608	18,413,634
Expenses from transactions			
Administrative expenses	3.1.1	10,727,422	10,858,401
Depreciation and amortisation	4.1, 4.2	947,721	1,410,295
Contractors	3.1.2	6,254,178	5,997,385
Supplies and services	3.1.3	1,481,623	1,601,041
Total expenses from transactions		19,410,944	19,867,122
Net result from transactions		(441,336)	(1,453,488)
Comprehensive result		(441,336)	(1,453,488)

Note: The accompanying notes form part of these financial statements.

Balance sheet as at 30 June 2023

	Notes	2023 \$	2022 \$
Assets			
Financial assets			
Cash and deposits	6.1	11,663,415	11,513,400
Receivables	5.1	142,394	171,396
Total financial assets		11,805,809	11,684,796
Non-financial assets			
Intangible assets	4.1	-	936,583
Property, plant and equipment	4.2	57,515	31,749
Other non-financial assets	5.2	-	40,116
Total non-financial assets		57,515	1,008,448
Total assets		11,863,324	12,693,244
Liabilities			
Payables	5.3	1,635,716	2,207,535
Contract liabilities	5.4	346,190	162,955
Total liabilities		1,981,906	2,370,490
Net assets		9,881,418	10,322,754
Equity			
Accumulated surplus		8,468,799	8,910,135
Contributed capital		1,412,619	1,412,619
Net worth		9,881,418	10,322,754

Note: The accompanying notes form part of these financial statements.

Cash flow statement for the financial year ended 30 June 2023

	Notes	2023 \$	2022 \$
Cash flows from operating activities			
Receipts			
Receipts from government		16,920,221	16,987,586
Receipts from other entities		913,379	668,409
Interest received		378,980	35,106
Goods and services tax recovered from ATO ^(a)		661,096	544,839
Total receipts		18,873,676	18,235,940
Payments			
Payments to suppliers and employees		(18,686,757)	(17,241,673)
Total payments		(18,686,757)	(17,241,673)
Net cash flows from operating activities	6.1	186,919	994,267
Cash flows from investing activities			
Purchases of non-financial assets		(36,904)	(37,169)
Net cash flows from investing activities		150,015	957,098
Net increase in cash and cash equivalents		150,015	957,098
Cash and cash equivalents at beginning of financial year		11,513,400	10,556,302
Cash and cash equivalents at end of financial year		11,663,415	11,513,400

Notes: The accompanying notes form part of these financial statements.

^(a) GST recovered from the Australian Taxation Office is presented on a net basis.

Statement of changes in equity for the financial year ended 30 June 2023

	Contributed capital \$	Accumulated surplus \$	Total \$
Balance at 1 July 2021	1,412,619	10,363,624	11,776,242
Net result for the year	-	(1,453,488)	(1,453,488)
Balance at 30 June 2022	1,412,619	8,910,135	10,322,754
Net result for the year	-	(441,336)	(441,336)
Balance at 30 June 2023	1,412,619	8,468,799	9,881,418

Note: The accompanying notes form part of these financial statements.

Notes to the financial statements

Note 1. About this report

The Victorian Registration and Qualifications Authority (VRQA) is a State-owned public authority established under the *Education and Training Reform Act 2006*. As an independent public authority the VRQA is a separate legal entity and accountable for resources under its control. Section 4.2.8 of the act requires the VRQA to maintain a fund to account for all money received and paid by the VRQA.

Its principal address is:

Victorian Registration and Qualifications Authority
Level 4, Casselden, 2 Lonsdale Street
Melbourne VIC 3000

Basis of preparation

These financial statements are in Australian dollars and the historical cost convention is used unless a different measurement basis is specifically disclosed in the note associated with the item measured on a different basis.

The accrual basis of accounting has been applied in preparing these financial statements, whereby assets, liabilities, equity, income and expenses are recognised in the reporting period to which they relate, regardless of when cash is received or paid.

Consistent with the requirements of AASB 1004 *Contributions*, contributions by owners (that is, contributed capital and its repayment) are treated as equity transactions and, therefore, do not form part of the income and expenses of the VRQA.

Other transfers that are in the nature of contributions to, or distributions by, owners have also been designated as contributions by owners.

Transfers of net assets arising from administrative restructurings are treated as distributions to, or contributions by, owners. Transfers of net liabilities arising from administrative restructurings are treated as distributions to owners.

Judgements, estimates and assumptions are required to be made about financial information being presented. The significant judgements made in the preparation of these financial statements are disclosed in the notes where amounts affected by those judgements are disclosed. Estimates and associated assumptions are based on professional judgements derived from historical experience and various other factors that are believed to be reasonable under the circumstances. Actual results may differ from these estimates.

Revisions to accounting estimates are recognised in the period in which the estimate is revised and also in future periods that are affected by the revision. Judgements and assumptions made by management in applying AAS that have significant effects on the financial statements and estimates are disclosed in the notes.

All amounts in the financial statements have been rounded to the nearest dollar unless otherwise stated.

Compliance information

These general-purpose financial statements have been prepared in accordance with the *Financial Management Act 1994* and applicable Australian Accounting Standards (AASs) which include Interpretations, issued by the Australian Accounting Standards Board (AASB). In particular, they are presented in a manner consistent with the requirements of AASB 1049 *Whole of Government and General Government Sector Financial Reporting*.

Where appropriate, those AASs paragraphs applicable to not-for-profit entities have been applied. Accounting policies selected and applied in these financial statements ensure that the resulting financial information satisfies the concepts of relevance and reliability, thereby ensuring that the substance of the underlying transactions or other events is reported.

Note 2. Funding delivery of our services

The VRQA's objectives are to ensure:

- high standards of education and training at Victorian registered providers
- information concerning the performance of education and training providers is publicly available
- decisions of the VRQA have regard to the interests of students and the public
- regulatory processes are procedurally fair.

Economic dependence

To enable the VRQA to fulfil its objectives it receives income from the Department of Education (the department) in the form of grant funding, upon which it is economically dependent. The VRQA also charges fees for registration of providers of education and training and accreditation of courses under the *Education and Training Reform Act 2006*. These fees and charges are set by Ministerial Order.

2.1. Summary of revenue and income that funds the delivery of our services

	Notes	2023 \$	2022 \$
Grants	2.2.1	16,920,221	16,916,415
Registration and accreditation fees	2.2.2	828,659	925,103
Fair value of assets and services received free of charge or for nominal consideration	2.2.3	841,625	536,890
Interest	2.2.4	378,980	35,106
Other income		123	120
Total revenue and income from transactions		18,969,608	18,413,634

Revenue and income that fund delivery of the VRQA's services is accounted for consistently with the requirements of the relevant accounting standards disclosed in the following notes.

2.2. Revenue and income from transactions

2.2.1. Grants

	2023 \$	2022 \$
Revenue and income recognised under AASB 1058		
General purpose	16,920,221	16,916,415
Total grants	16,920,221	16,916,415

The VRQA has determined that the grant income included in the table above under AASB 1058 has been earned under arrangements that are either not enforceable and/or linked to sufficiently specific performance obligations.

Income from grants without any sufficiently specific performance obligations, or that are not enforceable, is recognised when the VRQA has an unconditional right to receive cash which usually coincides with receipt of cash. On initial recognition of the asset, the VRQA recognises any related contributions by owners, increases in liabilities, decreases in assets, and revenue ('related amounts') in accordance with other Australian Accounting Standards. Related amounts may take the form of:

- contributions by owners, in accordance with AASB 1004;

- revenue or a contract liability arising from a contract with a customer, in accordance with AASB 15;
- a lease liability in accordance with AASB 16;
- a financial instrument, in accordance with AASB 9; or
- a provision, in accordance with AASB 137 *Provisions, Contingent Liabilities and Contingent Assets*.

2.2.2. Registration and accreditation fees

	2023 \$	2022 \$
Registration and accreditation fees	828,659	925,103
Total registration and accreditation fees	828,659	925,103

The registration and accreditation fees included in the table above are transactions that the VRQA has determined to be classified as revenue from contracts with customers in accordance with AASB 15.

Performance obligations and revenue recognition policies

Revenue is measured based on the consideration specified in the contract with the customer. The VRQA recognises revenue when it transfers control of a service to the customer; that is, when, or as, the performance obligations for the services to the customer are satisfied.

Revenue from the rendering of services is recognised at a point in time when the performance obligation is satisfied, when the service is completed and over time when the customer simultaneously receives and consumes the services as they are provided.

Revenue from annual registration fees is recognised at a point in time when the VRQA has completed its performance obligation to register the provider.

Application for registration and accreditation fees are recognised at a point in time as each performance obligation is satisfied (that is, with reference to the stage of the assessment process completed by the VRQA).

Consideration received in advance of recognising the associated revenue from the customer is recorded as a contract liability. Where the performance obligation is satisfied but not yet billed, a contract asset is recorded.

2.2.3. Fair value of assets and services received free of charge or for nominal consideration

	2023 \$	2022 \$
Accommodation for Level 4, Casselden, 2 Lonsdale Street, Melbourne ^(a)	841,625	536,890
Total fair value of assets and services received free of charge or for nominal consideration	841,625	536,890

Note: (a) The VRQA shares accommodation with the Department of Education, the cost of which is not charged to the VRQA. The amounts are recognised in the operating statement as an expense and offset to income as resources received free of charge.

Contributions of resources received free of charge, or for nominal consideration, are recognised at fair value when control is obtained over them, irrespective of whether these contributions are subject to restrictions or conditions over their use. The amount recognised as revenue from such contributions reflects the economic benefit received by the VRQA in the form of assets or services.

Contributions in the form of services are only recognised when a fair value can be reliably determined and the services would have been purchased if not received as a donation.

2.2.4. Interest income

	2023	2022
	\$	\$
Interest income		
Interest on bank deposits	378,980	35,106
Total interest	378,980	35,106

Interest income includes interest received on bank term deposits. Interest income is recognised using the effective interest method, which allocates the interest over the relevant period.

Note 3. The cost of delivering services

This section provides an account of the expenses incurred by the VRQA in delivering services and outputs. In section 2, the funds that enable the provision of services were disclosed and in this note the cost associated with the provision of services is recorded.

3.1. Expenses incurred in delivering services

	Notes	2023	2022
		\$	\$
Administrative expenses	3.1.1	10,727,422	10,858,401
Contractors	3.1.2	6,254,178	5,997,385
Supplies and services	3.1.3	1,481,623	1,601,041
Total expenses incurred in delivery of services		18,463,223	18,456,827

Expenses from transactions are recognised as they are incurred and reported in the financial year to which they relate.

3.1.1. Administrative expenses

	2023	2022
	\$	\$
Employee benefits for VRQA staff employed by the department	9,761,988	9,575,939
Termination benefits	–	355,723
Superannuation expense	965,434	926,739
Total administrative expenses	10,727,422	10,858,401

Administrative expenses relate to employee benefits for VRQA staff who are employees of the department. The VRQA reimburses the department for all employee entitlements including wages and salaries, superannuation employer contributions, fringe benefits tax, leave entitlements, termination payments and WorkCover premiums. The costs are classified as administrative expenses in the comprehensive operating statement.

Provisions for annual leave and long service leave for services rendered to the reporting date are recognised and recorded as liabilities by the department. Termination benefits are payable when employment is terminated before normal retirement date, or when an employee accepts an offer of benefits in exchange for the termination of employment. Termination benefits are recognised when the department is demonstrably committed to terminating the employment of current employees according to a detailed formal plan without possibility of withdrawal or providing termination benefits as a result of an offer made to encourage voluntary redundancy.

3.1.2. Contractors

	2023	2022
	\$	\$
Contractors	6,254,178	5,997,385
Total contractors	6,254,178	5,997,385

Contractors represent the costs incurred in normal operations. It includes the hire of temporary staff, contractors used to undertake regulatory functions, and contractors used to provide other services.

3.1.3. Supplies and services

	Notes	2023	2022
		\$	\$
Purchase of supplies and consumables		63,508	92,104
Board member and committee fees		223,429	241,600
Travel expenses		10,322	2,475
Printing expenses		16,712	13,843
Phone and postage		126,390	67,339
Legal expenses		84,990	147,175
Insurance		28,554	26,966
Minor equipment		42,369	116,782
Accommodation expenses ^(a)		841,625	536,890
Advertising		5,924	28,404
Ex gratia expense	8.1	–	293,463
Audit fees	8.5	37,800	34,000
Total supplies and services		1,481,623	1,601,041

Note: (a) Accommodation expenses are received free of charge (refer to Note 2.2.3).

Supplies and services are recognised as an expense in the reporting period in which they are incurred.

Note 4. Key assets available to support output delivery

The VRQA controls intangible assets and other assets that are utilised in fulfilling its objectives and conducting its activities. They represent the resources that have been entrusted to the VRQA to be utilised for delivery of those outputs.

4.1. Intangible assets

	2023 \$	2022 \$
At cost	6,110,830	6,110,830
Additions	–	–
Less: accumulated amortisation	(6,110,830)	(5,174,247)
Total intangible assets	–	936,583

4.1.1. Reconciliation of movements

	Notes	2023 \$	2022 \$
At cost			
Opening balance	(a) (b)	6,110,830	6,110,830
Additions		–	–
Closing balance		6,110,830	6,110,830
Accumulated amortisation			
Opening balance	(a) (b)	(5,174,247)	(3,769,372)
Amortisation of intangible assets	(a) (b)	(936,583)	(1,404,875)
Closing balance		(6,110,830)	(5,174,247)
Net book value at year end	(b)	–	936,583

Notes: (a) State Register – upgrade

(b) Apprenticeship and traineeship database – Epsilon

Initial recognition

When the recognition criteria in AASB 138 *Intangible Assets* is met, internally generated intangible assets are recognised at cost. Subsequently, intangible assets with finite useful lives are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation begins when the asset is available for use; that is, when it is in the location and condition necessary for it to be capable of operating in the manner intended by management.

An **internally generated intangible asset** arising from development (or from the development phase of an internal project) is recognised if, and only if, all of the following are demonstrated:

- a) the technical feasibility of completing the intangible asset so that it will be available for use or sale;
- b) an intention to complete the intangible asset and use or sell it;
- c) the ability to use or sell the intangible asset;
- d) the intangible asset will generate probable future economic benefits;

- e) the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset; and
- f) the ability to measure reliably the expenditure attributable to the intangible asset during its development

Subsequent measurement and amortisation

Intangible produced assets with finite useful lives are amortised as an 'expense from transactions' on a straight-line basis over their useful lives. Amortisation begins when the asset is available for use; that is, when it is in the location and condition necessary for it to be capable of operating in the manner intended by management.

The estimated useful lives, residual values and amortisation method are reviewed at the end of each annual reporting period, and adjustments made where appropriate. The following estimated useful lives are used in the calculation of amortisation:

	2023	2022
	Useful life years	Useful life years
Intangible assets	3	3

Impairment of intangible assets

Intangible assets are tested annually for impairment and whenever there is an indication that the asset may be impaired. Intangible assets with finite useful lives are tested for impairment whenever an indication of impairment is identified.

If there is an indication of impairment, the assets concerned are tested as to whether their carrying value exceeds their possible recoverable amount. Where an asset's carrying value exceeds its recoverable amount, the difference is written off as an other economic flow, except to the extent that the write-down can be debited to an asset revaluation reserve amount applicable to that class of asset.

If there is an indication that there has been a change in the estimate of an asset's recoverable amount since the last impairment loss was recognised, the carrying amount shall be increased to its recoverable amount. This reversal of the impairment loss occurs only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net amortisation, if no impairment loss had been recognised in prior years.

Significant intangible assets

The VRQA has capitalised software development expenditure for the development of its State Register software. The State Register was fully amortised in August 2020.

The VRQA has capitalised software development expenditure for the development of its Apprenticeships and Traineeships database. The Apprenticeships and Traineeships database amortisation for the year 2023 is \$936,583 (2022: \$1,404,875). The carrying value of this asset is zero as this asset is fully amortised in 2023 (2022: \$936,583).

4.2. Property, plant and equipment

	2023	2022
	\$	\$
At cost	37,169	–
Additions	36,904	37,169
Less: accumulated depreciation	(16,558)	(5,420)
Total property, plant and equipment	57,515	31,749

4.2.1. Reconciliation of movements

	2023	2022
	\$	\$
At cost		
Opening balance	37,169	–
Additions	36,904	37,169
Closing balance	74,073	37,169
Accumulated depreciation		
Opening balance	(5,420)	–
Depreciation of office equipment	(11,138)	(5,420)
Closing balance	(16,558)	(5,420)
Net book value at year end	57,515	31,749

Initial recognition

Items of equipment are measured initially at cost and subsequently revalued at fair value less accumulated depreciation and impairment. Where an asset is acquired for no or nominal cost, the cost is its fair value at the date of acquisition. Assets transferred as part of a machinery of government change are transferred at their carrying amount.

Impairment of property, plant and equipment

The recoverable amount of primarily non-cash-generating assets of not-for-profit entities, which are typically specialised in nature and held for continuing use of their service capacity, is expected to be materially the same as fair value determined under AASB 13 *Fair Value Measurement*, with the consequence that AASB 136 does not apply to such assets that are regularly revalued.

All equipment and other non-financial physical assets that have finite useful lives are depreciated. The exceptions to this rule include items under assets held for sale, land and investment properties.

Depreciation is generally calculated on a straight-line basis, at rates that allocate the asset's value, less any estimated residual value, over its estimated useful life.

The estimated useful lives, residual values and depreciation method are reviewed at the end of each annual reporting period, and adjustments made where appropriate. Typical estimated useful lives for the different asset classes for current and prior years are included in the following table.

	2023	2022
	Useful life years	Useful life years
Office equipment assets	4	4

Note 5. Other assets and liabilities

This section sets out those assets and liabilities that arose from the VRQA's controlled operations.

5.1. Receivables

	2023 \$	2022 \$
Current receivables		
Contractual		
Fees receivable	142,394	42,740
Statutory		
GST input tax credit recoverable	–	128,656
Total receivables	142,394	171,396

Contractual receivables are classified as financial instruments and categorised as 'financial assets at amortised cost'. They are initially recognised at fair value plus any directly attributable transaction costs. Subsequent to initial measurement they are measured at amortised cost using the effective interest method, less any impairment.

Statutory receivables do not arise from contracts and are recognised and measured similarly to contractual receivables (except for impairment) but are not classified as financial instruments for disclosure purposes. The VRQA applies AASB 9 for initial measurement of the statutory receivables and, as a result, statutory receivables are initially recognised at fair value plus any directly attributable transaction cost.

Details about the VRQA's impairment policies, the VRQA's exposure to credit risk and loss allowance are set out in Note 7.1

5.1.1. Ageing analysis of contractual receivables

	Carrying amount \$	Not past due and not impaired \$	Past due but not impaired			Impaired	
			Less than 1 month \$	1–3 months \$	3 months to 1 year \$		
2023							
Fees receivable	142,394	94,680	4,418	11,965	20,420	10,911	–
Total	142,394	94,680	4,418	11,965	20,420	10,911	–
2022							
Fees receivable	42,740	21,328	7,583	3,314	9,121	1,394	–
Total	42,740	21,328	7,583	3,314	9,121	1,394	–

The average credit period for sales of goods/services and for other receivables is 30 days and no interest is charged.

There are no material financial assets that are individually determined to be impaired. Currently, the VRQA does not hold any collateral as security or credit enhancements relating to any of its financial assets.

There are no financial assets that have had their terms renegotiated so as to prevent them from being past due or impaired, and they are stated at the carrying amounts as indicated.

5.2. Other non-financial assets

	2023	2022
	\$	\$
Current other non-financial assets		
Prepayments	–	40,116
Total other non-financial assets	–	40,116

Other non-financial assets include prepayments, which represent payments in advance of receipt of goods or services or the payments made for services covering a term extending beyond that financial accounting period.

5.3. Payables

Current payables	2023	2022
	\$	\$
Supplies and services	6,133	120,902
Accrued expenses	1,025,218	1,541,476
Amounts payable to government and agencies	604,365	545,157
Total payables	1,635,716	2,207,535

Payables can consist of contractual payables, classified as financial instruments and measured at amortised cost. Accounts payable represent liabilities for goods and services provided to the VRQA prior to the end of the financial year that are unpaid.

Payables for supplies and services have an average credit period of 30 days.

The terms and conditions of amounts payable to the government and agencies vary according to the particular agreements and as they are not legislative payables, they are not classified as financial instruments.

5.4. Contract liabilities

Current contract liabilities	2023	2022
	\$	\$
Contract liabilities		
Opening balance	162,955	254,879
Add: Payments received for performance obligations yet to be completed during the period	274,561	125,742
Less: Revenue recognised in the reporting period for the completion of a performance obligation	(91,326)	(217,667)
Total contract liabilities	346,190	162,955
Represented by		
Current contract liabilities	346,190	162,955
Non-current contract liabilities	–	–

Contract liabilities include consideration received in advance from customers in respect of registration and accreditation services. Invoices are paid prior to services being provided to them. The remaining revenue is recognised when the services are rendered in the following year.

Note 6. Financing our operations

This section provides information on the sources of finance utilised by the VRQA during its operations.

6.1. Cash flow information and balances

Cash and deposits, including cash equivalents, comprise cash on hand and cash at bank, deposits at call and those highly liquid investments with an original maturity of 3 months or less, which are held for the purpose of meeting short-term cash commitments rather than for investment purposes, and which are readily convertible to known amounts of cash and are subject to an insignificant risk of changes in value.

	2023	2022
	\$	\$
Total cash and deposits disclosed in the balance sheet	11,663,415	11,513,400
Balance as per cash flow statement	11,663,415	11,513,400

	2023	2022
	\$	\$
Net result for the period	(441,336)	(1,453,489)
Non-cash movements		
Amortisation of non-current assets	947,721	1,410,295
Movements in assets and liabilities		
Decrease/(increase) in receivables	29,002	(84,411)
Decrease/(increase) in other non-financial assets	40,116	29,465
Increase/(decrease) in contract liabilities	183,235	(91,924)
Increase/(decrease) in payables	(571,819)	1,184,331
Net cash flows from/(used in) operating activities	186,919	994,267

6.2. Commitments for expenditure

Commitments for future expenditure include operating commitments arising from contracts. These commitments are recorded below at their nominal value and inclusive of GST.

Other commitments payable have been determined by management after estimating the number of jobs or quantum of work required from the suppliers after analysing their historical workload and the intended workload that is required or possible within the adopted budget. These contracts do not stipulate a number of jobs or quantum of work. However, history has shown that the suppliers do the estimated amount of work since there were not any internal resources to perform the function.

Total commitments payable	Less than 1 year \$	1–2 years \$
Nominal amounts 2023		
Other commitments payable	97,320	–
Total commitments (inclusive of GST)	97,320	–
Less GST recoverable	(8,847)	–
Total commitments (exclusive of GST)	88,473	–
Nominal amounts 2022		
Other commitments payable	2,788,547	–
Total commitments (inclusive of GST)	2,788,547	–
Less GST recoverable	(253,504)	–
Total commitments (exclusive of GST)	2,535,042	–

Note 7. Risks, contingencies and valuation judgements

The VRQA is exposed to risk from its activities and outside factors. In addition, it is often necessary to make judgements and estimates associated with recognition and measurement of items in the financial statements. This section sets out financial instrument specific information (including exposures to financial risks), as well as those items that are contingent in nature or require a higher level of judgement to be applied, which for the VRQA, related mainly to fair value determination.

7.1. Financial instruments specific disclosures

Financial instruments arise out of contractual agreements that give rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Due to the nature of the VRQA's activities, certain assets and liabilities arise under statute rather than a contract (for example taxes, fines and penalties). Such assets and liabilities do not meet the definition of financial instruments in AASB 132 *Financial Instruments: Presentation*.

Financial assets at amortised cost

Financial assets are measured at amortised cost if both of the following criteria are met and the assets are not designated as fair value through net result:

- the assets are held by the VRQA to collect the contractual cash flows, and
- the assets' contractual terms give rise to cash flows that are solely payments of principal and interest.

These assets are initially recognised at fair value plus any directly attributable transaction costs and subsequently measured at amortised cost using the effective interest method less any impairment.

The VRQA recognises the following assets in this category:

- cash and deposits
- receivables (excluding statutory receivables).

Financial liabilities at amortised cost

Financial liabilities at amortised cost are initially recognised on the date they are originated. They are initially measured at fair value plus any directly attributable transaction costs. Subsequent to initial recognition these financial instruments are measured at amortised cost, with any difference between the initial recognised amount and the redemption value being

recognised in the comprehensive operating statement over the period of the interest-bearing liability using the effective interest rate method.

The VRQA recognises the following liabilities in this category:

- supplies and services
- accrued expenses.

Fair value determination

The VRQA considers the carrying amounts of financial assets and financial liabilities to be a fair approximate of their fair values due to their short-term nature.

7.1.1. Categorisation of financial instruments

	2023	2022
	\$	\$
Contractual financial assets		
Cash and deposits	11,663,415	11,513,400
Receivables	142,394	42,740
Total contractual financial assets	11,805,809	11,556,140
Contractual financial liabilities		
Supplies and services	6,133	120,902
Accrued expenses	1,025,218	1,541,476
Total contractual financial liabilities	1,031,351	1,662,378

Notes: The total amounts disclosed here exclude statutory receivables and statutory payables (for example, amounts owing from/to the Victorian Government and GST input tax credit recoverable).

There are no net holding gains or losses on financial instruments.

Market risk

The VRQA's exposures to market risk are primarily through interest rate risk. Objectives, policies and processes used to manage each of these risks are disclosed below.

Interest rate risk

Fair value interest rate risk is the risk that the fair value of a financial instrument will fluctuate because of changes in market interest rates. The VRQA does not hold any interest-bearing financial instruments that are measured at fair value, and therefore has no exposure to fair value interest rate risk.

Cash flow interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The VRQA has minimal exposure to cash flow interest rate risks through cash and deposits.

Management has concluded for cash at bank as a financial asset that can be left at floating rate without necessarily exposing the VRQA to significant bad risk. Management monitors movement in interest rates on a daily basis.

The carrying amounts of financial assets and financial liabilities that are exposed to interest rates and the VRQA's sensitivity to interest rate risk are set out in the following table.

Interest rate exposure	Weighted average effective interest rate %	Carrying amount \$	Non-interest-bearing \$	Variable interest rate \$
2023				
Financial assets				
Cash and deposits	3.1	11,663,415	–	11,663,415
Receivables	–	142,394	142,394	–
Total financial assets	–	11,805,809	142,394	11,663,415
Financial liabilities				
Supplies and services	–	6,133	6,133	–
Accrued expenses	–	1,025,218	1,025,218	–
Total financial liabilities	–	1,031,351	1,031,351	–
2022				
Financial assets				
Cash and deposits	0.32	11,513,400	-	11,513,400
Receivables	–	42,740	42,740	-
Total financial assets	–	11,556,140	42,740	11,513,400
Financial liabilities				
Supplies and services	–	120,902	120,902	–
Accrued expenses	–	1,541,476	1,541,476	–
Total financial liabilities	–	1,662,378	1,662,378	–

Sensitivity disclosure analysis and assumptions

The VRQA's sensitivity to market risk is determined based on the observed range of actual historical data for the preceding 5 year period, with all variables other than the primary risk variable held constant. The VRQA cannot be expected to predict movements in market rates and prices. Sensitivity analyses shown are for illustrative purposes only. The following movements are 'reasonably possible' over the next 12 months:

- a movement of 75 basis points up and 10 basis points down (2022: 200 basis points up and 10 basis points down) in market interest rates (AUD).

The following tables show the impact on the VRQA's net result and equity for each category of financial instrument held by the VRQA at the end of the reporting period if the above movements were to occur.

Interest rate risk sensitivity	Carrying amount \$	Interest rate risk	
2023		-0.10% net result	0.75% net result
Financial assets			
Cash and deposits	11,663,415	(11,663)	87,476
Total impact	11,663,415	(11,663)	87,476
2022		-0.10% net result	2.00% net result
Financial assets			
Cash and deposits	11,513,400	(11,513)	230,268
Total impact	11,513,400	(11,513)	230,268

Credit risk

VRQA's exposure to credit risk arises from the potential default of a counter party on their contractual obligations resulting in financial loss to the VRQA. Credit risk is measured at fair value and is monitored on a regular basis.

Credit risk associated with the VRQA's contractual financial assets is minimal because the main debtor is the Victorian Government. For debtors other than the Government, it is the VRQA's policy to only deal with entities with high credit ratings of a minimum triple-B rating and to obtain sufficient collateral or credit enhancements, where appropriate.

In addition, the VRQA does not engage in hedging for its contractual financial assets and mainly obtains contractual financial assets that are on fixed interest, except for cash and deposits, which are mainly cash at bank. As with the policy for debtors, the VRQA's policy is to only deal with banks with high credit ratings.

Provision of impairment for contractual financial assets is recognised when there is evidence that the VRQA will not be able to collect a receivable. Evidence includes actual and forecast financial difficulties of the debtor, default payments, debts that are more than 60 days overdue, and changes in debtor credit ratings.

Except as otherwise detailed, the carrying amount of contractual financial assets recorded in the financial statements are net of any allowances for losses and represent the VRQA's maximum exposure to credit risk without taking account of the value of any collateral obtained.

There has been no material change to the VRQA's credit risk profile in 2022–23.

Impairment of financial assets under AASB 9

The VRQA applies the simplified approach under AASB 9 for all contractual receivables to measure expected credit losses using a lifetime expected loss allowance based on the assumptions about risk of default and expected loss rates. The VRQA has grouped contractual receivables on shared credit risk characteristics and days past due and select the expected credit loss rate based on the VRQA's history and existing market conditions, as well as forward-looking estimates at the end of the financial year.

The VRQA records the allowance for expected credit loss for the relevant financial instruments applying AASB 9's Expected Credit Loss approach. Subject to AASB 9 impairment assessment includes the VRQA's contractual receivables and statutory receivables. Although not a financial asset, contract assets recognised applying AASB 15 are also subject to impairment however it is immaterial.

Credit loss allowance is classified as other economic flows in the net result. Contractual receivables are written off when there is no reasonable expectation of recovery and impairment losses are classified as a transaction expense. Subsequent recoveries of amounts previously written off are credited against the same line item.

Liquidity risk

Liquidity risk arises from being unable to meet financial obligations as they fall due. The VRQA operates under the Government fair payments policy of settling financial obligations within 30 days and in the event of a dispute, making payments within 30 days from the date of resolution.

The VRQA is exposed to liquidity risk mainly through the financial liabilities as disclosed in the face of the balance sheet and the amounts related to financial guarantees. The VRQA manages its liquidity risk by:

- maintaining an adequate level of uncommitted funds that can be drawn at short notice to meet its short-term obligations; and
- careful maturity planning of its financial obligations based on forecasts of future cash flows.

The VRQA's exposure to liquidity risk is deemed insignificant based on prior periods' data and current assessment of risk.

7.2. Non-financial physical assets: Fair value determination

Fair value hierarchy

In determining fair values, a number of inputs are used. To increase consistency and comparability in the financial statements, these inputs are categorised into three levels, also known as the fair value hierarchy. The levels are as follows:

- Level 1 – quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 – valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 – valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

Fair value measurement hierarchy	Carrying amount as at 30 June \$	Fair value measurement at end of reporting period using:		
		Level 1 ^(a)	Level 2 ^(a)	Level 3 ^(a)
2023				
Property, plant and equipment	57,515	–	–	57,515
Total of property, plant and equipment at fair value	57,515	–	–	57,515
2022				
Property, plant and equipment	31,749	–	–	31,749
Total of property, plant and equipment at fair value	31,749	–	–	31,749

Note: (a) Classified in accordance with the fair value hierarchy.

Plant and equipment is held at fair value. When plant and equipment is specialised in use, such that it is rarely sold other than as part of a going concern, fair value is determined using the current replacement cost method.

There were no changes in valuation techniques throughout the period to 30 June 2023.

For all assets measured at fair value, the current use is considered the highest and best use.

7.3. Contingent assets and contingent liabilities

Contingent assets and contingent liabilities are not recognised in the balance sheet but are disclosed and, if quantifiable, are measured at nominal value.

Contingent assets and liabilities are presented inclusive of GST receivable or payable respectively.

Contingent assets

Contingent assets are possible assets that arise from past events, whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity.

These are classified as either quantifiable, where the potential economic benefit is known, or non-quantifiable.

Contingent liabilities

Contingent liabilities are:

- possible obligations that arise from past events, whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity; or

- present obligations that arise from past events but are not recognised because:
 - it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligations; or
 - the amount of the obligations cannot be measured with sufficient reliability.

Contingent liabilities are also classified as either quantifiable or non-quantifiable.

There are no known contingent assets and contingent liabilities to be disclosed in the financial period. (2022: nil)

Note 8. Other disclosures

This section includes additional material disclosures required by accounting standards or otherwise, for the understanding of this financial report.

8.1. Ex gratia expenses

Ex gratia expenses are the voluntary payments of money or other non-monetary benefit (e.g. a write off) that is not made either to acquire goods, services or other benefits for the entity or to meet a legal liability, or to settle or resolve a possible legal liability of or claim against the entity.

Ex gratia expenses	2023 \$	2022 \$
Waiver of debt	–	101,904
Refund of fees paid	–	191,559
Total ex gratia expenses	–	293,463

Registered training organisations (excluding schools and public sector bodies) were provided fee relief through fee waivers or refunds for their re-registration and annual fees for invoices payable during the period 16 March 2021 to 31 December 2021 in recognition of financial hardship resulting from COVID-19 restrictions. The decision to extend the fee relief, made in 2022 also provided fee relief last financial year. There are no ex gratia expenses during the current financial year.

8.2. Responsible persons

In accordance with the Ministerial Directions issued by the Assistant Treasurer under the *Financial Management Act 1994*, the following disclosures are made regarding responsible persons for the reporting period.

The persons who held the positions of ministers and accountable officers in the VRQA were:

Minister for Education	The Hon Natalie Hutchins MP	1 July 2022 to 30 June 2023
Minister for Training and Skills	The Hon Gayle Tierney, MP	1 July 2022 to 30 June 2023
Minister for Trade and Investment	Tim Pallas MP	1 July 2022 to 30 June 2023
Director (accountable officer)	Jonathan Kaplan	1 July 2022 to 30 June 2023
Chairperson	Pam White PSM	1 July 2022 to 30 June 2023
Board members	Jenny Atta PSM	1 July 2022 to 30 June 2023
	Julie Caldecott	1 July 2022 to 30 June 2023
	Stephen Elder OAM	1 July 2022 to 30 June 2023
	Peter Loney	1 July 2022 to 30 June 2023
	Penelope Hutchinson	1 July 2022 to 30 June 2023
	Anthony Nippard	1 July 2022 to 30 June 2023
	Francoise Reddan	1 July 2022 to 30 June 2023
	Judith Rose PSM	1 July 2022 to 30 June 2023
	Jim Williamson	1 July 2022 to 30 June 2023

Note: The VRQA did not pay Jenny Atta as she is the Secretary of the Department of Education. She is not included in note 8.2.1.

8.2.1. Remuneration of responsible persons

Income band	2023	2022
\$0-\$9,999	–	2
\$10,000-\$19,999	1	1
\$20,000-\$29,999	7	8
\$50,000-\$59,999	1	1
\$340,000-\$349,999	–	1
\$350,000-\$359,999	1	–
Total	10	13
Total remuneration received, or due and receivable, by responsible persons	\$593,249	\$600,447

Note: Remuneration of ministers are reported in the State's Annual Financial Report.

8.3. Executive officers

The number of executive officers, other than ministers and accountable officers, and their total remuneration during the reporting period are shown in the following table. Total annualised employee equivalents provides a measure of full-time equivalent executive officers over the reporting period.

Remuneration comprises employee benefits in all forms of consideration paid, payable or provided by the entity, or on behalf of the entity, in exchange for services rendered, and is disclosed in the following categories.

Short-term employee benefits include amounts such as wages, salaries, annual leave or sick leave that are usually paid or payable on a regular basis, as well as non-monetary benefits such as allowances and free or subsidised goods or services.

Post-employment benefits include pensions and other retirement benefits paid or payable on a discrete basis when employment has ceased.

Other long-term benefits include long service leave, other long service benefits or deferred compensation.

Termination benefits include termination of employment payments, such as severance packages.

8.3.1. Remuneration of executive officers

Income band	2023	2022
	\$	\$
Short-term employee benefits	529,299	554,910
Post-employment benefits	75,922	54,318
Other long-term benefits	14,682	12,715
Termination benefits	–	–
Total remuneration^(a)	619,903	621,942
Total annualised employee equivalents^(b)	3	3

Notes: (a) The total number of executive officers includes persons who meet the definition of key management personnel of the entity under AASB 124 *Related Party Disclosures* and are also reported within the related parties note disclosure (Note 8.4).

(b) Annualised employee equivalent is based on the time fraction worked over the reporting period.

8.4. Related parties

The VRQA is a wholly owned and controlled entity of the State of Victoria.

Related parties of the VRQA include:

- all key management personnel and their close family members, and personal business interests
- all cabinet ministers and their close family members
- all departments and public sector entities that are controlled and consolidated into the whole-of-state consolidated financial statements.

All related party transactions have been entered into on an arms-length basis.

Significant transactions with government-related entities

The VRQA received income from grants of \$16,390,308 (2022: \$16,916,415), resources free of charge of \$841,625 (2022: \$536,890) and fees of \$176,866 (2022: \$71,172) from the department and made payments of \$10,727,422 (2022: \$10,682,824) for administrative expenses to the department.

The VRQA also received contributions from the Department of Jobs, Skills, Industry and Regions for GTO review costs of \$376,913 (2022: \$nil) and fees of \$53,403 (2022: \$nil).

Key management personnel of the VRQA include:

- the portfolio ministers:
 - The Hon Natalie Hutchins MP
 - The Hon Gayle Tierney MP
 - Tim Pallas MP
- the Director, Jonathan Kaplan
- members of the Senior Executive Team:
 - Christopher Ingham
 - Jacob Micallef
 - Stefanie Veal
- members of the Board.

The compensation detailed below excludes the salaries and benefits the portfolio ministers receive. Ministers' remuneration and allowances are set by the *Parliamentary Salaries and Superannuation Act 1968* and is reported within the State's Annual Financial Report.

Compensation of key management personnel	2023 \$	2022 \$
Short-term employee benefits	1,044,732	1,102,495
Post-employment benefits	145,200	99,886
Other long-term benefits	23,220	20,008
Termination benefits	–	–
Total ^(a)	1,213,152	1,222,389

Notes: (a) Note that key management personnel are also reported in the disclosure of remuneration of responsible persons (Note 8.2.1) and executive officers (Note 8.3.1).

Transactions and balances with key management personnel and other related parties

Given the breadth and depth of State government activities, related parties transact with the Victorian Public Sector in a manner consistent with other members of the public; for example, stamp duty and other government fees and charges. Further employment of processes within the Victorian Public Sector occur on terms and conditions consistent with the *Public Administration Act 2004* and Codes of Conduct and Standards issued by the Victorian Public Sector Commission.

Procurement processes occur on terms and conditions consistent with the Victorian Government Procurement Board requirements.

Outside of normal citizen type transactions with the VRQA, there were no related party transactions that involved key management personnel, their close family members and their personal business interests. No provision has been required, nor any expense recognised, for impairment of receivables from related parties.

All other transactions that have occurred with key management personnel and their related parties were conducted at arms-length basis in the ordinary course of business. They have not been considered material for disclosure. In this context, transactions are only disclosed when they are considered necessary to draw attention to the possibility that the VRQA's financial position and profit or loss may have been affected by the existence of related parties, and by transactions and outstanding balances, including commitments, with such parties.

8.5. Remuneration of auditors

	2023 \$	2022 \$
Victorian Auditor-General's Office for the audit of the financial statements	37,800	34,000
Total remuneration of auditors	37,800	34,000

8.6. Subsequent events

There are no known subsequent events that will have a material impact on the financial statements.

The policy in connection with recognising subsequent events that are for events that occur between the end of the reporting period and the date when the financial statements are authorised for issue is as follows:

- adjustments are made to amounts recognised in the financial statements where those events provide information about conditions that existed at the reporting date; and/or
- disclosure is made where the events relate to conditions that arose after the end of the reporting period that are considered to be of material interest.

8.7. Australian Accounting Standards issued that are not yet effective

Certain new and revised accounting standards have been issued but are not effective for the 2022–23 reporting period. These accounting standards have not been applied to the VRQA Financial Statements. The State is reviewing its existing policies and assessing the potential implications of these accounting standards.

Standard/ interpretation	Summary	Applicable for annual reporting periods beginning on	Impact on public sector entity financial statements
AASB 2022–5 Amendments to Australian Accounting Standards-Lease liability in a Sale and Leaseback	AASB 2022-5 amends AASB 16 Leases to add subsequent requirements for sale and leaseback transactions that satisfy the requirements in AASB 15 <i>Revenue from Contracts with Customers</i> to be accounted for as a sale.	1 January 2024	The standard is not expected to have any impact on VRQA.
AASB 2022–10 Amendments to Australian Accounting Standards – Fair Value Measurement of Non-Financial Assets of Not-for- Profit Public Sector Entities.	AASB 2022-10 amends AASB 13 <i>Fair Value Measurement</i> by adding authoritative implementation guidance and illustrative examples for fair value measurements of non-financial assets of not-for-profit public sector entities not held primarily for their ability to generate net cash inflows.	1 January 2024	The standard is not expected to have a significant impact on VRQA.

In addition to the new standards and amendments above, the AASB has issued a list of other amending standards that are not effective for the 2022–23 reporting period (as listed below). In general, these amending standards include editorial and reference changes that are expected to have insignificant impacts on public sector reporting.

- AASB 2020–9 Amendments to Australian Accounting Standards – Insurance Contracts in the Public Sector (effective on 1 July 2026).

8.8. Glossary of technical terms

The following is a summary of the major technical terms used in this report.

Amortisation is the expense that results from the consumption, extraction or use over time of a non-produced physical or intangible asset.

Commitments include those operating, capital and other outsourcing commitments arising from non-cancellable contractual or statutory sources.

Comprehensive result is the amount included in the operating statement representing total change in net worth other than transactions with owners as owners.

Current grants are amounts payable or receivable for current purposes for which no economic benefits of equal value are receivable or payable in return.

Effective interest method is the method used to calculate the amortised cost of a financial asset and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset or, where appropriate, a shorter period.

Ex gratia expenses mean the voluntary payment of money or other non-monetary benefit (for example, a write off) that is not made either to acquire goods, services or other benefits for the entity or to meet a legal liability, or to settle or resolve a possible legal liability or claim against the entity.

Financial asset is any asset that is:

- cash;
- an equity instrument of another entity;
- a contractual right:
 - to receive cash or another financial asset from another entity; or
 - to exchange financial assets or financial liabilities with another entity under conditions that are potentially favourable to the entity; or
- a contract that will or may be settled in the entity's own equity instruments and is:
 - a non-derivative for which the entity is or may be obliged to receive a variable number of the entity's own equity instruments; or
 - a derivative that will or may be settled other than by the exchange of a fixed amount of cash or another financial asset for a fixed number of the entity's own equity instruments.

Financial liability is any liability that is:

- a contractual obligation:
 - to deliver cash or another financial asset to another entity; or
 - to exchange financial assets or financial liabilities with another entity under conditions that are potentially unfavourable to the entity; or
- a contract that will or may be settled in the entity's own equity instruments and is:
 - a non-derivative for which the entity is or may be obliged to deliver a variable number of the entity's own equity instruments; or
 - a derivative that will or may be settled other than by the exchange of a fixed amount of cash or another financial asset for a fixed number of the entity's own equity instruments. For this purpose, the entity's own equity instruments do not include instruments that are themselves contracts for the future receipt or delivery of the entity's own equity instruments.

Financial statements in the VRQA report comprise:

- a balance sheet as at the end of the period;
- a comprehensive operating statement for the period;
- a statement of changes in equity for the period;
- a cash flow statement for the period;
- notes, comprising a summary of significant accounting policies and other explanatory information;

- comparative information in respect of the preceding period as specified in paragraph 38 of AASB 101 *Presentation of Financial Statements*; and
- a balance sheet as at the beginning of the preceding period when the VRQA applies an accounting policy retrospectively or makes a retrospective restatement of items in its financial statements, or when it reclassifies items in its financial statements in accordance with paragraphs 41 of AASB 101.

Interest income includes unwinding over time of discounts on financial assets and interest received on bank term deposits and other investments.

Net result is a measure of financial performance of the operations for the period. It is the net result of items of revenue, gains and expenses (including losses) recognised for the period, excluding those classified as 'other non-owner movements in equity'.

Net worth is equal to financial assets minus liabilities. It is a broader measure than net debt as it incorporates provisions made (such as superannuation, but excluding depreciation and bad debts) as well as holdings of equity. Net financial worth includes all classes of financial assets and liabilities, only some of which are included in net debt.

Non-financial assets are all assets that are not financial assets. It includes inventories, land, buildings, infrastructure, road networks, land under roads, plant and equipment, cultural and heritage assets, intangibles and biological assets such as commercial forests.

Payables includes short and long-term trade debt and accounts payable, grants, taxes and interest payable.

Produced assets include buildings, plant and equipment, inventories, cultivated assets and certain intangible assets. Intangible produced assets may include computer software, motion picture films and research and development costs (which does not include the start-up costs associated with capital projects).

Receivables include amounts owing from government, short and long-term trade credit and accounts receivable, accrued investment income, grants, taxes and interest receivable.

Sales of goods and services refers to income from the direct provision of goods and services and includes fees and charges for services rendered, sales of goods and services, fees from regulatory services and work done as an agent for private enterprises. It also includes rental income under operating leases and on produced assets such as buildings and entertainment, but excludes rent income from the use of non-produced assets such as land. User charges includes sale of goods and services income.

Supplies and services generally represent cost of goods sold and the day-to-day running costs, including maintenance costs, incurred in the normal operations of the VRQA.

Transactions are those economic flows that are considered to arise as a result of policy decisions, usually an interaction between 2 entities by mutual agreement. They also include flows into an entity such as depreciation, where the owner is simultaneously acting as the owner of the depreciating asset and as the consumer of the service provided by the asset. Taxation is regarded as mutually agreed interactions between the government and taxpayers. Transactions can be in kind (e.g. assets provided/given free of charge or for nominal consideration) or where the final consideration is cash. In simple terms, transactions arise from the policy decisions of the government.

8.9. Style conventions

Figures in the tables and in the text have been rounded. Discrepancies in tables between totals and sums of components reflect rounding. Percentage variations in all tables are based on the underlying unrounded amounts.

The notation used in the tables is as follows:

– zero, or rounded to zero

(xxx.x) negative numbers

200x year period

200x–0x year period

The presentation of other disclosures is generally consistent with the other disclosures made in earlier publications of the VRQA's annual reports.

Appendices

Appendix 1. Disclosure index

The annual report of the VRQA is prepared in accordance with all relevant Victorian legislation and pronouncements. This index has been prepared to facilitate identification of the VRQA's compliance with statutory disclosure requirements.

Legislation	Requirement	Page
Standing Directions and Financial Reporting Directions		
Report of operations		
Charter and purpose		
FRD 22	Manner of establishment and the relevant ministers	5
FRD 22	Purpose, functions, powers and duties	5
FRD 8	Departmental objectives, indicators and outputs	6
FRD 22	Key initiatives and projects	10
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Appendix 2. Ministerial Statement of Expectations for the VRQA

In the reporting period (November 2022), the Minister for Education and the Minister for Training and Skills issued a new Statement of Expectations (SoE) for the VRQA.

This SoE introduces new expectations regarding apprenticeships and traineeships that apply from 1 November 2022. It made no change to the expectations about home schooling and schools. These expectations remain the same as in the previous SoE which applied from 1 July 2021.



State Government of Victoria

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Melbourne Victoria 3002
Telephone: +61 3 9651 5000

BRI22108927

Ms Pam White PSM
Chair
Victorian Registration and Qualifications Authority
GPO Box 2317
MELBOURNE VIC 3001

Dear Ms White

We are pleased to provide the Victorian Registration and Qualifications Authority (VRQA) with this Statement of Expectations (SOE), which applies from 1 November 2022 onwards until renewed.

As Minister for Education, Minister for Training and Skills and Minister for Higher Education, and together with the Minister for Trade, we are responsible for administering the *Education and Training Reform Act 2006* (the Act), which provides for a high standard of education and training for all Victorian students, including by setting out the functions and powers of the VRQA. This SOE should be read in the context of the objectives, obligations and functions outlined in the Act.

This SOE introduces new expectations of the VRQA by the Minister for Training and Skills and Minister for Higher Education regarding **Apprenticeships and Traineeships**. It makes no change to the expectations of the VRQA by the Minister for Education about **Home Schooling** and **Schools**. These latter expectations remain the same as in the previous SOE which applied from 1 July 2021.

Recent consultations with apprentices, trainees and other key stakeholders including industry, employers and unions have indicated there is a real need to significantly strengthen our systems of protection for apprentices and trainees in Victoria.

The new expectations seek to urgently reinforce and strengthen the key role the VRQA must play through the exercise of its regulatory functions to ensure apprentices and trainees, many of whom are among the youngest and most vulnerable of workers, work in an environment that provides for their physical and psychosocial safety.

Based on recent consultation between the Department of Education and Training (DET) and the VRQA regarding the Government's priorities and emerging risks in apprenticeships and traineeships, our expectations for the VRQA are outlined in **Attachment A** of this letter. The VRQA should incorporate appropriate milestones and actions into its business plans to implement these new expectations, noting the context of its legislative authority. VRQA should also provide the Minister for Training and Skills with a detailed timeframe of when it expects these to be delivered and updates on progress achieved. We note the need for ongoing collaboration with apprentices, trainees, industry, employers, unions, other regulators and DET.

We further request the VRQA to undertake a regular review of all the expectations in this letter as part of its annual reporting obligations and to advise us if there are any refinements recommended when the letter needs to be updated or renewed.

We thank you for this ongoing, important work to strengthen our apprenticeship and traineeship system, so that Victorians can be safe in training and at work and go on to rewarding jobs and careers.

Kind regards

The Hon Natalie Hutchins MP
Minister for Education
Minister for Women

The Hon Gayle Tierney MP
Minister for Training and Skills
Minister for Higher Education
Minister for Agriculture

Attachment A – Ministerial Expectations

Home schooling	
Compliance Related Assistance and Advice	
1.	We expect the VRQA will increase home schooling parents’ understanding of requirements for registration and review. The VRQA should: <ol style="list-style-type: none"> a. continue to co-create policies, guides, advice and general communication with the home schooling community, through the Victorian Home Education Advisory Committee b. strengthen its resource library to help families address the learning areas and enrich their educational programs c. ensure the VRQA can contribute to future evaluations of the new regulations, including the evaluation of new home school regulations over 2018-20, by working with DET to develop evidence of the longer-term educational attainment of home schooled students as outlined in the Regulatory Impact Statement (2017).
Timeliness	
2.	We expect the VRQA to provide clarity about the scheduling of home schooling reviews and publish the amount of time taken to complete a review (across all methods) in its Quarterly Home Schooling Reporting.
Schools	
Compliance-related assistance and advice	
3.	We expect the VRQA to support the goal of improving compliance with, and understanding of, the minimum standards across all Victorian schools. We expect the VRQA will contribute to this outcome by: <ol style="list-style-type: none"> a. providing effective, practical and ongoing assistance and advice on compliance with the minimum standards to schools. The VRQA should regularly review and update guidance based on feedback from school reviews and other relevant reports and reviews. b. continue to work with DET to facilitate the Government’s commitment to build new schools and reduce regulatory burden for all government schools by identifying departmental policies that can be universally applied for new and ongoing school registration, where it is appropriate to do so.
Clear and consistent regulatory activities	
4.	We expect the VRQA to support effective and consistent application of the minimum standards across and within sectors by taking a leadership role in simplifying compliance for schools. To support this expectation, the VRQA should: <ol style="list-style-type: none"> a. clearly define the evidence to be used by school reviewers to assess and determine compliance and provide review bodies with VRQA policies, checklists and other assistance to drive consistency in reviews (including identifying the essential elements required in school documentation such as policies). The VRQA should support consistent reviewer training across sectors on how reviewers assess compliance with the minimum standards b. consider any other issues or themes raised in relevant reports and reviews that will inform improved practices with respect to clear, supportive and consistent regulation of Victorian schools. c. further develop the Review Body Assurance Program, including a mechanism for evaluation which will support effective and consistent application of the minimum standards.
Apprenticeships and Traineeships	
Compliance-related assistance and advice	
5.	We expect the VRQA to significantly enhance confidence in the administration and quality of the apprenticeship and traineeship system and encourage the participation of apprentices, trainees and their employers. To meet this expectation, the VRQA should: <ol style="list-style-type: none"> a. significantly improve employers’ awareness of their roles, responsibilities and legal and regulatory obligations in taking on and supporting apprentices and trainees, with the goal of supporting individuals to complete their training b. significantly improve VRQA visibility and improve employer, apprentice and trainee awareness and understanding of the VRQA’s role and responsibility in the administration and enforcement of apprenticeship and traineeship obligations including greater clarity of its legal and regulatory frameworks c. support the expansion of A&T options into new and emerging industries and consult, as necessary, with DET and other agencies, including industry stakeholders in approving training schemes to ensure appropriate durations and relevance to industry d. continue to recognise and monitor Group Training Organisations against National Standards and report on compliance e. increase collaboration and cooperation with other regulators represented on its Operational Working Group and DET to develop an information portal for employers and apprentices to publish regulatory actions and provide information about regulatory requirements f. work with other relevant regulators and the department to identify a more streamlined complaints resolution approach across the regulatory system for apprentices and trainees g. continue to support the implementation of relevant budget initiatives.
Timeliness	
6.	We expect the VRQA to ensure the timing and scope of regulatory activities relating to apprenticeships and traineeships are clear and efficient.
Clear and consistent regulatory activities	

7. We expect that the VRQA will continue to lift the quality of apprenticeships and traineeships in Victoria, contributing to improved completion outcomes, by administering consistent and reliable monitoring and education with a particular focus apprentice and trainee cohorts who require additional safeguards from physical and other harms. To contribute to these outcomes, the VRQA should:
- a. collaborate with WorkSafe and other relevant regulators to assess the risk associated with employers of apprentices and trainees (regarding the suitability of employers) and inform compliance and enforcement activities
 - b. focus monitoring and compliance activities in relation to employers with consistently poor outcomes (such as low levels of completion, high cancellations, dissatisfaction and safety concerns) and considering carefully where issues have been identified with employers by other regulators
 - c. continue to work with DET on reforms to school-based apprenticeships and traineeships
 - d. review and revise its practice in relation to employer approvals and revocations to ensure it has a current assessment of the fitness of an employer to engage an apprentice or trainee
 - e. strengthen training plan arrangements by informing minimum requirements for training plans and review its approach to the oversight and monitoring of training plans over the life of a training contract
 - f. review its practice related to labour hire arrangements, and publish a policy on its future approach
 - g. review its delivery of regulatory field services to ensure the best possible outcomes from these services, with a view to insourcing these services going forward
 - h. work with the Department of Education and Training to develop outcome metrics to better monitor the effectiveness of the regulatory regime

Appendix 3. Ministerial Directions for the VRQA

Section 5.2.1(5) of the *Education and Training Reform Act 2006* requires the VRQA to include a copy of each Ministerial Direction given under the section in that year's annual report.

In the financial year ending 30 June 2023, no Ministerial Directions were made.

Appendix 4. Acronyms and abbreviations

AASB	Australian Accounting Standards Board
AMAF	Asset Management Accountability Framework
ASQA	Australian Skills Quality Authority
CCYP	Commission for Children and Young People
CECV	Catholic Education Commission of Victoria
CRICOS	Commonwealth Register of Institutions and Courses for Overseas Students
the department	Department of Education
ETR Regulations	Education and Training Reform Regulations 2017
FOI	freedom of information
FTE	full-time equivalent
GAICD	Graduate of the Australian Institute of Company Directors
GTO	group training organisation
MBA	Master of Business Administration
MoU	memorandum of understanding
PSM	Public Service Medal
RTO	registered training organisation
SBATs	School-based Apprentices and Trainees
SEO	student exchange organisation
SES	Senior Executive Service
SoE	Ministerial Statement of Expectations
TAFE	technical and further education
VAFS	Victorian Apprenticeship Field Services
VCAL	Victorian Certificate of Applied Learning
VCE	Victorian Certificate of Education
VPC	Victorian Pathways Certificate
VET	vocational education and training
VRQA	Victorian Registration and Qualifications Authority