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The Hon. Natalie Hutchins MP  
Minister for Education

The Hon. Gayle Tierney MLC

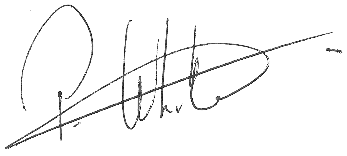
Minister for Training and Skills

The Hon. Tim Pallas MP  
Minister for Trade

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 2022.

Yours sincerely

****

**Pam White PSM  
Chair  
Victorian Registration and Qualifications Authority**

6 October 2022

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Report of operations – year in review

The VRQA’s purpose

To regulate for quality learning outcomes.

The VRQA’s values

The Victorian Registration and Qualifications Authority (VRQA) upholds the Victorian Public Sector values, and the VRQA RITE values are embedded in all levels of our organisation. Our values underpin our interactions with staff, stakeholders and the community.

The RITE values are:

R: respect and diversity

I: integrity

T: transparency

E: empowerment.

Report of the Chair

I am pleased to present the VRQA Annual Report 2021–22, a year where the familiar patterns of life and learning re-emerged across our state.

We continue to listen for new and evolving ways to support our clients and stakeholders, and modernise our functions. I thank our clients and stakeholders who provided thoughtful and constructive feedback about the VRQA’s services this year. After taking a break in 2020, we held our 2021 Client and Stakeholder Forum during the reporting period, in a virtual format for the first time. We also published the VRQA 2021 Client and Stakeholder Research Report. Your input helps us strengthen our evidence base, provides a key marker against strategic priorities, and supports a healthy Victorian education and training system.

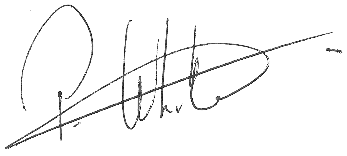
The VRQA must meet commitments laid out in our *VRQA Strategic Plan 2020–22*, and Ministerial Statement of Expectations (SoE). Details can be found in Table 1 on page 7.

During the reporting period, the VRQA undertook significant work to prepare for the introduction of new Child Safe Standards in Victoria on 1 July 2022. This work required the development of a purpose-built website, updates to a large volume of guidelines and supporting documents, and tailored communications for stakeholder groups. The introduction of the new Child Safe Standards marks a significant government regulatory milestone in Victoria, one the VRQA is pleased to help implement.

Dr Jim Watterson and Ms Maria Peters finished their terms as a Board member during the reporting period. I want to thank Jim for his tremendous leadership, particularly in the Board’s work to approve 2 new certificate pathways for secondary students. I want to thank Maria for her exceptional expertise, particularly in relation to innovation within the vocational education sector. The Board was fortunate to benefit from both Jim and Maria’s dedication and experience.

Peter Loney joined the VRQA Board during the reporting period. Peter brings valuable experience gathered in a lengthy career spanning education, audit and risk, public sector integrity and Victorian State Parliament. His presence on the Board further strengthens our governance arrangements.

The VRQA staff continue to distinguish themselves as bright, capable and dedicated. The Board is constantly impressed by their precision in reporting, and their tireless resolve to regulate for quality learning outcomes. The Board feels sure the day-to-day running of the VRQA is in strong and capable hands. My thanks to Jonathan Kaplan and his team.

****

**Pam White PSM  
Chair**

Report of the Chief Executive Officer (Director)

In 2021–22, Victoria’s education system settled into a more conventional rhythm, and the VRQA delivered a large volume of guidance and support material in response to planned regulatory changes.

Remote learning in schools remained in place until November 2021. Education providers across the system continue to experience disruption, and we continue to listen for ways we can support them.

New Child Safe Standards commenced in Victoria on 1 July 2022. Leading up to this date, the VRQA developed and delivered guidance and support material to help education providers understand and comply with the new Standards. This included a new, dedicated website hosting advice for:

* schools and school boarding premises
* registered training organisations (RTOs)
* non-school providers
* international education providers.

We hosted information sessions to support providers in transitioning to the new Child Safe Standards. The new standards and changes to senior secondary education pathways also required updates to 8 sets of VRQA guidelines, and various other support resources associated with VRQA registrations and reviews.

Minimum standards for the registration of school boarding premises commenced on 18 June 2021, at the very end of the previous reporting period. Much of the deeming process for existing providers took place in the 2021–22 reporting period. In total, 39 providers were registered.

Reform to senior secondary education pathways required the VRQA to assemble 2 accreditation panels to review and approve changes to secondary certificate pathways. One panel approved an amendment to the Victorian Certificate of Education (VCE) to include the VCE Vocational Major. The other approved the Victorian Pathways Certificate. These replace existing Victorian Certificate of Applied Learning pathways from 2023.

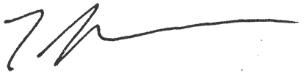
The VRQA is committed to mitigating the risk of harm to Victorian apprentices and trainees. We formed and now chair an Operational Working Group of 7 government regulators with shared responsibility for a range of apprentice and trainee conditions in Victoria. The group deepens existing cooperative arrangements to ensure employers understand and can comply with their obligations to apprentices and trainees.

VRQA authorised officers are regularly undertaking workplace inspections in the field to confirm these obligations are being met. We initiated a campaign to monitor new apprenticeship commencements under the Australian Government’s Boosting Apprenticeship Commencements (BAC) wage subsidy scheme. Where required, we enforced regulatory action. We also intensified our communication to apprentices, trainees and their employers with a newsletter series providing information about rights, obligations and compliance monitoring.

Amendments to the *Education and Training Reform Act 2006* gave the VRQA discretionary authority to extend vocational training package and qualification end dates beyond the standard 12-month deadline. This helps us make sure that VRQA-registered providers are not unfairly disadvantaged against those registered with the Commonwealth regulator. We issued extensions to reflect those offered by the Commonwealth regulator.

I thank the VRQA Board for its strategic vision and dedication to good governance, and Chair Pam White for her accountability and focus. These strengths help produce quality outcomes for learners. I must also thank the Department of Education and Training (DET), the Catholic Education Commission of Victoria (CECV), Independent Schools Victoria (ISV) and our many stakeholders. Their expert input helps us regulate with consideration and thoroughness.

I feel privileged to lead the dedicated and professional VRQA team. I thank them for their efforts in another challenging and productive year.

****

**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 does not include material not required under relevant legislation and directions.

An index at Appendix 1 identifies the VRQA’s compliance with statutory disclosure requirements.

Purpose and functions

Strategic purpose

The VRQA regulate 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 seek to eliminate or minimise harm, and the risk of harm, to children, students, apprentices and trainees receiving education and training services within our 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.

The VRQA register:

* 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:

* regulate apprenticeships and traineeships in Victoria
* issue trade papers
* recognise group training organisations (GTOs) in Victoria
* approve school and non-school providers as overseas secondary student exchange organisations
* accredit courses and register qualifications, and senior secondary courses and qualifications in Victoria
* investigate complaints against our registered providers
* maintain a register of all VRQA-registered education providers and accredited courses
* act to protect the interests of students as consumers of education.

Strategic priorities and key achievements

The VRQA Board developed the *VRQA Strategic Plan 2020–22* (the strategic plan), which sets out 6 main directions to:

* **implement government directions** – implement government regulatory directions and work to explore further reform opportunities
* **modernise our regulatory functions** – improve the efficiency and effectiveness of our regulatory activities
* **strengthen our evidence base** – use our data and knowledge to make sound day-to-day regulatory decisions, assist ministers, and protect the interests of students as consumers of education and training
* **strengthen our governance** – at a time of considerable change, we will review our governance arrangements to ensure they continue to be fit for purpose
* **support our people** – a high-quality, responsive workforce that is valued, capable and able to perform at its best
* **build our financial stability** – ensure that our resources are effectively managed to allow us to deliver our legislative and regulatory functions.

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

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. The current SoE is the sixth issued by ministers and covers:

* home schooling
* schools
* apprenticeships and traineeships.

Effective from July 2021, the current SoE replaced the statement issued in September 2019. The current SoE is available at Appendix 2.

Table 1 highlights the key achievements against the strategic plan, and how the VRQA met the SoE.

**Table 1. Key achievements against the strategic planand the SoE**

| **Priority** | **Key achievements** | **SoE activity** |
| --- | --- | --- |
| **1. Implement government directions** | **Increased home-schooling parents’ understanding of requirements for registration and review. The 2021 VRQA Client and Stakeholder Research Report shows that:**   * 95–97% of survey respondents rated the VRQA’s registration processes as easy or very easy to follow * 88% found preparing a learning plan easy * 100% agreed that working with a VRQA reviewer was easy and 86–96% agreed that review processes are easy to understand, access information and compile evidence for. | Yes |
| **Supported the goal of improving compliance with, and understanding of, the minimum standards across all Victorian schools. The VRQA:**   * developed and published the Child Safe Standards for Education Providers website, which provides regulatory information and guidance for the new Child Safe Standards from 1 July 2022, covering schools and school boarding premises, non-school providers, registered training organisations and international education providers * updated the Guidelines to the Minimum Standards and Requirements for School Registration, the Guidelines to the Minimum Standards and Requirements for School Boarding Premises Registration and the Guideline – school financial capability assessment * implemented the Review Body Assurance Program to drive consistency in the review and assurance of government, Catholic and independent schools. | Yes |
| **Continued to lift the quality of apprenticeships and traineeships in Victoria by administering consistent and reliable monitoring and assessment. The VRQA increased focus on high-risk apprenticeship cohorts and:**   * formed an Operational Working Group with 7 other government regulators with shared responsibility for a range of apprentice and trainee conditions in Victoria * conducted a campaign targeting employers of apprentices under the Australian Government’s BAC scheme. | Yes |
| **Enhanced confidence in the administration and quality of the apprenticeship and traineeship system, and encouraged the participation of apprentices, trainees and their employers. The VRQA launched:**   * a periodic newsletter to employers with information and support to help them achieve compliance * a newsletter to all commencing apprentices and trainees with information about their obligations and rights * regular website news about the enforcement action taken against employers as a result of targeted campaigns. | Yes |

| **Priority** | **Key achievements** | **SoE activity** |
| --- | --- | --- |
| **2. Modernise regulatory functions** | **Continued delivering a positive provider and client experience, and improving the efficiency and effectiveness of regulatory practice. The VRQA:**   * reviewed our approach to knowledge management and digital services to make it easier for people to transact with us * updated the State Register to provide data relating to new secondary education pathways reform. | No\* |
| **Actively engaged with regulated entities and individuals through:**   * meetings with system owners to provide guidance on regulatory changes and discuss emerging issues * pre-registration briefings to prospective new applicants, and information sessions for schools and school boarding premises under review * information sessions about the new Child Safe Standards for all regulated entities * collaboration with sector stakeholders about regulatory support and action, particularly during the coronavirus (COVID-19) pandemic. | Yes |
| **Identified opportunities to reduce regulatory burden and:**   * developed guidance about the new Child Safe Standards that identified alignment with existing standards * extended training package dates to align Victorian dates with national dates set by the Australian Skills Quality Authority (ASQA). | Yes |
| **Published relevant and timely information, guidance and support, including:**   * a new Child Safe Standards website on the vic.gov.au platform * increased use of targeted electronic newsletters. | Yes |
| **3. Strengthen our evidence base** | **Developed metrics to measure VRQA performance, including:**   * conducted and analysed the results of focus group research on apprentice, trainee and employer awareness of the VRQA * key performance indicators for registration and review of schools * annual client and stakeholder research. | Yes |
| **Published information, advice and data to help students and parents/guardians make informed educational choices, including:**   * information about trade papers * a social media channel for home schooling families and up-to-date news and website content. | Yes |

| **Priority** | **Key achievements** | **SoE activity** |
| --- | --- | --- |
| **4. Strengthen our governance** | **Maintained constructive working relationships with Victorian Government agencies, national bodies and key partners through:**   * memorandums of understanding with other government departments, agencies and organisations * timely advice on key regulatory issues to ministers, DET, national bodies and key partners. | Yes |
| **5. Support our people** | **Built on the organisational culture and capability, underpinned by integrity, that encourages leadership, energy and enthusiasm with:**   * an action plan to address issues identified in the 2021 People Matter survey * psychological safety training sessions. | No\* |
| **6. Build our financial stability** | **Prudently managed finances, made financial information available to DET, and undertook regulatory functions on a financially sustainable basis, including:**   * strengthened organisational capability for risk-based financial and operational assessment with internal staff resources * that the Secretary and DET were well-informed about the budget needed to deliver our regulatory services * an independent review of VRQA funding for consideration by DET, as part of medium to long-term financial planning. | No\* |

\* Note: activity carried out, but not a component of the SoE.

Progress towards objectives and indicators

School and senior secondary education

Significant activities and achievements

Victorian schools remained significantly disrupted by the COVID-19 pandemic in 2021–22, with staffing shortages continuing to impact school resourcing.

Our work centred on:

* updating key guidelines and support documents to reflect regulatory changes
* refining support information and materials to improve utility for clients and stakeholders
* supporting clients and stakeholders with information sessions
* easing the regulatory burden for schools during mandated remote and flexible learning periods.

Changes to regulations concerning Child Safe Standards, secondary education pathways and Victorian Government public health orders required updates to VRQA guidelines, including the:

* Guidelines to the Minimum Standards and Requirements for School Registration
* Guidelines to the Minimum Standards and Requirements for School Boarding Premises Registration
* Guideline – school financial capability assessment.

The introduction of new Child Safe Standards also required the update of many forms associated with school registration.

The VRQA updated our Review Readiness Tool to help schools self-assess their compliance with the minimum standards.

The tool:

* guides schools through the requirements for each standard
* details evidence required
* links to relevant guidelines and publications
* allows schools to understand whether they meet requirements or need to provide further evidence.

The VRQA also created and published our School intervention framework, which sets out how the VRQA make decisions about what action to take to ensure the safety of children in Victorian schools.

Two online information sessions related to financial governance were held during the reporting period. One session covered financial and governance requirements related to new independent school registration applications. The other covered best practice for existing schools. Both sessions were delivered in webinar format to make them more accessible to schools and providers.

The VRQA continued to strengthen our assurance of school review bodies, CECV and DET, through implementation of the Review Body Assurance Program. This program also drives consistency in the review and assurance of government, Catholic and independent schools.

**COVID-19**

In response to the ongoing COVID-19 pandemic, the VRQA granted temporary curriculum exemptions during remote and flexible learning to all government and Catholic schools, and 23 independent schools. Curriculum exemptions applied only while schools were required to deliver remote and flexible learning. The exemptions ceased on 1 November 2021, when all year levels returned to full-time onsite learning.

The VRQA also collaborated with co-regulator, the Department of Justice and Community Safety Victoria’s Industry Engagement and Enforcement Operation, to make sure independent schools continued to comply with Victorian Government public health orders in place to manage the spread of COVID-19. This was communicated to schools in April 2022.

**School boarding premises regulation**

The Royal Commission into Institutional Responses to Child Sexual Abuse identified school boarding facilities as high-risk environments for children. It found that a disproportionate amount of abuse occurred in school boarding premises, and recommended they be regulated to ensure they meet the Child Safe Standards.

In response, the Victorian Government expanded the VRQA's remit to include the regulation of school boarding premises. The new regulations commenced on 18 June 2021.

The deeming process for existing school boarding premises began on 18 June 2021 and was completed during the 2021–22 reporting period. Thirty-nine school boarding premises were registered (2 government, 8 Catholic, 25 independent and 4 non-school providers).

Following the introduction of minimum standards for school boarding premises registration on 18 June 2021, the VRQA published a readiness tool to help providers understand and meet the requirements.

**Secondary education pathways reform**

The Victorian Government commissioned a review into vocational and applied learning pathways in senior secondary schooling (the Firth Review) in November 2019, to make recommendations for reform with 2 key aims to:

* ensure all Victorian secondary school students have access to high-quality vocational and applied learning options
* look for ways to improve transitions for students between school, post-secondary education and work.

A key finding of the Firth Review stated that Victoria should move to an integrated senior secondary certificate, with vocational education embedded in the VCE. This certificate will replace the existing Victorian Certificate of Applied Learning (VCAL) certificate.

The VRQA approved an amendment to the VCE to include the VCE Vocational Major, a new program of study within the VCE that will replace Intermediate and Senior VCAL from 2023. The VRQA also accredited the Victorian Pathways Certificate (VPC) as a foundation secondary course and qualification. This will replace Foundation VCAL from 2023.

To accomplish these changes, the VRQA assembled 2 accreditation panels made up of curriculum and subject matter experts, to review and approve applications put forward by the Victorian Curriculum and Assessment Authority (VCAA).

These reforms to Victorian secondary education pathways required various deeming and re-registration arrangements to be communicated to schools during the reporting period. These details were communicated on our website and through email correspondence with providers. The VRQA also completed a process to deem over 600 existing school VCAL providers to deliver the VPC and the VCE Vocational Major.

**New Child Safe Standards**

The VRQA worked with DET and the Commission for Children and Young People (CCYP) in the lead up to implementation of the new Child Safe Standards and Ministerial Order No. 1359 Implementing the Child Safe Standards – Managing the risk of child abuse in schools and school boarding premises, which commenced on 1 July 2022.

To support education providers in making the transition to the new Standards, the VRQA created a new, dedicated Child Safe Standards website during the reporting period. The website and its content respond to improvement opportunities identified by the Victorian Auditor-General’s Office report into school compliance with the previous Victorian Child Safe Standards.

The website also provides guidance to help education providers understand and meet the requirements of the new Standards.

It provides tailored guidance for:

* schools
* school boarding premises
* RTOs
* non-school senior secondary and foundation secondary providers
* international education providers (such as student exchange organisations).

Our guidance operates alongside information from DET. Following an extensive development process, the website launched in June 2022.

In June 2022, the VRQA delivered information sessions about the new Child Safe Standards to:

* schools
* school boarding premises
* non-school providers.

The school session attracted around 150 attendees, while the school boarding premises and non-school providers sessions attracted around 50 attendees each. Extra sessions were scheduled from July 2022.

**Existing Child Safe Standards**

There were 535 assessments undertaken of compliance with the existing Child Safe Standards. These form part of registration and review activities for regulated entities, complaints investigations and follow-up on concerns referred to the VRQA by CCYP.

Throughout the reporting period the VRQA contributed to briefing sessions for external clients and stakeholders, including:

* cyclical review information webinars for independent schools
* a pre-application information webinar for new school registrations
* multiple pre-application briefings for individual new school applicants
* a non-school provider re-registration information webinar
* multiple briefings to review bodies, peak bodies and system owners, including CECV, ISV and DET.

**Monitoring of compliance with the Child Safe Standards**

CCYP is responsible for reporting compliance with the Child Safe Standards under the C*hild Wellbeing and Safety Act 2005*.

Table 2 represents data collected by the VRQA and its school review bodies for schools, non-school providers and student exchange organisations (SEOs).

**Table 2. Monitoring of compliance with the Child Safe Standards**

| **1 July 2021 to 30 June 2022** | **No.** | **%**  **assessed as not compliant** | **% assessed as not compliant following rectification(a)** |
| --- | --- | --- | --- |
| **School reviews** |  |  |  |
| General reviews against the Child Safe Standards(b) | 484 | 24 | 0.4 |
| Specific reviews against the Child Safe Standards | 1 | 100 | Nil |
| **Non-review investigations (schools)** |  |  |  |
| Investigations against the Child Safe Standards | Nil | n/a | n/a |
| **Non-school providers reviews** |  |  |  |
| General reviews against the Child Safe Standards | Nil | n/a | n/a |
| **SEO reviews** |  |  |  |
| General reviews against the Child Safe Standards | Nil | n/a | n/a |
| **Registration activity, including assessment of compliance against the Child Safe Standards** |  |  |  |
| Schools | 21 | 95 | Nil |
| Non-school providers | 7 | 100 | 43 |
| SEOs | Nil | n/a | n/a |
| **Complaints – all sectors** |  |  |  |
| Complaint investigations against the Child Safe Standards | 18 | 67 | Nil |
| Referral from the CCYP(c) | 4 | 100 | Nil |
| **Sanctions** |  |  |  |
| Sanctions imposed relating to the Child Safe Standards | Nil | n/a | n/a |
| Enforceable undertakings relating to the Child Safe Standards | Nil | n/a | n/a |
| **Total** | **535** |  |  |
| Notes:   1. Rectification action was still underway at the reporting date for a number of reviews. 2. Includes one school where review was concluded with further rectifications required. 3. Where complaints have been referred by CCYP to multiple agencies, they have only been counted once. | | | |

Other activities

**School registration and reviews**

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

During COVID-19-related disruptions, and to allow schools to focus on supporting their students during remote learning and manage staffing shortages in 2022, independent schools undergoing cyclical review were, as required, afforded extensions to submit material.

The VRQA regulates government and Catholic schools through review body arrangements with DET and CECV. The VRQA presented at new principal induction sessions hosted by DET and ISV respectively, to provide information about compliance with the minimum standards. The VRQA also introduced a new Review Body Guide and implemented the Review Body Assurance Program to drive effectiveness and consistency of review body performance.

Of Victoria’s 2,305 schools, 68% are government schools, 22% are Catholic and 10% are independent. In 2021–22, the VRQA registered 17 new schools – 11 primary schools, 3 secondary schools, 2 secondary-specialist schools and one specialist school.

**Table 3. Number of registered schools at 30 June 2022**(a)

|  |  |  |
| --- | --- | --- |
| **School type** | **2022** | **2021** |
| Government | 1,575 | 1,568 |
| Catholic | 499 | 497 |
| Independent | 231 | 226 |
| **Total** | **2,305** | **2,291** |

Notes:

1. DET’s census date for registered schools is February; VRQA’s census date is June. Unlike DET’s data, VRQA data includes schools with temporary populations, such as hospitals.

**Figure 1. Registered schools by sector at 30 June 2022**

**Table 4. School registration activity 2021–22**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Registration type** | **Government** | **Catholic** | **Independent** | **Total** |
| **New school** |  |  |  |  |
| Primary | 6 | 2 | 3 | 11 |
| Secondary | 3 | - | - | 3 |
| Secondary/specialist | - | - | 2 | 2 |
| Specialist | 1 | - | - | 1 |
| **Additions and amendments** |  |  |  |  |
| Additional campuses | 9 | - | 5 | 14 |
| Additional secondary year levels | 5 | - | 10 | 15 |
| Additional primary year levels | - | - | 3 | 3 |
| School relocations | 4 | 1 | 1 | 6 |
| Senior secondary registration | 8 | 1 | 6 | 15 |
| School boarding premises | - | - | 2 | 2 |
| **Closures** |  |  |  |  |
| Schools closed | 3 | - | - | 3 |

**Table 5. Number of registered school boarding premises at 30 June 2022**

|  |  |
| --- | --- |
| **School boarding premises type** | **2022** |
| Government | 2 |
| Catholic | 8 |
| Independent | 25 |
| Non-school provider | 4 |
| **Total** | **39** |

Notes: 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 offer a pathway for students to complete secondary qualifications outside school environments. They often teach vulnerable students. Delivery of the VCE and VCAL in non-school providers remained disrupted by the COVID-19 pandemic in the first half of the reporting period. The disruption eased as students returned to in-person learning from November 2021 onwards. The VRQA supported providers with information and guidance about regulatory changes during the reporting period.

New Child Safe Standards, changes to Victorian secondary education pathways and pandemic-related public health orders required an update to guidelines for non-school providers during the reporting period. The VRQA published the *Guidelines for non-school providers: Minimum standards for registration to provide an accredited senior secondary or foundation secondary course* on our website and alerted providers by email.

Ahead of the introduction of new Child Safe Standards on 1 July 2021, the VRQA delivered an online information briefing to non-school providers to help them understand and meet changing requirements.

The reforms to Victorian secondary education pathways required various deeming and re-registration arrangements be communicated to non-school providers during the reporting period. Details were communicated on our website and through email correspondence with providers.

Other activities

At 30 June 2022, Victoria had 23 registered non-school providers, comprising community-based adult education providers, technical and further education (TAFE) institutes, and universities. In the reporting period, the VRQA re-registered 6 non-school providers, and 11 non-school providers requested voluntary cancellation of their registration.

**Table 6. Non-school senior secondary providers at 30 June 2022**

|  |  |  |
| --- | --- | --- |
| **Organisation type** | **2022** | **2021** |
| Community-based adult education provider | 3 | 11 |
| TAFE institute/university | 15 | 17 |
| Education/training business or centre | 2 | 2 |
| Other | 3 | 4 |
| **Total** | **23** | **34** |

International education

Significant activities and achievements

International education remained significantly disrupted by the COVID-19 pandemic. The number of new international students in Victorian schools was heavily impacted by international and Australian border restrictions during the reporting period.

In May 2021, the Minister for Education issued a Ministerial Direction allowing Victorian schools to continue to use online and remote learning arrangements to deliver CRICOS school courses to international students until the end of Term 2, 2022. Border restrictions impacting international students did not ease until December 2021. This meant international students returned during Term 1, 2022.

In April 2022, the Victorian Government approved the resumption of student exchange programs for Victorian and international secondary school students operated by VRQA-approved SEOs. The VRQA advised SEOs of this change and supported them with information and guidance as needed.

There were 2 sets of VRQA guidelines updated to reflect Victoria's new Child Safe Standards and new secondary education pathways in Victoria. These were the:

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

Other activities

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

The VRQA completed 3 re-approvals for non-government schools against the standards for education providers delivering courses to international students.

**Table 7. CRICOS approval activity, 2021–22**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Approval type** | **Government** | **Catholic** | **Independent** | **Non-school** | **Total** |
| CRICOS approvals | n/a | Nil | Nil | Nil | Nil |
| Re-approvals | Nil | 1 | 2 | Nil | 3 |

**Table 8. Student exchange organisations, 30 June 2022**

|  |  |  |
| --- | --- | --- |
| Approved student exchange organisations | **2022** | **2021** |
| Government school | 10 | 10 |
| Non-government school | 7 | 7 |
| Community organisation | 5 | 5 |
| Not-for-profit organisation | 7 | 7 |
| **Total** | **29** | **29** |

Home schooling

Significant activities and achievements

Home schooling registrations continued to grow during the reporting period. An increase in new applications coincided with the COVID-19 pandemic. This trend continued in 2021–22.

During the reporting period, the VRQA:

* communicated to home schooling families about the 2021 review cycle and what to expect if they were selected
* simplified registration extension emails that go to families
* notified families to expect registration extension emails and provided guidance on how to respond.

During the reporting period, the VRQA took 19 days on average to notify parents about the outcomes of their applications. This is up from 13 days on average during the 2020–21 reporting period.

The VRQA Home Education Facebook page launched in August 2019. The page helps us communicate effectively with the Victorian home schooling community. At 30 June 2022, the page had 1,838 followers. Facebook’s comment functionality also provides an additional customer service channel for the community to transact with us.

Other activities

Every year, the VRQA review up to 10% of all home schooling families to make sure registration requirements are being met.

During the reporting period, the VRQA completed 81 reviews, received 6,076 home schooling applications and registered 5,942 children. Home schooling registrations grew by 66% from last year, with 11,332 children registered in 7,291 households, up from 6,836 children in 2021 (Table 9). Some home schooling applications were still being assessed at the close of the reporting period.

In the reporting period, the VRQA refused 10 applications.

The 781 exemptions granted from one or more of the learning areas were mainly for children with individual learning needs. For older children, it was 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 9. Home schooling registrations at 30 June 2022**

|  |  |  |
| --- | --- | --- |
|  | **2022** | **2021** |
| Children | 11,332 | 6,836 |
| Households | 7,291 | 4,384 |

**Table 10. Metrics from the SoE, 1 July 2021 to 30 June 2022**

|  |  |
| --- | --- |
| Metric | **2021–22** |
| Registrations | 5,942 |
| Applications received | 6,076 |
| Incomplete applications received | 281 |
| Days taken to notify of incomplete application\* | 21 |
| Days taken to notify of complete application\* | 19 |
| Applications seeking an exemption from one or more learning area | 821 |
| Exemptions from learning area(s) granted | 781 |
| Applications refused | 10 |
| Registrations reviewed | 81 |
| 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 |

Note: \*Average days taken to notify of incomplete/complete application.

Apprenticeships and traineeships

Significant activities and achievements

Apprenticeship and traineeship commencement numbers continued to recover from the COVID-19 pandemic. This recovery coincided with the introduction, and later extension, of the Australian Government’s BAC and Continuing Apprenticeships Commencements wage subsidy schemes. Much of our work during the reporting period focused on supporting compliance during the recovery, and increasing our commitment to mitigating the risk of harm to Victorian apprentices and trainees.

As part of this commitment, the VRQA formed an Operational Working Group during the reporting period. It comprises 7 government 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 VRQA chairs the group. The VRQA notified clients and stakeholders when the group was activated.

The VRQA also operates a call centre that received over 20,000 calls for assistance. This included over 2,600 calls from apprentices and trainees, with parents, employers, Apprenticeship Network Providers and RTOs making up the balance.

Many of these calls were resolved immediately or soon after the call. Others were referred to more appropriate services for assistance, including our own apprenticeship and traineeship regulatory field service’s investigation team.

The VRQA also received over 13,000 emails, many seeking assistance regarding matters directly or indirectly impacting a successful apprenticeship and traineeship experience.

During the BAC funding period, the VRQA reminded employers of their obligations to meet the training contract requirements agreed to with their apprentices and trainees. An updated checklist was published for employers to assess and improve their own compliance.

The VRQA monitored BAC-related commencements, communicated this activity to apprentices, trainees and their employers, and reminded them of their obligations. The VRQA also published a snapshot of compliance monitoring outcomes. All data was anonymised. The aim of this content was to remind employers of the potential consequences of non-compliance.

During the reporting period, the VRQA launched a periodic newsletter to employers providing information and support to help them achieve compliance. The VRQA also launched a newsletter to all commencing apprentices and trainees, offering information about their obligations and rights.

The VRQA notified the apprentice and trainee sector of administrative delays related to the launch of the new Commonwealth Apprenticeships Data Management System and communicated again when the issue was resolved.

**Table 11. Apprenticeship and traineeship activity**

|  |  |  |  |
| --- | --- | --- | --- |
| Activity type | **2021–22** | **2020–21** | **2019–20** |
| Training contracts registered | 50,564 | 39,418 | 29,757 |
| Employer approvals | 6,660 | 5,599 | 4,786 |
| Employer approvals revoked | 14 | Nil | 11 |
| Training schemes approved | 19 | 32 | 20 |
| Apprentice cancellations | 11,842 | 7,624 | 11,221 |
| Trainee cancellations | 8,500 | 5,979 | 5,871 |
| Formal disputes listed | 4 | 2 | 8 |
| Delegate as guardian on training contract | 3 | 1 | 1 |
| Delegate ordered cancellations or withdrawals | 62 | 12 | 161 |

**Apprenticeship and traineeship regulatory field services**

The VRQA deploys authorised officers into the field through the Victorian Apprenticeship Field Services (VAFS) to investigate and confirm that employers, apprentices and trainees are meeting their training contract obligations. The service uses a risk-based methodology and conducted over 7,000 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 1,521 potential issues related to training, supervision, work environment and scope of work being escalated for further investigation.

This meant that 883 medium-complexity investigations were conducted, where authorised officers were deployed into the field. They investigated and resolved, where possible, any issues associated with the initial query, and any common issues that may have impacted other apprentices and trainees at the same workplace.

There were 73 issues that were escalated to high-complexity investigations. Authorised officers also conducted another 39 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 their apprenticeship, with 4 requiring the VRQA to determine the outcome and issue orders.

**Table 12. VAFS activity**

|  |  |  |
| --- | --- | --- |
| Job type | 2021–22 | 2020–21 |
| Risk assessment services | 7,012 | 3,010 |
| Medium-complexity investigations | 883 | 520 |
| High-complexity investigations – escalations | 73 | 31 |
| High-complexity investigations – disputes | 39 | 22 |
| **Total** | **8,007** | **3,583** |

**Table 13. VAFS risk assessment activity 2021–22**

|  |  |  |
| --- | --- | --- |
| Issue type | Number | % |
| Training | 890 | 58 |
| Supervision | 390 | 26 |
| Premises/equipment | 30 | 2 |
| Scope of work undertaken | 151 | 10 |
| Other | 60 | 4 |
| **Total escalations** | **1,521** | **100** |

**Table 14. VAFS medium-complexity investigations 2021–22**

|  |  |  |
| --- | --- | --- |
| Issue type | Number | % |
| Training | 601 | 68 |
| Supervision | 205 | 23 |
| Premises/equipment | 2 | - |
| Scope of work undertaken | 43 | 5 |
| Other | 32 | 4 |
| **Total escalations** | **883** | **100** |

**Table 15. VAFS high-complexity investigations – escalations 2021–22**

|  |  |  |
| --- | --- | --- |
| Issue type | Number | % |
| Training | 22 | 30 |
| Supervision | 18 | 25 |
| Premises/equipment | - | - |
| Scope of work undertaken | 32 | 44 |
| Other | 1 | 1 |
| **Total escalations** | **73** | **100** |

The VRQA made necessary adjustments to how VAFS delivered its services during the COVID-19 pandemic, including the introduction of remote assessments of apprentice and trainee workplaces. The VRQA elected to keep some of these adjustments in place, once social distancing requirements eased, because they allowed authorised officers to expand their reach.

**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. Key areas targeted included BAC-scheme-related commencements.

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.

There were 14 employers that 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 included:

* DET
* Commonwealth Department of Education, Skills and Employment
* WorkSafe Victoria
* ASQA
* Victorian Skills Authority
* Energy Safe Victoria
* Fair Work Ombudsman
* Victorian Building Authority
* Local Jobs First Commissioner
* Wage Inspectorate Victoria.

**Group training organisations**

The VRQA is responsible for GTO recognition and assesses compliance against the GTO National Standards. At the end of the 2021–22 reporting period, there were 30 organisations recognised as GTOs.

The VRQA received 8 new applications in the reporting period and awarded recognition to 2 new organisations. The VRQA also conducted 11 financial capability assessment audits and 6 quality audits.

**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 have automatically issued trade papers to apprentices. Apprentices who completed before 1 July 2021 must apply to us to receive their trade papers. In the reporting period, the VRQA issued 8,687 trade papers.

Vocational education and training

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

Significant activities and achievements

VET providers began to recover from the impacts of the COVID-19 pandemic. Providers were afforded some regulatory flexibility to help them through the pandemic.

During the reporting period, the VRQA advised providers about relief from VRQA fees for the 2021 calendar year, including contacting them to coordinate refunds and waivers.

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, where it deems appropriate. This means the VRQA can independently decide to extend training packages to bring Victorian dates into alignment with national dates set by the ASQA. This helps ensure VRQA-registered VET providers are not unfairly disadvantaged, relative to their ASQA counterparts. The VRQA informed the sector of these new powers and implemented 2,146 extensions during the reporting period.

The VRQA developed tailored information and guidance material to support VET providers to understand and comply with the new Child Safe Standards. The VRQA also contacted VET providers to explain that if they deliver learning to under 18s, the new Child Safe Standards apply to them.

Other activities

The VRQA completed 43 quality audits during the reporting period, 24 of which were re-registration audits. There were 5 new registration audits during the reporting period. There were also 11 extension-to-scope audits and 2 quality audits for GTOs conducted. The VRQA processed 188 amendment-to-scope applications and granted 187. The VRQA applied sanctions to 2 RTO registrations in the form of enforceable undertakings.

The VRQA continued our accreditation function, describing knowledge and skill requirements for industry, enterprises and the community, where they are not covered in existing nationally approved training packages. The VRQA accredited 10 courses, re-accredited 9 courses, extended 23 courses, and supported DET in its review and approval of 44 training packages for implementation.

The VRQA determined the approval of qualifications that can be undertaken as apprenticeships or traineeships, confirming probationary periods, credit arrangements and minimum hours per week for employment and training. Ten determinations were approved and published.

The VRQA responded to public inquiries into the VET regulatory framework. Our responses were client-centric, focusing on training providers, industry representatives, students and training staff.

The VRQA held 2 workshops to help regulated RTOs consolidate their skills and capacity to deliver quality training, prior to the re-registration audit. The VRQA also conducted 2 workshops for prospective RTOs to help them understand their obligations and guide them through the application process.

VET registration

**Table 16. Number of VRQA-registered RTOs by type at 30 June 2022**

|  |  |  |
| --- | --- | --- |
| Organisation type | **2022** | **2021** |
| Education/training business or centre | 43 | 55 |
| Community-based adult education provider | 48 | 55 |
| Industry association | 6 | 9 |
| Enterprise – non-government | 3 | 3 |
| Enterprise – government | 10 | 10 |
| School – government | 17 | 19 |
| School – independent | 20 | 20 |
| School – Catholic | 6 | 6 |
| Other – not elsewhere classified | 2 | 1 |
| **Total** | **155** | **178** |

**Table 17. Number of new VRQA-registered RTOs by type**

|  |  |
| --- | --- |
| **Organisation type** | **2021–22** |
| Education/training business or centre | 4 |
| School – independent | 1 |
| Other – not elsewhere classified | 1 |
| **Total** | **6** |

**Table 18. VET registration activity**

|  |  |  |
| --- | --- | --- |
| Registration activity | **2021–22** | **2020–21** |
| New registration | 6 | Nil |
| Cancellation | 14 | 10 |
| Renew registration | 25 | 42 |
| Amendment to scope | 188 | 138 |

VET accreditation

**Table 19. Course accreditation activity**

|  |  |  |
| --- | --- | --- |
| Activity type | **2021–22** | **2020–21** |
| New courses accredited | 10 | 7 |
| Courses re-accredited | 9 | 15 |
| Course modifications | Nil | 11 |
| Course accreditations extended (max. 12 months) | 23 | 6 |
| Courses expired/deleted | 4 | 28 |

**Table 20. VRQA-accredited courses by qualification type at 30 June 2022**

|  |  |  |
| --- | --- | --- |
| Qualification type | **2022** | **2021** |
| Short courses | 76 | 75 |
| Certificate I | 9 | 9 |
| Certificate II | 18 | 17 |
| Certificate III | 20 | 19 |
| Certificate IV | 15 | 15 |
| Diploma | 12 | 15 |
| Advanced diploma | 9 | 10 |
| Graduate certificate | 1 | 4 |
| Graduate diploma | 2 | 4 |
| **Total** | **162** | **168** |

**Table 21. Training packages reviewed 2021–22**

|  |  |  |
| --- | --- | --- |
|  | 2021–22 | 2020–21 |
| Training packages reviewed | 44 | 42 |

Complaints

The VRQA received 231 complaints in 2021–22, an increase of 21% compared to 2020–21 (Table 22). 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 small increase in the number of complaints about VRQA-registered RTOs.

The number of apprenticeship and traineeship complaints remained consistent with last year. However, the main gateway for employers, apprentices and trainees, and related stakeholders to raise issues with the VRQA is through our dedicated apprenticeship administration call centre and field services.

Details on the issues identified and investigated can be found under the Apprenticeships and traineeships section.

**Table 22. Number of complaints received**

|  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| Year | VET-VRQA | VET-ASQA | School | VRQA | Senior secondary | SEO | Home- school | Appren-ticeships | Other | Total |
| 2021–22 | 24 | 54 | 113 | 10 | 4 | 1 | 7 | 5 | 13 | **231** |
| 2020–21 | 15 | 60 | 76 | 5 | 3 | 1 | 6 | 7 | 18 | **191** |
| 2019–20 | 17 | 38 | 80 | 5 | 3 | 2 | 10 | 5 | 8 | **168** |

Access to information

VRQA website

The VRQA publishes online information, advice, policies and data to help students and educational providers make decisions, and to give our stakeholders access to quality information across our regulatory areas. The VRQA also publish our annual stakeholder research findings.

The VRQA continues to listen to our stakeholders to improve our website. In 2021–22, our website had 629,121 unique page views by 204,519 users, of which 44.74% were via mobile devices (including tablet devices). User feedback shows VRQA webpages average a 71.1% content approval rate.

Live-streamed information sessions

In line with continuing social distancing guidelines during the COVID-19 pandemic, there was an increase in our live-streamed information sessions.

Live-streamed information sessions via a video conferencing application provide another channel to engage our stakeholders on issues affecting them in our regulatory areas. The VRQA hosted 15 live-streamed sessions in 2021–22, which included responding live to questions submitted online.

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 2021–22, it was accessed 37,650 times.

Electronic newsletters and social media

In 2021–22, the VRQA published:

* 5 editions of VRQA e-News
* 2 editions of a new school boarding premises email update
* 2 editions of a newsletter for the apprentice and trainee sector (one for employees and one for employers)
* 5 editions of new Child Safe Standards email updates.

The VRQA also posted 89 times on the VRQA Home Education Facebook page.

Working with stakeholders

The VRQA recognise that effective stakeholder engagement improves our regulatory capacity.

The *VRQA Stakeholder Engagement Strategy 2021–22* supports the *VRQA Strategic Plan 2020–22* directions and initiatives, and outlines 4 priorities to:

* use effective stakeholder engagement to underpin the activities carried out under our strategic, statutory and Ministerial obligations
* consult with clients and stakeholders to deliver positive provider and client experiences
* use our evidence base to inform and improve our engagement activities
* develop communication and engagement activities to improve sector compliance.

The traditional annual VRQA Board and stakeholder breakfast was replaced with 3 virtual Board and stakeholder forums held in August 2021.

The forums invited feedback from stakeholders in the 3 key sectors of:

* schools
* VET
* apprenticeships and traineeships.

Client and stakeholder research

The VRQA conducts annual client and stakeholder research to measure provider and stakeholder satisfaction with our performance as a regulator.

The 2021 study included qualitative and quantitative research. The survey receives feedback from schools, RTOs, home educators, apprentices, trainees and their employers.

Key 2021 findings include that:

* 94% of schools and 92% of RTOs surveyed consider us an effective regulator
* most clients and stakeholders were satisfied with the VRQA’s service during the COVID-19 pandemic
* 74% of schools, 77% of RTOs and 83% of home educators surveyed were satisfied with our performance
* satisfaction levels were driven by good communication and promptness
* 49% of employers and 39% of apprentices and trainees surveyed reported awareness of the VRQA.

Opportunities that this research identified include:

* improving communications with schools around changing regulations and the pandemic
* faster response times
* providing a higher volume of constructive feedback during regulatory interactions
* continuing to build positive engagement and understanding with the RTO sector
* raising awareness with apprentices, trainees and their employers about the role of the VRQA.

The VRQA continue to use this research to update our services and improve our regulatory activities.

Year in financial review

This is the VRQA’s fifteenth year of operation. Table 23 summarises the 2021–22 financial information and compares it with that of previous years.

In 2021–22, total income from transactions decreased by $0.47 million to $18.4 million.

VRQA’s major sources of revenue were grants and resources received free of charge from the Victorian Government, representing 94.78%. Fees represented 5.02%, and interest and other income represented 0.20%.

In addition:

* total expenses from transactions increased by $2.60 million to $19.87 million
* the VRQA ended the year with a net deficit of $1.45 million, compared to a surplus of $1.62 million in 2020–21
* total assets decreased by $0.36 million to $12.69 million
* total liabilities increased $1.09 million to $2.37 million.

**Table 23. Five-year financial summary**

|  | 2022 $ | 2021 $ | 2020 $ | 2019 $ | 2018 $ |
| --- | --- | --- | --- | --- | --- |
| Total income from transactions | 18,413,634 | 18,880,832 | 17,676,948 | 13,846,517 | 13,071,013 |
| Total expenses from transactions | 19,867,122 | 17,265,534 | 16,585,542 | 15,269,956 | 14,055,054 |
| **Net result from transactions** | **(1,453,488)** | **1,615,298** | **1,091,406** | **(1,423,439)** | **(984,041)** |
| Net gain/loss on non-financial assets | - | - | - | - | - |
| **Comprehensive result** | **(1,453,488)** | **1,615,298** | **1,091,406** | **(1,423,439)** | **(984,041)** |
| **Net cash flow from (used) operating activities** | **994,267** | **627,885** | **1,705,457** | **(184,661)** | **(598,181)** |
| **Total assets** | **12,693,244** | **13,054,326** | **11,650,764** | **11,097,143** | **11,853,833** |
| Total liabilities | 2,370,490 | 1,278,083 | 1,489,819 | 2,027,604 | 1,360,855 |

Report of operations – governance and organisational structure

Ministers

Minister for Education[[1]](#footnote-2) and Minister for Women  
The Hon. Natalie Hutchins MP

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 Tierney was elected to the Victorian Parliament as the Member for Western Victoria in 2006, and 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. In 2020, Minister Tierney was appointed Deputy Leader of the Government in the Legislative Council.

Minister Tierney served as Minister for Corrections from November 2016 to December 2018, and previously served as the Cabinet Secretary and Deputy President of the Victorian 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 VET and Adult Community Education system play a key role in achieving the economic and social objectives of government, industry, local communities and individual learners.

The Minister for Higher Education administers legislation that establishes Victoria’s 8 public universities, their governing bodies and accountability requirements. The Minister is also responsible for developing policy related to higher education in Victoria, and representing Victorian universities and higher education providers within government.

Minister for Trade, Minister for Economic Development and Minister for Industrial Relations

The Hon. Tim Pallas MP

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 VRQA consults with the Minister for Trade on appointments to the VRQA Board, and matters related to international education.

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. The majority 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, the Metropolitan Fire Brigade and the DET 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.

Jenny 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.

Jenny joined the department in December 2015 as Deputy Secretary, Infrastructure and Finance Services Group. In this role, Jenny 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 (DTF) and the Department of Human Services.

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

Ms Atta was represented at Board meetings by Chris Keating, Chief Executive Officer, Victorian School Building Authority to August 2021, and Kylie White, Deputy Secretary, Policy, Strategy and Performance from October 2021.

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 currently Board Chair of MaxLifeCare Ltd and a member of the Victorian Major Transport Infrastructure Board, where she also chairs the Audit and Risk Committee.

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, a member of the Sir Henry Bolte Trust Committee, Barwon Health, the Mercy Health Foundation and Iona College Advisory Board.

Mr Elder has also served in a wide variety of governance roles, including the Deakin University Council, Director/Company Secretary of Catholic Capital Grants, the Board of the Australian Institute for Teaching and School Leadership, and 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 Penelope Hutchinson, MA, BA, AICD, FCA, AMusA  
Member

Ms Penelope 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 of Public Policy and Management from the University of Melbourne, a Diploma in Music Performance, and an Honours Degree in German and Music from the University of London. She is also a Graduate of the 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 since 24 November 2021

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.

Mr Loney served as a Member of Parliament until 2006, during which time he held a number of 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.

In 2006, Mr Loney was appointed Adjunct Professor and Executive Director of the Public Sector Governance and Accountability Research Centre at La Trobe University, and in 2010, he joined Deakin University's Alfred Deakin Research Institute as Adjunct Professor specialising in legislative governance.

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, Moreland Affordable Housing Ltd, and Mental Health and Wellbeing Australia Ltd. He is a board member at the Victoria TAFE Association and a member of the Audit and Risk Committee for the Commission for Children and Young People 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.

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 Maria Peters, BA, DipEd, GradDipTESOL, HonDEd  
Member until 7 October 2021

Ms Maria Peters has held leadership positions within Chisholm Institute for 25 years and was CEO from April 2011 until December 2017. She was appointed Chair of the Adult and Community Further Education Board in August 2018. Ms Peters has extensive experience in the vocational education sector within Victoria and internationally.

Ms Peters has led significant educational innovation within the VET sector, aimed at improving participation, and ensuring strong student and industry outcomes. She has been a member of, or participated in, government committees, both at a state and national level, in family violence, aged care, the automotive industry, vocational and higher education.

In 2017, Ms Peters was awarded the Lynne Kosky Memorial Award for Lifetime Achievement. At the start of 2018, she received an Honorary Doctorate in Education from Swinburne University for her contribution to education quality, innovation in delivery, industry partnerships, student outcomes and success. In 2020, Ms Peters was appointed as a member of the Royal Melbourne Institute of Technology University Council.

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, she 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. She is known for her astute skills and understanding of the relational quality of a school with its complexity in stakeholder management. An outstanding educator, she has been noted on the ‘Educator Hotlist’ (2018) and has taught at primary, secondary and tertiary levels. Fran 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 coach and consultant, Ms Reddan advises in strategy, leadership, innovation and reputation 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 employment 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.

Dr Jim Watterston, DipEd, GradDipEd, MEd, EdD  
Member until 30 June 2022

Dr Jim Watterston has over 30 years of experience across all levels of education, including as a teacher, school principal and academic. In 2018, he was appointed Dean of the Melbourne Graduate School of Education, University of Melbourne.

Dr Watterston is the Chair of Asia Education Foundation and a member of the Ruyton Girls’ School Board. He has held senior public sector roles in several jurisdictions, including Director-General of the Queensland Department of Education and Training, Director-General of the Australian Capital Territory Department of Education and Training, Deputy Secretary of the School Education Group in the Victorian Department of Education and Early Childhood Development, and National President of the Australian Council for Education Leaders.

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

Mr Jim Williamson is 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 DET, and 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 DET Audit and Risk Committee. The committee met 4 times during 2021–22.

Other subcommittees

VRQA Board subcommittees provide advice and make recommendations to the Board on specific areas. These subcommittees convened during 2021–22:

VET subcommittee

* Jim Williamson (Chair), VRQA Board
* Judy Rose, VRQA Board
* Peter Loney, VRQA Board (from 24 November 2021)
* Maria Peters, VRQA Board (until 7 October 2021)
* Dr Jim Watterston, 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 2 times during 2021–22.

Compliance and Quality subcommittee

* Dr Julie Caldecott (Chair), VRQA Board
* Stephen Elder OAM, VRQA Board
* Judy Rose, VRQA Board
* Rick Tudor OAM, external member

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 2021–22.

Information Technology and Knowledge Management subcommittee

* Anthony Nippard (Chair), VRQA Board
* Fran Reddan, VRQA Board
* Jim Williamson, VRQA Board
* Michonne Van Rees, external member

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 3 times in 2021–22.

Home Schooling Review subcommittee

* Pam White (Chair), VRQA Board
* Dr Julie Caldecott, 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 during the reporting period.

VRQA staff

VRQA staff are DET 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 DET Secretary for the organisation’s management and effective interaction with DET.

Staff organisation

VRQA staffing was organised into 14 functional areas of:

* home schooling
* communications
* information technology
* complaints and student services
* finance
* legal
* governance and corporate services
* international projects
* 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.

Refer to the organisation chart (Figure 2) for details of 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 (Deputy Director)
* 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 of the VRQA, other than the power of delegation, to the Manager, Governance and Corporate Services, and Manager, Regulatory Projects, VRQA
* 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 Part 4.5A of the Act, other than the power of delegation, to the Manager, School Projects, 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
* 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 Higher Education and Skills Group, DET
* 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 Security and Emergency Management Division of DET.

(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

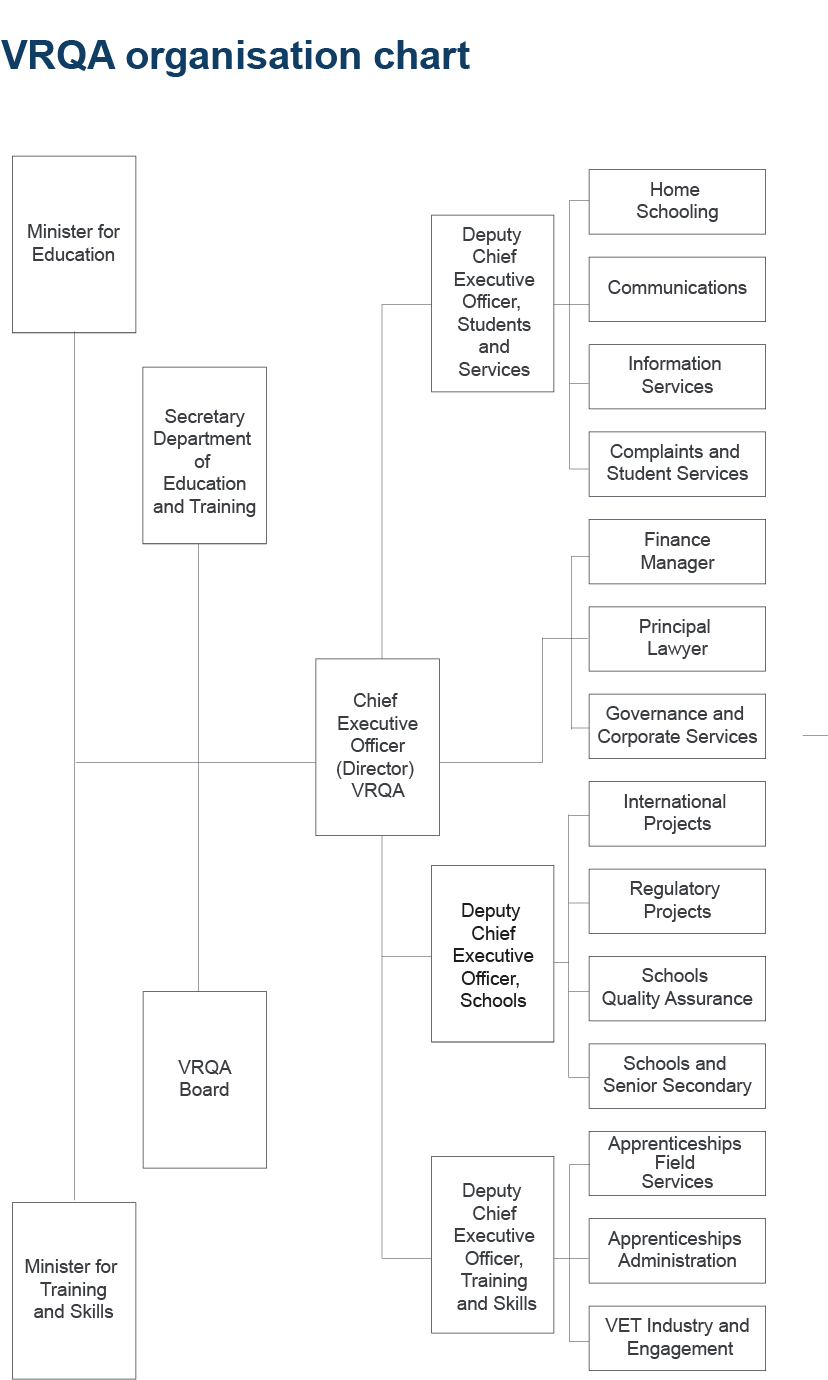
Part 5.8 of the Act provides for the appointment of authorised officers.

At 30 June 2022, there were 37 authorised officers: 24 approved VRQA office staff authorised officers and 13 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 2022**



Report of operations – workforce data

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

Public administration values and employment principles

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

These 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 DET infrastructure and abides by DET occupational health and safety policies and procedures (see the *Department of Education and Training Annual Report 2021–22* for more information).

Comparative workforce data

**Table 24. Full-time equivalent (FTE) staffing trends 2018–22** (a) (b)

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| 2022 | 2021 | 2020 | 2019 | 2018 |
| 71.9 | 74.9 | 70.8 | 65.2 | 59.2 |

Notes:

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.*

Victorian Public Service comprises Senior Executive Service (SES), VPSG-classified staff, allied health staff, nurses, senior medical advisors and ministerial transport officers.

**Table 25. Summary of employment levels in June of 2021 and 2022**(a) (b)

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | Ongoing employees (headcount) | | | | Fixed-term and casual employees |
| Employees | Full-time | Part-time | FTE | FTE |
| June 2022 | 74 | 66 | 7 | 71.9 | Nil |
| June 2021 | 78 | 67 | 10 | 74.9 | Nil |

Notes:

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.*

Victorian Public Service comprises SES, VPSG-classified staff, allied health staff, nurses, senior medical advisors and ministerial transport officers.

**Table 26. VRQA Victorian Public Service staff employment levels, June 2021 and 2022** (a) (b) (c) (d)

|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| VRQA | | June 2022 | | | | | | | June 2021 | | | | | | |
|  |  | All employees | | Ongoing | | | Fixed-term and casual employees | | All employees | | Ongoing | | | Fixed term and casual employees | |
|  |  | Headcount (e) | FTE | Full-time (headcount) | Part-time (headcount) | FTE | Headcount | FTE | Headcount | FTE | Full-time (headcount) | Part-time (headcount) | FTE | Headcount | FTE |
| Demographic data | **Gender** |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Male | 28 | 27.8 | 26 | 1 | 26.8 | 1 | 1.0 | 29 | 28.3 | 26 | 2 | 27.3 | 1 | 1.0 |
| Female | 45 | 43.1 | 39 | 6 | 43.1 | - | - | 49 | 46.6 | 41 | 8 | 46.6 | - | - |
| Self-described | 1 | 1.0 | 1 | - | 1.0 | - | - | - | - | - | - | - | - | - |
| **Age** |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Under 25 | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 25–34 | 10 | 10.0 | 10 |  | 10.0 | 1 | 1.0 | 10 | 10.0 | 10 | - | 10.0 | - | - |
| 35–44 | 18 | 17.7 | 16 | 2 | 17.7 | - | - | 22 | 21.6 | 20 | 2 | 21.6 | - | - |
| 45–54 | 24 | 24.0 | 24 |  | 24.0 | - | - | 22 | 21.7 | 19 | 2 | 20.7 | 1 | 1.0 |
| 55–64 | 18 | 17.5 | 15 | 3 | 17.5 | - | - | 20 | 19.4 | 17 | 3 | 19.4 | - | - |
| Over 64 | 3 | 1.7 | 1 | 2 | 1.7 | - | - | 4 | 2.2 | 1 | 3 | 2.2 | - | - |
|  | **VPSG1–6** | **70** | **67.9** | **62** | **7** | **66.9** | **-** | **-** | **75** | **71.9** | **64** | **10** | **70.9** | **-** | **-** |
| Classification data | VPSG1 | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| VPSG2 | 5 | 5.0 | 5 |  | 5.0 | - | - | 8 | 7.8 | 7 | 1 | 7.8 | - | - |
| VPSG3 | 9 | 9.0 | 8 |  | 8.0 | 1 | 1.0 | 8 | 8.0 | 8 | - | 8.0 | - | - |
| VPSG4 | 14 | 14.0 | 14 |  | 14.0 | - | - | 14 | 14.0 | 14 | - | 14.0 | - | - |
| VPSG5 | 29 | 27.1 | 23 | 6 | 27.1 | - | - | 29 | 26.5 | 21 | 7 | 25.5 | 1 | 1.0 |
| VPSG6 | 13 | 12.8 | 12 | 1 | 12.8 | - | - | 16 | 15.6 | 14 | 2 | 15.6 | - | - |
|  | **Senior employees** | 4 | 4.0 | 4 | - | 4.0 | **-** | **-** | **3** | **3.0** | **3** | **-** | **3.0** | **-** | **-** |
| STS | - | - | - |  | - | - | - | - | - | - | - | - | - | - |
| SES | 4 | 4.0 | 4 | - | 4.0 | - | - | 3 | 3.0 | 3 | - | 3.0 | - | - |
| **Total employees** | **74** | **71.9** | **66** | **7** | **70.9** | **-** | **-** | **78** | **74.9** | **67** | **10** | **73.9** | **-** | **-** |

Notes:

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*.

Victorian Public Service comprises SES, VPSG-classified, allied health staff, nurses, senior medical advisors and ministerial transport officers.

‘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 a person employed on a seasonal basis, where such provision is made under an applicable industrial agreement.

‘Age’ of staff calculated at 30 June each year.

‘Headcount’ refers to the number of people employed, where each person counts as an employee, regardless of the number of hours engaged to work.

Executive data

**Table 27. Number of Senior Executive Service (SES) classified in ‘ongoing’ and ‘special projects’**

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
|  | All | | Ongoing | | Special projects | |
| Class | Number | Variance | Number | Variance | Number | Variance |
| SES-3 |  |  |  |  |  |  |
| SES-2 | 1 |  | 1 |  |  |  |
| SES-1 | 3 |  | 3 |  |  |  |
| **Total** | **4** |  | **4** |  |  |  |

**Table 28. Gender breakdown of SES in ‘ongoing’ and ‘special projects’**

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

**Table 29. Reconciliation of executive numbers**

|  |  |  |  |
| --- | --- | --- | --- |
|  |  | 2022 | 2021 |
|  | 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.contracts.vic.gov.au](http://www.contracts.vic.gov.au).

Social Procurement Strategy achievements

The VRQA actioned our Social Procurement Strategy during the 2021–22 reporting period. In 2019, the VRQA set an objective to engage more local or domestic suppliers. In 2021–22, the VRQA deepened our engagement with BUSY At Work and engaged the Royal Automobile Club of Victoria (RACV) for limited conference services.

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 $1.63 million.

The RACV is Victoria’s principal membership organisation and a social enterprise. RACV makes contributions to the community, people with disability and disadvantaged cohorts, through its foundation, volunteer and partnership programs. During the reporting period, the VRQA used RACV conference room facilities, spending $5,607.

Major consultancies and contracts

There were no major consultancies over $10,000 for the period 1 July 2021 to 30 June 2022. The VRQA did not engage any consultancies costing less than $10,000 each during 2021–22.

There were no major contracts greater than $10 million in value entered into by VRQA during the financial year ended 30 June 2022.

Major research and development

The annual VRQA Client and Stakeholder Research project was carried out in 2021 and delivered during the reporting period. The project gathers feedback from the VRQA stakeholders and clients 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 clients and stakeholders across Victoria’s school, school boarding, VET, apprenticeships and traineeships, and home schooling communities. In the 2021–22 reporting period, the project was carried out by Wallis Social Research. It was in-field from August to November of 2021, and the final report was presented to the VRQA in February 2022. The estimated cost was $92,136.00 and the final cost was $92,136.00.

Freedom of information

The *Freedom of Information Act 1982* (FOI Act) allows public access to documents held by the VRQA.

For the 12 months ended 30 June 2022, the VRQA received one freedom of information (FOI) application and it was not subject to a review by the Office of the Victorian Information Commissioner.

There were no requests carried over from 2020–21.

The single 2021–22 request received was from a media agency.

No decisions were made within the statutory 30-day time period and one was made within an extended statutory 30–60-day time period. The time taken to finalise this request was 48 days. The VRQA met all statutorily required time periods during 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](http://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 OfficerVictorian Registration and Qualifications Authority  
GPO Box 2317  
Melbourne VIC 3001

Email: vrqa@education.vic.gov.au  
Telephone: (03) 9032 1554

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.foi.vic.gov.au for more on FOI.

Compliance with the *Building Act 1993*

The VRQA operates within DET infrastructure, and abides by DET infrastructure policies and procedures (see the *Department of Education and Training Annual Report 2021–22* 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 (IBAC).

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 2021–22.

Compliance with the Carers Recognition Act 2012

The VRQA operates within DET infrastructure and abides by DET human resources policies and procedures (see the *Department of Education and Training Annual Report 2021–22* for more information).

Office-based environmental impacts

The VRQA operates within DET infrastructure and abides by the DET Environmental Management System (see the *Department of Education and Training Annual Report 2021–22* 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 No. 957 held VET fees at 2014 levels.

All other fees were increased on 1 January 2022. 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 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) 9059 4547

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 DET to DataVic.

Compliance with the Asset Management Accountability Framework

The following summarises 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](http://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.** **Asset Management Accountability Framework maturity assessment**

**Chart, radar chart

Description automatically generated**

**Legend**

|  |  |
| --- | --- |
| Target |  |
|  |  |
| Overall |  |
|  | |
| **Status** | **Scale** |
| Not applicable | N/A |
| Innocence | 0 |
| Awareness | 1 |
| Developing | 2 |
| Competence | 3 |
| Optimising | 4 |

**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.

The VRQA did not comply with requirement 16a in its 2020–21 annual report, as an AMAF maturity assessment was not included that year, due to a misinterpretation of the timing of the new requirement. A plan for improvement has been completed and the AMAF maturity assessment is included in this report.

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.

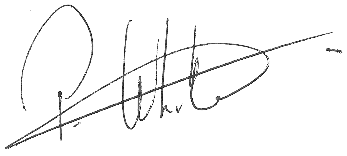
**Disposal (requirement 41)**

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.

****

**Pam White PSM  
Chair  
Victorian Registration and Qualifications Authority**

6 October 2022

Financial statements

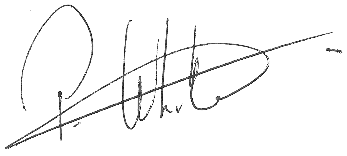
Accountable Officers’ and Chief Finance Officer’s declaration

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 2022 and financial position of the Victorian Registration and Qualifications Authorityat 30 June 2022.

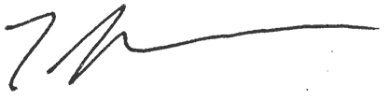
At the time of signing, we are not aware of any circumstance which would render any particulars included in the financial statements to be misleading or inaccurate.

We authorise the attached financial statements for issue on 6 October 2022.

****

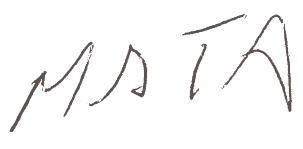
**Pam White PSM  
Chair  
Victorian Registration and Qualifications Authority**

Melbourne  
6 October 2022



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

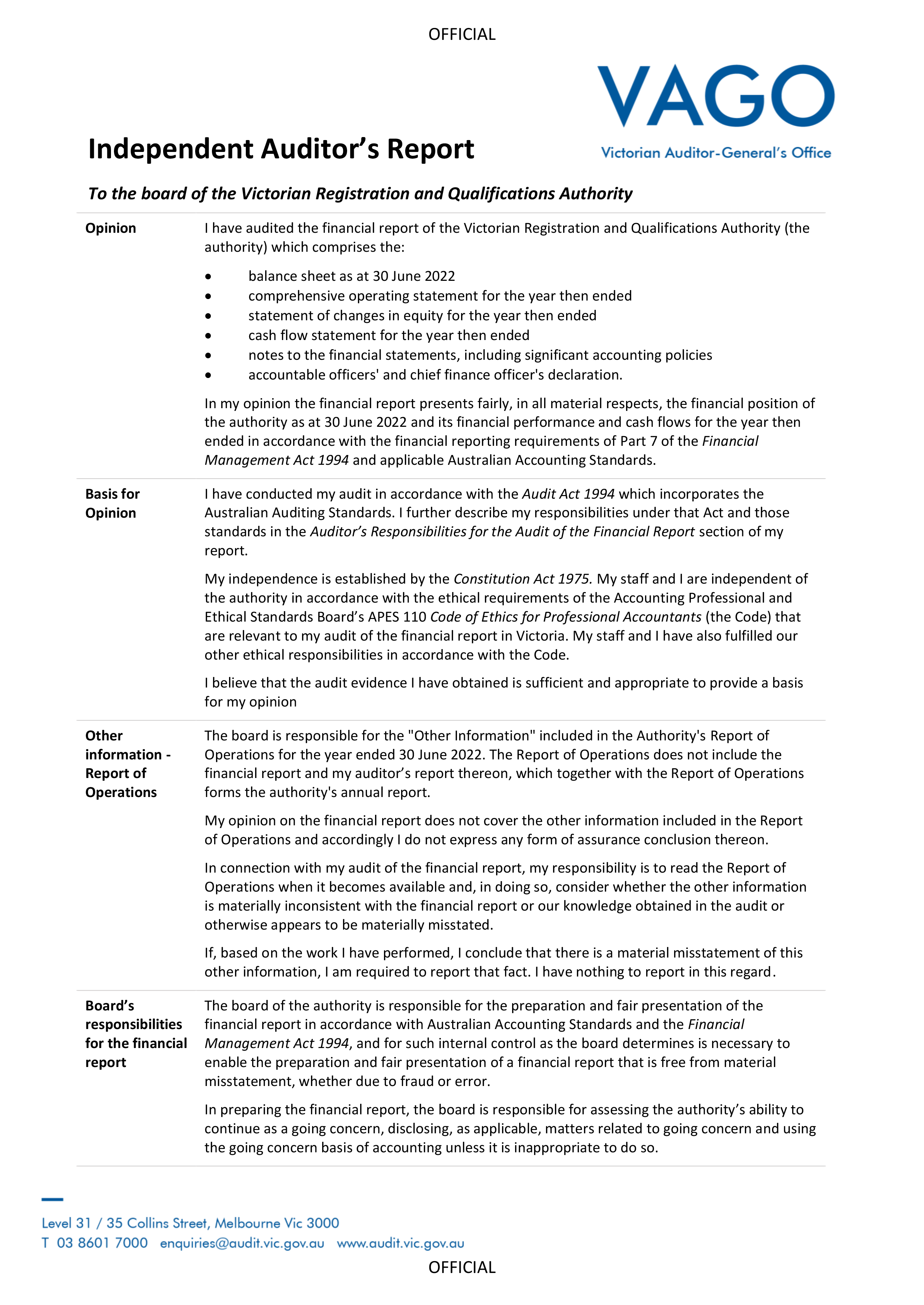
Melbourne  
6 October 2022

****

**Matthew Tibb  
Chief Finance Officer  
Victorian Registration and Qualifications Authority**

Melbourne  
6 October 2022

Victorian Auditor-General’s Office Report

****

**Text, letter

Description automatically generated**

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 2022 in the following structure, to provide users with the information about the VRQA’s stewardship of resources entrusted to it.

Financial statements

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Comprehensive operating statement for the financial year ended 30 June 2022

|  |  |  |  |
| --- | --- | --- | --- |
|  | **Notes** | **2022**  **$** | **2021**  **$** |
| **Continuing operations** |  |  |  |
| **Revenue and income from transactions** |  |  |  |
| Grants | 2.1 | 16,916,415 | 17,202,384 |
| Registration and accreditation fees | 2.1 | 925,103 | 1,113,321 |
| Fair value of assets and services received free of charge or for nominal consideration | 2.1 | 536,890 | 536,890 |
| Interest | 2.1 | 35,106 | 28,118 |
| Other income | 2.1 | 120 | 119 |
| **Total revenue and income from transactions** |  | **18,413,634** | **18,880,832** |
|  |  |  |  |
| **Expenses from transactions** |  |  |  |
| Administrative expenses | 3.1 | 10,858,401 | 10,261,564 |
| Depreciation and amortisation | 4.1, 4.2 | 1,410,295 | 1,510,219 |
| Contractors | 3.1 | 5,997,385 | 3,779,459 |
| Supplies and services | 3.1 | 1,601,041 | 1,714,292 |
| **Total expenses from transactions** |  | **19,867,122** | **17,265,534** |
| **Net result from transactions** |  | **(1,453,488)** | **1,615,298** |
| **Comprehensive result** |  | **(1,453,488)** | **1,615,298** |

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

Balance sheet as at 30 June 2022

|  |  |  |  |
| --- | --- | --- | --- |
|  | **Notes** | **2022**  **$** | **2021**  **$** |
| **Assets** |  |  |  |
| **Financial assets** |  |  |  |
| Cash and deposits | 6.1 | 11,513,400 | 10,556,302 |
| Receivables | 5.1 | 171,396 | 86,985 |
| **Total financial assets** |  | **11,684,796** | **10,643,287** |
|  |  |  |  |
| **Non‑financial assets** |  |  |  |
| Intangible assets | 4.1 | 936,583 | 2,341,458 |
| Property, plant and equipment | 4.2 | 31,749 | - |
| Other non-financial assets | 5.2 | 40,116 | 69,581 |
| **Total non‑financial assets** |  | **1,008,448** | **2,411,039** |
| **Total assets** |  | **12,693,244** | **13,054,326** |
|  |  |  |  |
| **Liabilities** |  |  |  |
| Payables | 5.3 | 2,207,535 | 1,023,204 |
| Contract liabilities | 5.4 | 162,955 | 254,879 |
| **Total liabilities** |  | **2,370,490** | **1,278,083** |
| **Net assets** |  | **10,322,754** | **11,776,243** |
|  |  |  |  |
| **Equity** |  |  |  |
| Accumulated surplus |  | 8,910,135 | 10,363,624 |
| Contributed capital |  | 1,412,619 | 1,412,619 |
| **Net worth** |  | **10,322,754** | **11,776,243** |

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

Statement of changes in equity for the financial year ended 30 June 2022

|  |  |  |  |
| --- | --- | --- | --- |
|  | **Contributed capital**  **$** | **Accumulated surplus**  **$** | **Total**  **$** |
| **Balance at 1 July 2020** | **1,412,619** | **8,748,325** | **10,160,945** |
| Net result for the year | - | 1,615,298 | 1,615,298 |
| **Balance at 30 June 2021** | **1,412,619** | **10,363,624** | **11,776,243** |
| 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** |

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

Cash flow statement for the financial year ended  
30 June 2022

|  |  |  |  |
| --- | --- | --- | --- |
|  | **Notes** | **2022**  **$** | **2021**  **$** |
| **Cash flows from operating activities** |  |  |  |
| **Receipts** |  |  |  |
| Receipts from government |  | 16,987,586 | 17,242,548 |
| Receipts from other entities |  | 668,409 | 656,291 |
| Interest received |  | 35,106 | 28,118 |
| Goods and services tax recovered from ATO(a) |  | 544,839 | 415,204 |
| **Total receipts** |  | **18,235,940** | **18,342,161** |
| **Payments** |  |  |  |
| Payments to suppliers and employees |  | (17,241,673) | (15,490,208) |
| **Total payments** |  | **(17,241,673)** | **(15,490,208)** |
|  |  |  |  |
| **Net cash flows from/(used in) operating activities** | 6.1 | **994,267** | **2,851,953** |
|  |  |  |  |
| **Cash flows from investing activities** |  |  |  |
| Purchases of non‑financial assets |  | (37,169) | - |
| **Net cash flows from/(used in) investing activities** |  | **957,098** | **-** |
|  |  |  |  |
| **Net increase/(decrease) in cash and cash equivalents** |  | 957,098 | 2,851,953 |
| Cash and cash equivalents at beginning of financial year |  | **10,556,302** | **7,704,349** |
| **Cash and cash equivalents at end of financial year** |  | **11,513,400** | **10,556,302** |

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

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

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, 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 Australian Accounting Standards 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.

COVID-19

This financial report has been prepared during a year in which the COVID-19 pandemic has impacted many public sector entities, as well as the State of Victoria as a whole.

The impact of COVID-19 on the 2021–22 financial statements has seen fee relief provided to some registered training organisations for the 2021 calendar year. In addition, there has been increased expenditure relating to either previously deferred regulatory activities or onsite rather than remote assessments. Expenditure has also decreased as a result of minimised costs of running the corporate office. Income of the entity was not materially affected.

As the impacts of COVID-19 continue into 2022–23 across Victoria, the VRQA will continue to monitor the impacts on the delivery of its statutory functions and activities.

Note 2. Funding delivery of 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 DET 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** | **2022**  **$** | **2021**  **$** |
| Grants | 2.2.1 | 16,916,415 | 17,202,384 |
| Registration and accreditation fees | 2.2.2 | 925,103 | 1,113,321 |
| Fair value of assets and services received free of charge or for nominal consideration | 2.2.3 | 536,890 | 536,890 |
| Interest | 2.2.4 | 35,106 | 28,118 |
| Other income |  | 120 | 119 |
| **Total revenue and income from transactions** |  | **18,413,634** | **18,880,832** |

Revenue and income that fund delivery of the VRQA’s services are 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

|  |  |  |
| --- | --- | --- |
|  | **2022**  **$** | **2021**  **$** |
| **Revenue and income recognised under AASB 1058** |  |  |
| General purpose | 16,916,415 | 17,202,384 |
| **Total grants** | **16,916,415** | **17,202,384** |

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
* a provision, in accordance with AASB 137 Provisions, Contingent Liabilities and Contingent Assets.

2.2.2. Registration and accreditation fees

|  |  |  |
| --- | --- | --- |
|  | **2022**  **$** | **2021**  **$** |
| Registration and accreditation fees | 925,103 | 1,113,321 |
| **Total registration and accreditation fees** | **925,103** | **1,113,321** |

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 service as it is 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

|  |  |  |
| --- | --- | --- |
|  | **2022**  **$** | **2021**  **$** |
| Accommodation for Level 4, Casselden, 2 Lonsdale Street, Melbourne(a) | 536,890 | 536,890 |
| **Total fair value of assets and services received free of charge or for nominal consideration** | **536,890** | **536,890** |

Note: (a) The VRQA shares accommodation with the Department of Education and Training (DET), 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.

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

|  |  |  |
| --- | --- | --- |
|  | **2022**  **$** | **2021**  **$** |
| **Interest income** |  |  |
| Interest on bank deposits | 35,106 | 28,118 |
| **Total interest** | **35,106** | **28,118** |

Interest income includes interest received on bank term deposits and other investments. 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 Note 2, the funds that enable the provision of services were disclosed and in this note, the cost associated with provision of services is recorded.

3.1. Expenses incurred in delivering services

|  |  |  |  |
| --- | --- | --- | --- |
|  | **Notes** | **2022**  **$** | **2021**  **$** |
| Administrative expenses | 3.1.1 | 10,858,401 | 10,261,564 |
| Contractors | 3.1.2 | 5,997,385 | 3,779,459 |
| Supplies and services | 3.1.3 | 1,601,041 | 1,714,292 |
| **Total expenses incurred in delivery of services** |  | **18,456,827** | **15,755,315** |

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

3.1.1. Administrative expenses

|  |  |  |
| --- | --- | --- |
|  | **2022**  **$** | **2021**  **$** |
| Employee benefits for VRQA staff employed by DET | 9,575,939 | 9,362,099 |
| Termination benefits | 355,723 | 41,336 |
| Superannuation expense | 926,739 | 858,129 |
| **Total administrative expenses** | **10,858,401** | **10,261,564** |

Administrative expenses relate to employee benefits for VRQA staff who are employees of DET. The VRQA reimburses DET 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 DET.

3.1.2. Contractors

|  |  |  |
| --- | --- | --- |
|  | **2022**  **$** | **2021**  **$** |
| Contractors | 5,997,385 | 3,779,459 |
| **Total contractors** | **5,997,385** | **3,779,459** |

Contractors represent the costs incurred in normal operations. They include 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** | **2022**  **$** | **2021**  **$** |
| Purchase of supplies and consumables |  | 92,104 | 108,755 |
| Board member and committee fees |  | 241,600 | 248,286 |
| Travel expenses |  | 2,475 | 1,161 |
| Printing expenses |  | 13,843 | 28,987 |
| Phone and postage |  | 67,339 | 80,707 |
| Legal expenses |  | 147,175 | 78,870 |
| Insurance |  | 26,966 | 26,304 |
| Minor equipment |  | 116,782 | 3,977 |
| Accommodation expenses*(a)* |  | 536,890 | 536,890 |
| Advertising |  | 28,404 | 9,862 |
| Ex gratia expense | 8.1 | 293,463 | 557,493 |
| Audit fees | 8.5 | 34,000 | 33,000 |
| **Total supplies and services** |  | **1,601,041** | **1,714,292** |

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 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

|  |  |  |
| --- | --- | --- |
|  | **2022**  **$** | **2021**  **$** |
| At cost | 6,110,830 | 6,110,830 |
| Additions | - | - |
| Less: accumulated amortisation | (5,174,247) | (3,769,372) |
| **Total intangible assets** | **936,583** | **2,341,458** |

4.1.1. Reconciliation of movements

|  |  |  |  |
| --- | --- | --- | --- |
|  | **Notes** | **2022**  **$** | **2021**  **$** |
| **At cost** |  |  |  |
| **Opening balance** | (a) (b) | 6,110,830 | 6,110,830 |
| Additions | (b) | - | - |
| **Closing balance** |  | **6,110,830** | **6,110,830** |
|  |  |  |  |
| **Accumulated amortisation** |  |  |  |
| **Opening balance** | (a) (b) | (3,769,372) | (2,259,153) |
| Amortisation of intangible assets | (a) (b) | (1,404,875) | (1,510,219) |
| **Closing balance** |  | **(5,174,247)** | **(3,769,372)** |
|  |  |  |  |
| **Net book value at year end** | (b) | **936,583** | **2,341,458** |

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 the following are demonstrated:

1. the technical feasibility of completing the intangible asset so that it will be available for use or sale
2. an intention to complete the intangible asset and use or sell it
3. the ability to use or sell the intangible asset
4. that the intangible asset will generate probable future economic benefits
5. the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset
6. 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 are made where appropriate.

The following estimated useful lives are used in the calculation of amortisation:

|  |  |  |
| --- | --- | --- |
| **Asset** | **2022****Useful life years** | **2021****Useful life years** |
| **Intangible assets** | 3 | 3 |

Impairment of intangible assets

Intangible assets not yet available for use 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 2022 is $1,404,875 (2021: $1,510,219).

The carrying amount for 2022 is $936,583 (2021: $2,341,458) and will be fully amortised by March 2023.

4.2. Property, plant and equipment

|  |  |  |
| --- | --- | --- |
|  | **2022**  **$** | **2021**  **$** |
| At cost | - | - |
| Additions | 37,169 | - |
| Less: accumulated depreciation | (5,420) | - |
| **Total property, plant and equipment** | **31,749** | **-** |

4.2.1. Reconciliation of movements

|  |  |  |  |
| --- | --- | --- | --- |
|  | **Notes** | **2022**  **$** | **2021**  **$** |
| **At cost** |  |  |  |
| **Opening balance** |  | - | - |
| Additions |  | 37,169 | - |
| **Closing balance** |  | **37,169** | **-** |
|  |  |  |  |
| **Accumulated depreciation** |  |  |  |
| **Opening balance** |  | - | - |
| Depreciation of office equipment |  | (5,420) | - |
| **Closing balance** |  | **(5,420)** | **-** |
|  |  |  |  |
| **Net book value at year end** |  | **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 are made where appropriate. Typical estimated useful lives for the different asset classes for current and prior years are included in the table below:

|  |  |  |
| --- | --- | --- |
| **Asset** | **2022****Useful life years** | **2021****Useful life years** |
| Office equipment assets | 4 | n/a |

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

|  |  |  |
| --- | --- | --- |
| **Current receivables** | **2022**  **$** | **2021**  **$** |
| **Contractual** |  |  |
| Fees receivable | 42,740 | 48,842 |
| **Statutory** |  |  |
| GST input tax credit recoverable | 128,656 | 38,143 |
| **Total receivables** | **171,356** | **86,985** |

**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** | **1–5 years** |  |
| **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** | **-** |
| **2021** |  |  |  |  |  |  |  |
| Fees receivable | 48,842 | 36,619 | 1,500 | 3,315 | 7,408 | - | - |
| **Total** | **48,842** | **36,619** | **1,500** | **3,315** | **7,408** | **-** | **-** |

Note: The total amounts disclosed here exclude GST input tax credit recoverable.

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

|  |  |  |
| --- | --- | --- |
|  | **2022**  **$** | **2021**  **$** |
| **Current other non-financial assets** |  |  |
| Prepayments | 40,116 | 69,581 |
| **Total other non-financial assets** | **40,116** | **69,581** |

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** | **2022**  **$** | **2021**  **$** |
| Supplies and services | 120,902 | 51 |
| Accrued expenses | 1,541,476 | 580,803 |
| Amounts payable to government and agencies | 545,157 | 442,350 |
| **Total payables** | **2,207,535** | **1,023,204** |

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** | **2022 $** | **2021 $** |
| **Contract liabilities** |  |  |
| Opening balance | 254,879 | 413,406 |
| Add: Payments received for performance obligations yet to be completed during the period | 125,742 | 254,879 |
| Less: Revenue recognised in the reporting period for the completion of a performance obligation | (217,667) | (413,406) |
| **Total contract liabilities** | **162,954** | **254,879** |
| Represented by |  |  |
| Current contract liabilities | 162,954 | 254,879 |
| 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 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.

|  |  |  |
| --- | --- | --- |
|  | **2022**  **$** | **2021**  **$** |
| Total cash and deposits disclosed in the balance sheet | 11,513,400 | 10,556,302 |
| **Balance as per cash flow statement** | **11,513,400** | **10,556,302** |

|  |  |  |
| --- | --- | --- |
|  | **2022**  **$** | **2021**  **$** |
| **Net result for the period** | **(1,453,489)** | **1,615,298** |
| **Non‑cash movements** |  |  |
| Amortisation of non‑current assets | 1,410,295 | 1,510,219 |
| **Movements in assets and liabilities** |  |  |
| Decrease/(increase) in receivables | (84,411) | 7,753 |
| Decrease/(increase) in other non-financial assets | 29,465 | (69,581) |
| Increase/(decrease) in contract liabilities | (91,924) | (158,527) |
| Increase/(decrease) in payables | 1,184,331 | (53,209) |
| **Net cash flows from/(used in) operating activities** | **994,267** | **2,851,953** |

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 are not any internal resources to perform the function.

|  |  |  |  |
| --- | --- | --- | --- |
| **Total commitments payable** | **Less than 1 year** | **1–2 years** | **Total**  **$** |
| **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** | **-** | **-** |
| **Nominal amounts 2021** |  |  |  |
| Other commitments payable | 1,096,563 | - | - |
| **Total commitments (inclusive of GST)** | **1,096,563** | **-** | **-** |
| Less GST recoverable | (99,687) | (-) | (-) |
| **Total commitments (exclusive of GST)** | **996,876** | **-** | **-** |

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 costs if both of the following criteria are met and the assets are not designated as fair value through net result, being that:

* 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 assets in this category of:

* 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 liabilities in this category of:

* 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

|  |  |  |
| --- | --- | --- |
|  | **2022**  **$** | **2021**  **$** |
| **Contractual financial assets** |  |  |
| Cash and deposits | 11,513,400 | 10,556,302 |
| Receivables | 42,740 | 48,842 |
| **Total contractual financial assets** | **11,556,140** | **10,605,144** |
| **Contractual financial liabilities** |  |  |
| Supplies and services | 120,902 | 51 |
| Accrued expenses | 1,541,476 | 580,803 |
| **Total contractual financial liabilities** | **1,662,378** | **580,854** |

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, term deposits and bank overdrafts that are at floating rate.

The VRQA manages this risk by mainly undertaking fixed rate or non-interest-bearing financial instruments with relatively even maturity profiles, with only insignificant amounts of financial instruments at floating rate. Management has concluded that cash at bank, as a financial asset, 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 table that follows.

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Interest rate exposure** | **Weighted average effective interest rate**  **%** | **Carrying amount**  **$** | **Non-interest-bearing**  **$** | **Variable  interest rate**  **$** |
| **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** | **-** |
|  |  |  |  |  |
| **2021** |  |  |  |  |
| **Financial assets** |  |  |  |  |
| Cash and deposits | 0.34 | 10,556,302 | - | 10,556,302 |
| Receivables | - | 48,842 | 48,842 | - |
| **Total financial assets** | **-** | **10,605,144** | **48,842** | **10,556,302** |
| **Financial liabilities** |  |  |  |  |
| Supplies and services | - | 51 | 51 | - |
| Accrued expenses | - | 580,803 | 580,803 | - |
| **Total financial liabilities** | **-** | **580,854** | **580,854** | **-** |

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 200 basis points up and 10 basis points down (2021: 10 basis points up and 10 basis points down) in market interest rates (AUD).

The table that follows shows 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** | |
|  |  |
| **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) | 230,268 |
|  |  |  |  |
| **2021** |  | -0.10% net result | +0.10% net result |
| **Financial assets** |  |  |  |
| Cash and deposits | 10,556,302 | (10,556) | 10,556 |
| **Total impact** |  | (10,556) | 10,556 |

Credit risk

VRQA’s exposure to credit risk arises from the potential default of a counterparty 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 2021–22.

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 selected the expected credit loss rate based on the VRQA’s past 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’s 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
* 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 3 levels, also known as the fair value hierarchy.

The levels are:

* 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 2022 $** | **Fair value measurement at end of reporting period using:** | | |
| **Level 1(a)** | **Level 2(a)** | **Level 3(a)** |
| 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 (2021: n/a).

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 2022.

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 either:

* 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
  + 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 (2021: 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 (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.

|  |  |  |
| --- | --- | --- |
| **Ex gratia expenses** | **2022**  **$** | **2021**  **$** |
| Waiver of debt | 101,904 | 258,922 |
| Refund of fees paid | 191,559 | 298,571 |
| **Total ex gratia expenses** | **293,463** | **557,493** |

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, also provided last financial year, was made in the 2022 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 are:

|  |  |  |
| --- | --- | --- |
| Minister for Education | The Hon, James Merlino, MP  The Hon. Natalie Hutchins MP | 1 July 2021 to 27 June 2022  28 June 2021 to 30 June 2022 |
| Minister for Training  and Skills | The Hon, Gayle Tierney, MLC | 1 July 2021 to 30 June 2022 |
| Minister for Trade | The Hon, Martin Pakula, MP The Hon, Tim Pallas MP | 1 July 2021 to 27 June 2022  28 June 2021 to 30 June 2022 |
| Director  (Accountable Officer) | Jonathan Kaplan | 1 July 2021 to 30 June 2022 |
| Chairperson | Pam White PSM | 1 July 2021 to 30 June 2022 |
| Board members | Jenny Atta\* PSM | 1 July 2021 to 30 June 2022 |
|  | Julie Caldecott | 1 July 2021 to 30 June 2022 |
|  | Stephen Elder OAM | 1 July 2021 to 30 June 2022 |
|  | Penelope Hutchinson | 1 July 2021 to 30 June 2022 |
|  | Peter Loney | 24 November to 30 June 2022 |
|  | Anthony Nippard | 1 July 2021 to 30 June 2022 |
|  | Maria Peters | 1 July 2021 to 7 October 2021 |
|  | Francoise Reddan | 1 July 2021 to 30 June 2022 |
|  | Judith Rose PSM | 1 July 2020 to 30 June 2022 |
|  | Jim Watterston | 1 July 2021 to 30 June 2022 |
|  | Jim Williamson | 1 July 2021 to 30 June 2022 |

\*Jenny Atta was represented at Board meetings by Chris Keating, Chief Executive Officer, Victorian School Building Authority to August 2021, and Kylie White, Deputy Secretary, Policy, Strategy and Performance from October 2021.

8.2.1. Remuneration of responsible persons

|  |  |  |
| --- | --- | --- |
| **Income band** | **No**  **2022** | **No**  **2021** |
| $0-$9,999 | 2 | 3 |
| $10,000-$19,999 | 1 | 1 |
| $20,000-$29,999 | 8 | 8 |
| $50,000-$59,999 | 1 | 1 |
| $180,000-$189,999 | - | 1 |
| $340,000-$349,999 | 1 | - |
| $350,000-$359,999 | - | 1 |
| **Total** | 13 | 15 |
| **Total remuneration received, or due and receivable, by responsible persons** | **600,447** | **802,137** |

Notes:

* Remuneration of Ministers are reported in the state’s Annual Financial Report.
* One board member (Jenny Atta) did not receive any remuneration (2021: 1 member).

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 table below. Total annualised employee equivalents provide 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** | **2022**  **$** | **2021**  **$** |
| Short-term employee benefits | 554,910 | 395,300 |
| Post-employment benefits | 54,318 | 36,335 |
| Other long-term benefits | 12,715 | 7,938 |
| Termination benefits | - | 64,894 |
| **Total remuneration (a)** | **621,942** | **504,467** |
| **Total annualised employee equivalents(b)** | **3.0** | **2.2** |

Notes:

1. The total number of executive officers includes persons who meet the definition of key management personnel of the entity under AASB 124 Related Party Disclosuresand are also reported within the related parties note disclosure (Note 8.4).
2. 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 arm’s-length basis.

Significant transactions with government-related entities

The VRQA received income from grants of $16,916,415 (2021: $17,202,304), resources free of charge of $536,890 (2021: $536,890) and fees of $71,172 (2021: $49,895) from DET, and made payments of $10,682,824 (2021: $10,267,860) for administrative expenses to DET.

Key management personnel of the VRQA include:

* the Portfolio Ministers:
  + The Hon. James Merlino, MP
  + The Hon. Natalie Hutchins MP
  + The Hon. Gayle Tierney, MP
  + The Hon. Martin Pakula, MP
  + The Hon, 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 are reported within the state’s Annual Financial Report.

|  |  |  |
| --- | --- | --- |
| **Compensation of key management personnel** | **2022**  **$** | **2021**  **$** |
| Short-term employee benefits | 1,102,495 | 947,728 |
| Post-employment benefits | 99,886 | 83,209 |
| Other long-term benefits | 20,008 | 11,646 |
| Termination benefits | - | 264,021 |
| Total (a) (b) | 1,222,389 | 1,306,604 |

Notes:

1. Total remuneration paid to key management personnel employed includes one employee acting as an executive officer during the period July 2021. (2020: August 2020 to June 2021).
2. 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 Victorian 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 occurs 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 Victorian Government Purchasing 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 or their personal business interests. No provision has been required, or 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 on an arm’s-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

|  |  |  |
| --- | --- | --- |
|  | **2022**  **$** | **2021**  **$** |
| Victorian Auditor‑General’s Office for the audit of the financial statements | 34,000 | 33,000 |
| **Total remuneration of auditors** | **34,000** | **33,000** |

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 that:

* adjustments are made to amounts recognised in the financial statements, where those events provide information about conditions that existed at the reporting date
* 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 2021-22 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 17 Insurance Contracts* | The operative date of this standard has been deferred by AASB 2020-5 *Amendments to Australian Accounting Standards – Insurance Contracts* to reporting periods beginning on or after 1 January 2023, and will supersede AASB 4 *Insurance Contracts*. AASB 17 seeks to eliminate inconsistencies and weakness in existing practices by providing a single principle-based framework to account for all types of insurance contracts, including reinsurance contracts that an insurer holds. The standard also provides requirements for presentation and disclosure to enhance comparability between entities. | | 1 January 2023 | The Australian Accounting Standards Board has currently issued an Exposure Draft (ED) 319 – *Insurance Contracts in the Public Sector*, proposing public sector modifications to AASB 17 to facilitate the application by public sector entities. It is proposed that public sector entities would apply AASB 17 to annual periods beginning on or after 1 July 2025, with earlier application permitted. |
| *AASB 2020-1 Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-Current* | This standard amends AASB 101 to clarify requirements for the presentation of liabilities in the statement of financial position as current or non-current. A liability is classified as non-current if an entity has the right at the end of the reporting period to defer settlement of the liability for at least 12 months after the reporting period. The meaning of settlement of a liability is also clarified.  AASB 2020-6 *Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-current – Deferral of Effective Date* was issued in August 2020 and defers the effective date to annual reporting periods beginning on or after 1 January 2023 instead of 1 January 2022, with earlier application permitted. | | 1 January 2023 | The standard is not expected to have a significant impact on the public sector. |

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 2021–22 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 2020–3 Amendments to Australian Accounting Standards – Annual Improvements 2018-2020 and Other Amendments
* AASB 2021–2 Amendments to Australian Accounting Standards – Disclosure of Accounting Policies and Definitions of Accounting Estimates
* AASB 2021–5 Amendments to Australian Accounting Standards – Deferred Tax Related to Assets and Liabilities Arising from a Single Transaction
* AASB 2021–6 Amendments to Australian Accounting Standards – Disclosure of Accounting Policies: Tier 2 and Other Australian Accounting Standards
* AASB 2021–7 Amendments to Australian Accounting Standards – Effective Date of Amendments to AASB 10 and AASB 128 and Editorial Corrections.

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 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** are 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.

A **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
  + to exchange financial assets or financial liabilities with another entity under conditions that are potentially favourable to the entity
* 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.

A **financial liability** is any liability that is:

* a contractual obligation:
  + to deliver cash or another financial asset to another entity
  + to exchange financial assets or financial liabilities with another entity under conditions that are potentially unfavourable to the entity
* 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
  + 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
* 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. They include 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** include 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 do 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 include sale of goods and services income.

**Supplies and services** generally represent cost of goods sold and 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 (for example, 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.

| **Ministerial Direction** | **Requirement** | **Page** |
| --- | --- | --- |
| **Report of operations – Financial reporting direction guidance** | | |
| **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 |
| FRD 22 | Nature and range of services provided | 5 |
| **Management and structure** | | |
| FRD 22 | Organisational structure | 37 |
| **Financial and other information** | | |
| FRD 10 | Disclosure index | 84 |
| FRD 12 | Disclosure of major contracts | 43 |
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| FRD 22 | Employment and conduct principles | 38 |
| FRD 22 | Occupational health and safety policy | 38 |
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| FRD 22 | Application and operation of the *Freedom of Information Act 1982* | 44 |
| FRD 22 | Compliance with building and maintenance provisions of the *Building Act 1993* | 44 |
| FRD 22 | Statement on National Competition Policy | 44 |
| FRD 22 | Application and operation of the *Public Interest Disclosures Act 2012* | 45 |
| FRD 22 | Application and operation of the *Carers Recognition Act 2012* | 46 |
| FRD 22 | Details of consultancies over $10,000 | 43 |
| FRD 22 | Details of consultancies under $10,000 | 43 |
| FRD 22 | Statement of availability of other information | 46 |
| FRD 22 | Asset Management Accountability Framework (AMAF) maturity assessment | 48 |
| FRD 24 | Reporting of office‑based environmental impacts | 46 |
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| SD 5.2 | Specific requirements under Standing Directions 5.2 | 84 |
| **Compliance attestation and declaration** | | |
| SD 3.7.1 | Attestation for compliance with Ministerial Standing Direction | 50 |
| SD 5.2.3 | Declaration in report of operations | prelim |
| **Financial statements** | | |
| **Declaration** | | |
| SD 5.2.2 | Declaration in financial statements | 51 |
| **Legislation** | **Requirement** | **Page** |
| **Standing Directions and Financial Reporting Directions** | | |
| **Other requirements under Standing Directions 5.2** | | |
| SD 5.2.1(a) | Compliance with Australian Accounting Standards, other authoritative pronouncements | 51 |
| SD 5.2.1(a) | Compliance with Standing Directions | 51 |
| **Other disclosures as required by FRDs in notes to the financial statements** | | |
| FRD 11 | Disclosure of ex gratia expenses | 74 |
| FRD 21 | Disclosures of responsible persons, executive officers and other personnel (contractors with significant management responsibilities) in the financial report | 75 |
| FRD 103 | Non‑financial physical assets | 82 |
| FRD 110 | Cash flow statements | 57 |
| FRD 112 | Defined Benefit Superannuation Obligations | 62 |
| FRD 114 | Financial instruments – general government entities and public non-financial corporations | 69 |

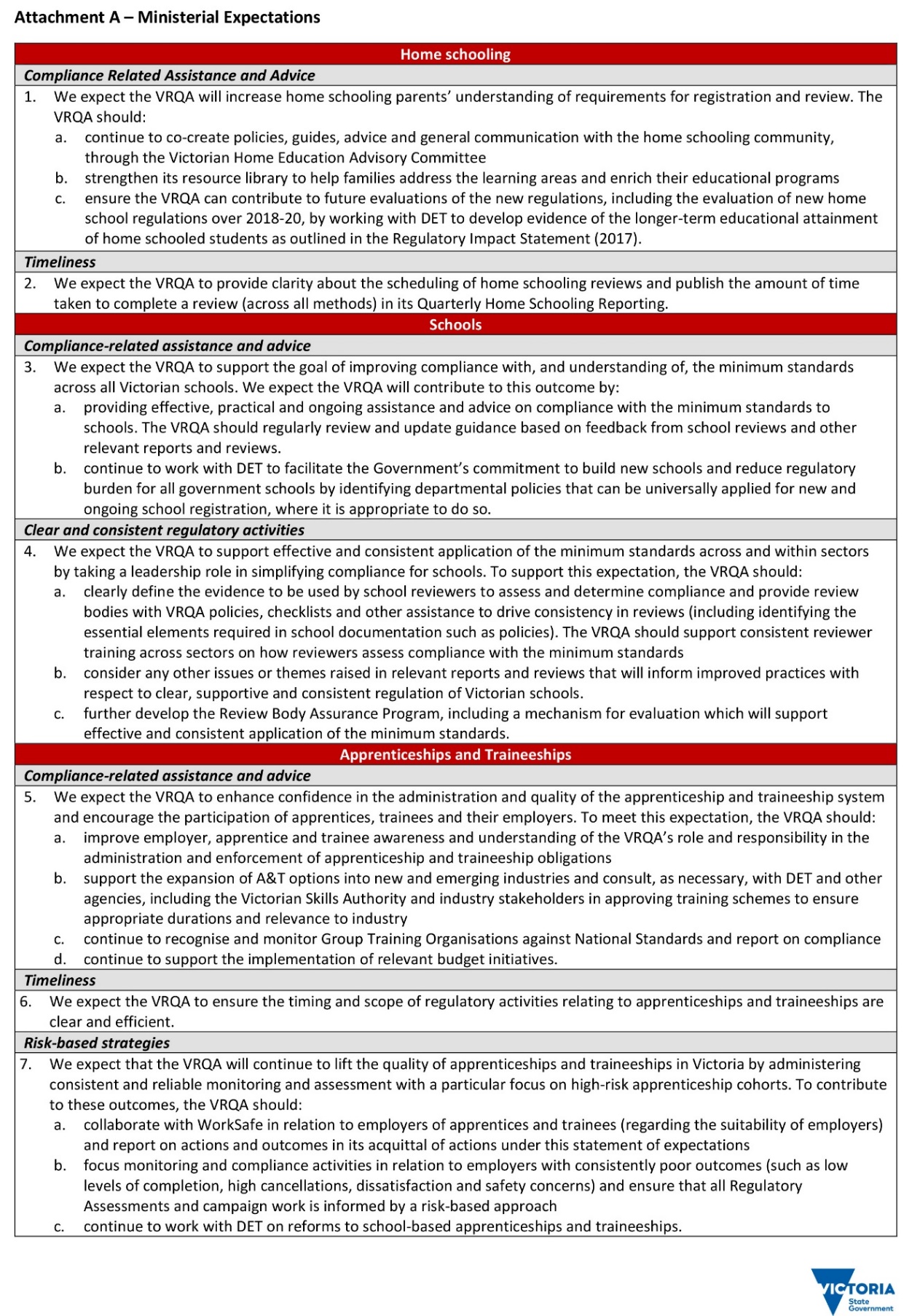
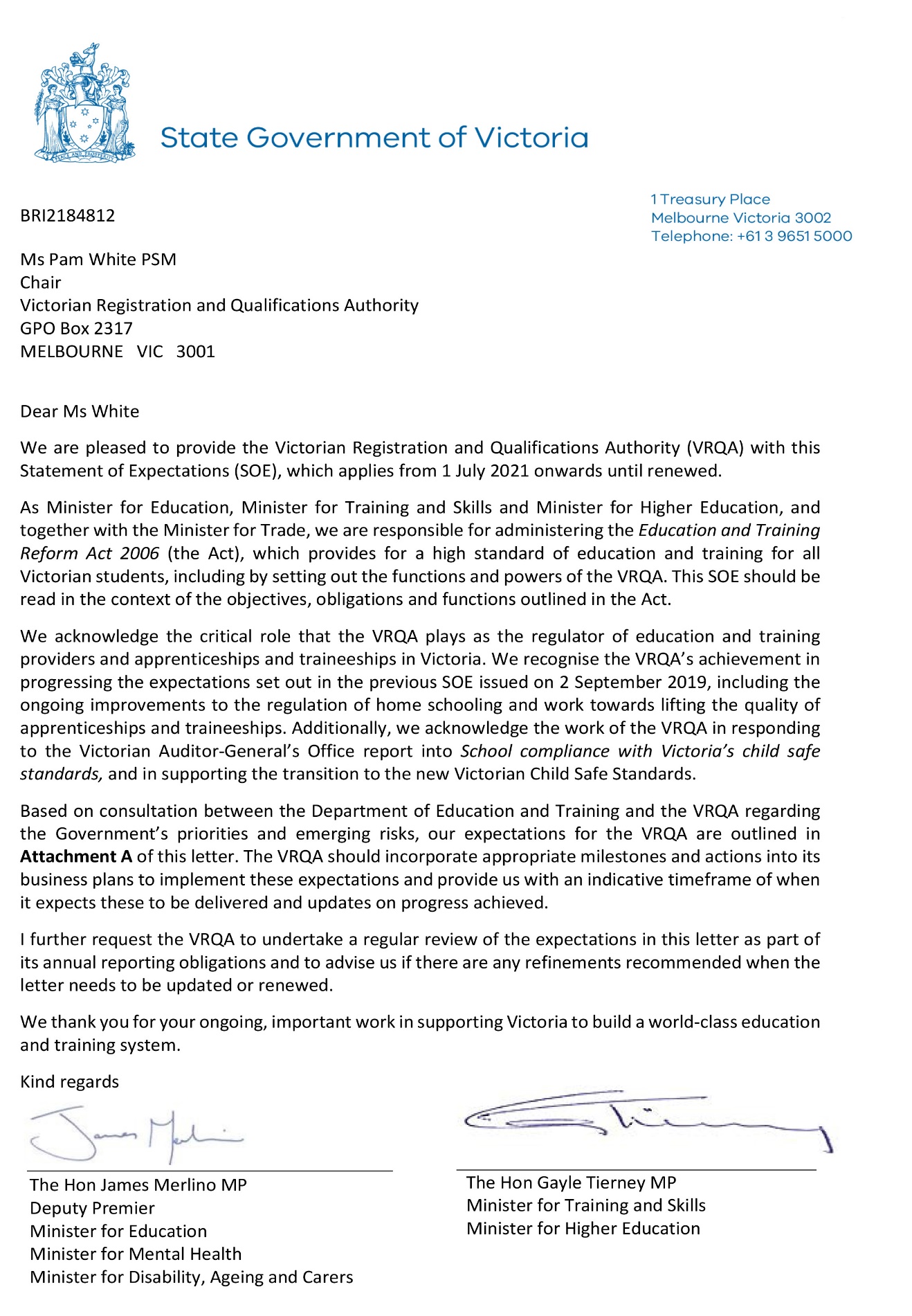
|  |  |
| --- | --- |
| **Legislation** | |
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| *Local Jobs Act 2003* | 43 |
| *Financial Management Act 1994* | 50 |

Appendix 2. Ministerial Statements of Expectations for the VRQA

In response to the Victorian Competition and Efficiency Commission’s 2011 [Inquiry into Victoria’s Regulatory Framework](http://www.vcec.vic.gov.au/Inquiries/Completed-inquiries/Victorias-regulatory-framework), the Victorian Government agreed to issue Ministerial Statements of Expectations to Victorian regulators.

In July 2021, the Minister for Education and the Minister for Training and Skills issued a new Statement of Expectation (SoE) for the VRQA. The new SoE sets expectations in the areas of:

* home schooling
* schools
* apprenticeships and traineeships.



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 2022, no Ministerial Directions were made.

Appendix 4. Acronyms and abbreviations

|  |  |
| --- | --- |
| AASB | Australian Accounting Standards Board |
| AMAF | Asset Management Accountability Framework |
| AQTF | Australian Quality Training Framework |
| ASQA | Australian Skills Quality Authority |
| BAC | Boosting Apprenticeship Commencements |
| CCYP | Commission for Children and Young People |
| CECV | Catholic Education Commission of Victoria |
| CRICOS | Commonwealth Register of Institutions and Courses for Overseas Students |
| DET | Department of Education and Training |
| 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 |
| ISV | Independent Schools Victoria |
| 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 |
| VCAA | Victorian Curriculum and Assessment Authority |
| VCAL | Victorian Certificate of Applied Learning |
| VCE | Victorian Certificate of Education |
| VET | vocational education and training |
| VRQA | Victorian Registration and Qualifications Authority |

1. The Hon. James Merlino, MP was the responsible Minister for Education from 1 July 2021 to 27 June 2022. This is reported and disclosed in Note 8.2 Responsible persons of the financial statements [↑](#footnote-ref-2)