



Department of
Education



Department of Education Annual Report 2019–20



Acknowledgement of Country

We acknowledge and respect the traditional custodians of the lands and waters on which our students live and are educated throughout Western Australia.

We acknowledge and understand that Elders, parents, families and communities are the first educators of their children and we recognise and value the cultures and strengths that Aboriginal children bring to the classroom.

Aboriginal people have a long tradition of teaching and learning through sharing their connections with country, community, language and culture, and through their oral histories, stories and lived experiences that are passed from generation to generation.

We recognise and value the learning that Aboriginal children bring with them from their homes and communities into the classroom.

Front cover photo

Cable Beach Primary School Pre-primary students and Aboriginal and Islander Education Officer, Shanice Flemming. The school won the WA Premier's Excellence in Aboriginal Education Award at the 2019 WA Education Awards. Click [here](#) for more information about the school.

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Overview	4
Statement of compliance	4
Director General's foreword	5
Our strategic directions	7
Executive summary.....	8
Our structure and senior staff.....	12
Our performance	13
Providing public education	13
Responding to COVID-19	14
Providing every student with a pathway to a successful future.....	15
Strengthening support for teaching and learning excellence in every classroom	23
Building the capability of our principals, our teachers and our allied professionals	25
Supporting increased school autonomy within a unified public school system	28
Partnering with families, communities and agencies to support the educational engagement of every student.....	34
As a regulator and funder	36
Non-government school regulation and funding, and home education.....	36
Providing secretariat services and support	38
Disclosures and legal compliance.....	40
General disclosures	40
Occupational safety, health and injury management	47
Staff	49
Teacher Registration Board of Western Australia Annual Report 2019–20	54
Key performance indicators and financial statements	70
Key performance indicators	75
Effectiveness indicators	76
Efficiency indicators	80
Financial statements	84
Appendices	160
1. Student enrolment.....	160
2. NAPLAN results	167
3. Student participation, achievement and satisfaction	171
4. Staffing.....	176
5. Annual estimates for 2020–21	178

Overview

This report details our achievements and successes as well as the challenges we face and the opportunities ahead. It also outlines our contribution to broader State Government desired outcomes and compliance with legislation and policy.

The report addresses reporting requirements in the Western Australian Public Sector Commission's annual report guidelines and Treasurer's Instructions including 903 (Agency Annual Reports) and 104C (Annual Reporting 2019–20 Exemption).

Activities and performance for the 2019–20 financial year are in the context of our [strategic outline](#), [strategic directions for public schools](#), State Government budget papers and other strategy documents.

This report includes the [annual report](#) of the Teacher Registration Board of Western Australia.

Information relating to each public school is available at [Schools Online](#).

This report uses the term 'Aboriginal' to respectfully and inclusively refer to Aboriginal and Torres Strait Islander people.

Reference to parents is inclusive of carers, families and extended families with responsibility for the care of their children.

Statement of compliance

Hon Sue Ellery MLC
Minister for Education and Training

In accordance with section 63 of the *Financial Management Act 2006*, I hereby submit for your information and presentation to Parliament the annual report of the Department of Education for the financial year ended 30 June 2020.

The report has been prepared in accordance with the provisions of the *Financial Management Act 2006*.

In accordance with section 114 of the *Teacher Registration Act 2012*, the annual report of the Teacher Registration Board of Western Australia for the financial year ended 30 June 2020 is included in this report.



Lisa Rodgers
Director General
(Accountable Authority)

17 September 2020

Director General's foreword

As I reflect on the past year, it would be easy for our progress and achievements to be overshadowed by the COVID-19 pandemic and our need to respond. Whereas, in fact, the reporting year started with a significant piece of work that set our directions for the next five years. We embarked on a series of education conversations with school communities and stakeholders across the State that informed our future directions. [Building on strength](#) – our long-term vision for public education – is exactly that. It builds on the strong position already established and the work being done across our system.



Sitting alongside is our strategic directions for public schools 2020–2024 – [Every student, every classroom, every day](#) – which sets out our aspirations for every student and our six key improvement drivers to ensure we work together to deliver meaningful pathways for every child. Meaningful pathways for our students may mean further education, training or giving them a range of career options, so ensuring we equip students with the skills and work capabilities for the jobs of the future is a priority.

We know the best chance a student has starts from the very first day a child steps into our schools, so our focus on every student, every classroom, every day, must remain a priority throughout their schooling.

We started the school year with another year of record student numbers and six new schools to meet the ever growing student population. We continued an extensive capital works and maintenance program to ensure the best learning environments and experiences for all students, staff and school communities. We progressed our work on our leadership strategy, and plans for school improvement.

Then the unprecedented. That's the only word that adequately describes the extraordinary circumstances we faced as a result of COVID-19 that changed so many aspects of our lives.

We established our response team to support our schools through the pandemic and safety measures were put in place. Fortunately for us in Western Australia, our schools remained open. There were only nine days when parents were encouraged to keep their children at home if possible, and four weeks when parents had the choice whether to send their children to school, or keep them at home.

To support teachers, the Connected Learning Hub was launched, providing curriculum resources across all year levels. This was in addition to the Learning at home website, developed by education experts to provide parents and students with lessons that were in line with the curriculum. At the time of writing, there had been more than 1.3 million views of the website.

Our response shows the power and value of partnership in education. What we learned was schools became even more critical with an even greater role to play than educating children. They were sources of truth and information, and central to supporting student wellbeing during this time. In fact, schools went beyond supporting their students, to supporting their communities.

Our students and staff are to be commended for their courage, resilience and care throughout the pandemic.

While it is acknowledged that due to COVID-19 the delivery of some of our [Focus 2020](#) priorities may need to be adjusted, our commitment to our key improvement drivers remains.

Seeing how we pulled together over the past six months, I now feel even more confident about the quality of public education being delivered to students in our schools.

This, coupled with the frameworks and strategies that guide us in our daily work, will stand Western Australian school students and their future in good stead.



Lisa Rodgers
Director General

Our strategic directions

Our [strategic outline](#) reflects how we deliver public education and support the education of all school students in Western Australia.

During the year we developed our strategic directions for public school education from 2020 to 2024, [Every student, every classroom, every day](#). It sets clear aspirations for every student enrolled in a public school and focuses on improvement drivers across six pillars to strengthen support for teaching and learning.

[Building on strength: Future directions for the Western Australian public school system](#) is our long term vision for education over the coming decade. This statement explains the thinking and rationale behind the commitments made in our strategic directions for public schools and acknowledges the need for students and teachers to be at the centre of our efforts.

To provide specific directions for public education each school year, we published [Focus 2019](#) and [Focus 2020](#), aligned to our strategic directions.



Explore the story behind the artwork in our strategic directions for public education in Western Australia.

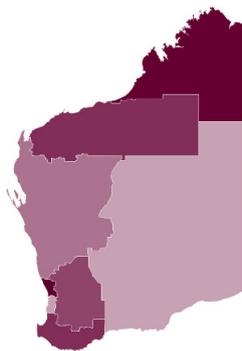
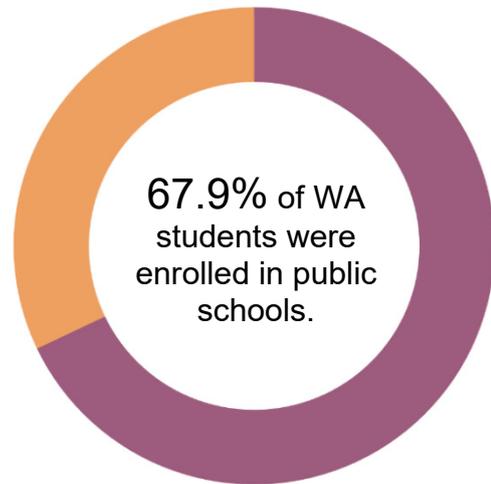
Executive summary

Our students and schools in 2020

467,317 students were enrolled in Western Australian (WA) schools.

This included

- 317,368 students in public schools
- 149,949 students in non-government schools.



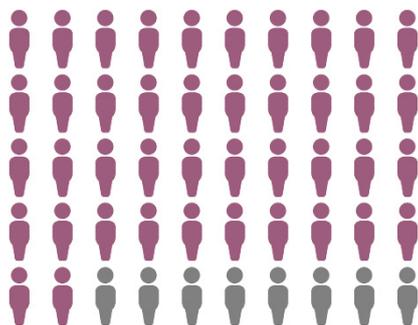
1,129 schools across eight education regions.

We were responsible for 818 public schools, including six new schools.

There were 311 non-government schools.



- 76.4% of public school students were in metropolitan schools
- 16.4% were in regional schools
- 7.2% were in remote or very remote schools.



26,688 (83.7%) of WA's 31,878 Aboriginal students were enrolled in public schools.



38,624 full-time equivalent staff were employed in public schools; 96.5% of all our staff.

See [Appendix 1](#) for further enrolment data and [Staff](#) for further workforce data.

Year scorecard

We supported our Government Goal – Strong Communities: Safe communities and supported families – through our desired outcome ‘School students across Western Australia have access to high quality education’.

Key performance indicators helped us assess and monitor the extent to which we achieved this outcome and enhanced our ability to account to the community for our performance.

Effectiveness indicators	Target ^(a)	Result
Rate of participation in education (proportion of persons aged 15 to 17 years in some form of education)	97%	97.8%
Retention in public schooling (proportion of Year 8 public school cohort studying in Year 12)	82%	81.6%
Western Australian Certificate of Education (WACE) achievement rate by Year 12 public school students	81%	80.7%
Year 3 public school students achieving proficiency in:		
– Reading	71%	68.8%
– Numeracy	70%	68.8%
Year 5 public school students achieving proficiency in:		
– Reading	69%	70.2%
– Numeracy	67%	66.1%
Year 7 public school students achieving proficiency in:		
– Reading	65%	67.3%
– Numeracy	63%	64.1%
Year 9 public school students achieving proficiency in:		
– Reading	72%	69.8%
– Numeracy	71%	67.8%
Efficiency indicators	Target ^(a)	Result
Service 1: Public Primary Education		
– Cost per student full-time equivalents	\$15,582	\$16,207
Service 2: Public Secondary Education		
– Cost per student full-time equivalents	\$19,018	\$19,094
Service 3: Regulation and Non-Government Sector Assistance		
– Cost of non-government school regulatory services per non-government school	\$7,841	\$7,316
– Cost of teacher regulatory services per teacher	\$109	\$132
Service 4: Support to the School Curriculum and Standards Authority		
– Cost per student of support to the School Curriculum and Standards Authority	\$75	\$73

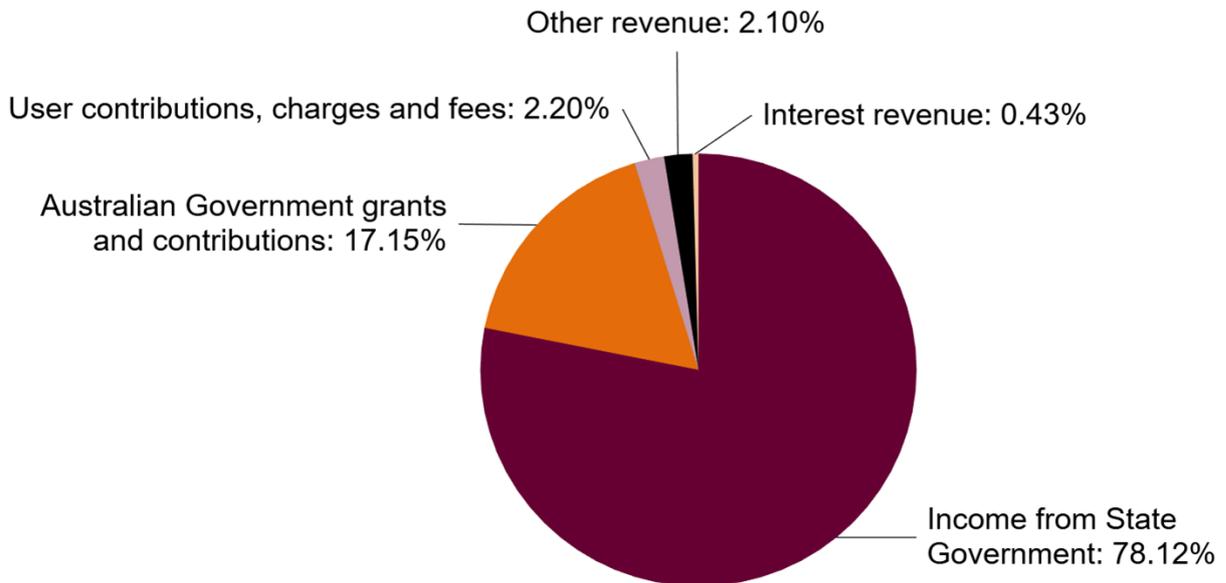
(a) Targets for 2019–20 are as reported in the 2019–20 State Budget.

Further information is in [Key performance indicators](#).

Year in dollars

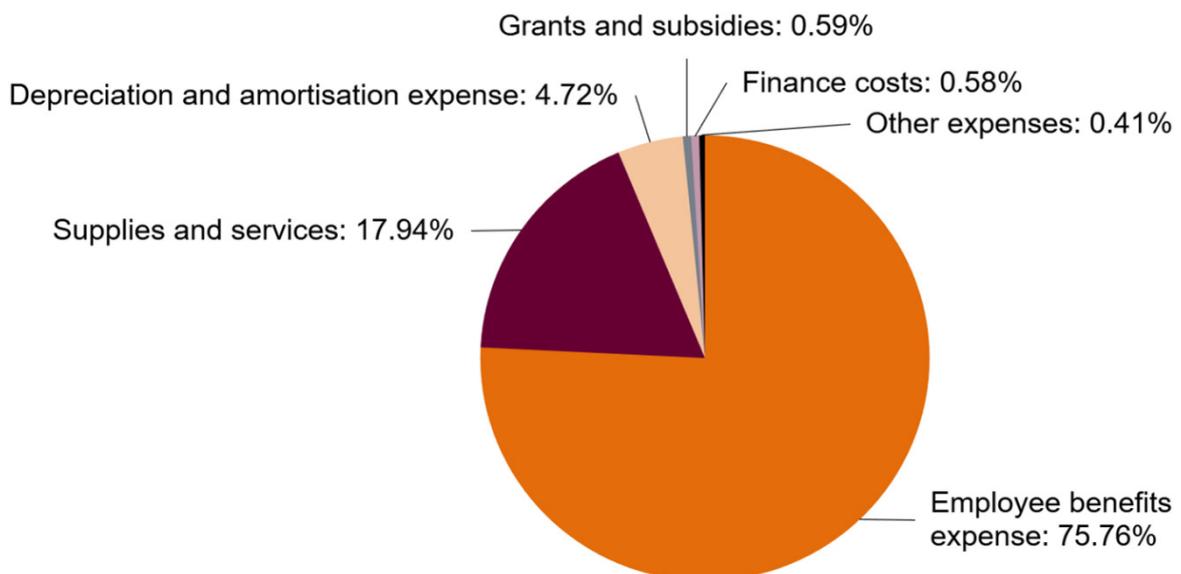
The total cost of providing our services in 2019–20 was \$5.4 billion. [Figures 1 and 2](#) summarise sources of revenue and cost of services. Full details of financial performance during 2019–20 are in the [Financial statements](#).

Figure 1: Revenue sources 2019–20



Source: Education Business Services

Figure 2: Costs 2019–20



Source: Education Business Services

Our results in 2019–20 against agreed financial targets (based on Budget Statements and the Resource Agreement) are in [Table 1](#).

Table 1: Budget targets compared to actual results 2019–20 ^(a)

	2019–20 budget (\$'000)	2019–20 actual (\$'000)	Actual vs budget (\$'000)
Total cost of services	5,241,086	5,359,117	118,031
Net cost of services	4,083,009	4,204,573	121,564
Total equity	14,490,715	13,935,220	(555,495)
Net increase/(decrease) in cash held	(16,318)	(33,016)	(16,698)

	2019–20 budget (FTE) ^(b)	2019–20 actual (FTE)	Actual vs budget (FTE)
Staff	39,591	40,011	420

Source: Education Business Services

(a) Results in brackets indicate a negative value.

(b) Full-time equivalent.

The variance of \$118.0 million (2.3%) between the actual and the budget total cost of services was mainly due to:

- increased maintenance expenditure following the post budget announcement of the High Priority Maintenance and Minor Works program in September 2019
- additional depreciation expenditure associated with the impairment of various buildings damaged due to unforeseen events such as fire and the accelerated depreciation of assets that were disposed of during the year
- an increase in leave liability expense due to a decrease in the discount rate for long service leave liabilities and the combined impact of an increase in leave accruing over the year and less leave being taken during the year due to employees deferring their leave in light of the COVID-19 travel restrictions.

Actual employee benefits expense was higher than the forecast budget due to schools allocating more of their one-line budgets to staffing and the additional staffing costs associated with implementing enhanced cleaning regimes across all of the Department's properties in response to the COVID-19 pandemic. This increase in expenditure was offset by a similar reduction in supplies and services expenses during 2019–20 and as a result the net impact on the total cost of services was minimal.

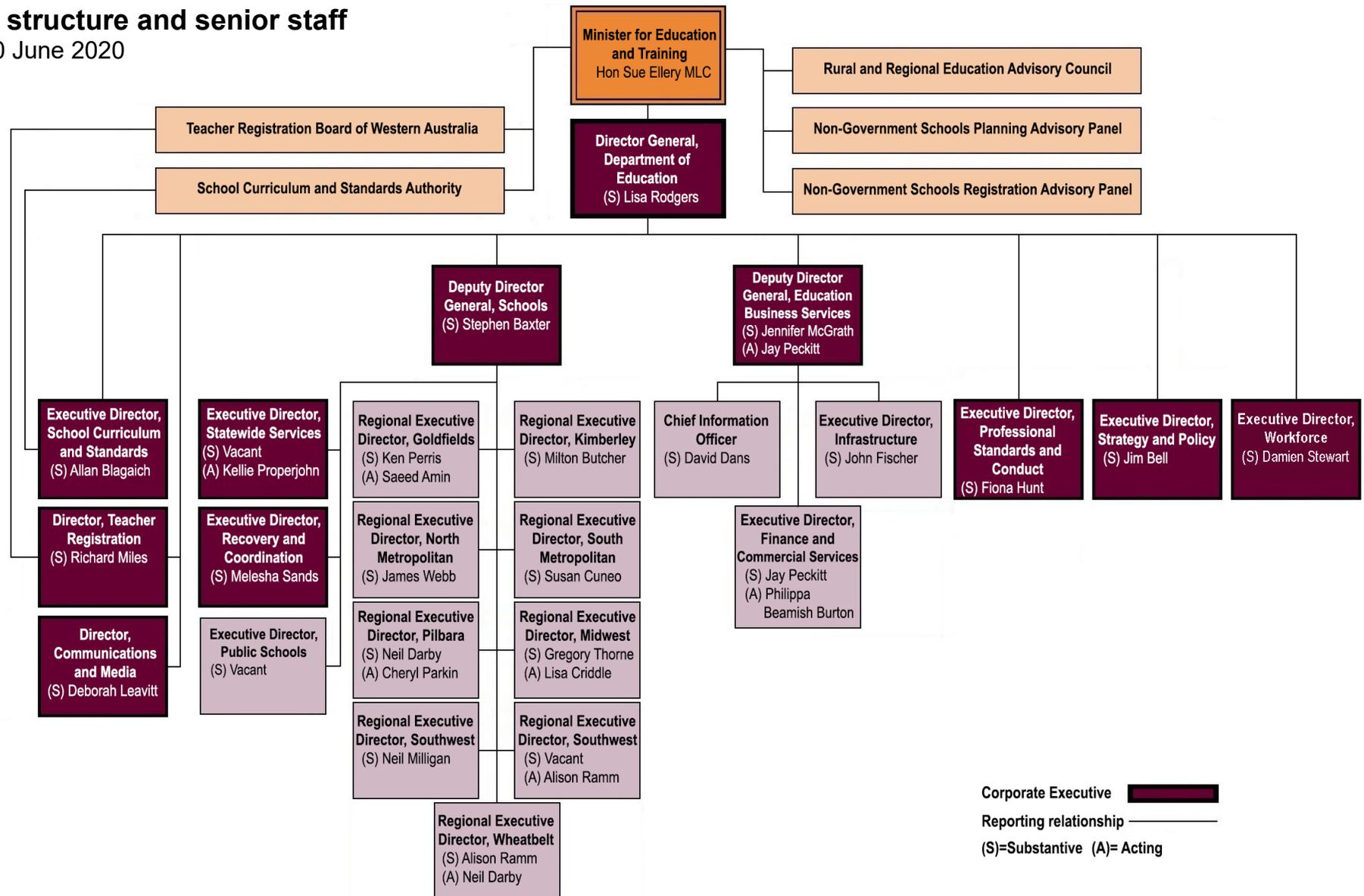
The increased maintenance, depreciation and leave expenditure outlined above also contributed to the \$121.6 million (3.0%) variance in the net cost of services.

The \$555.5 million variance in total equity was mainly due to the lower than expected value of property, plant and equipment (\$468.4 million) in 2018–19. The revaluation decrement occurred after the 2019–20 budget estimate was finalised.

The 2019–20 average FTE of 40,011 was 420 FTE (1.1%) higher than the 2019–20 budget estimate due to schools allocating more of their one-line budgets to staffing and the Department's response to COVID-19 which resulted in additional staffing resources being allocated to improve the cleaning undertaken across all of the Department's properties. Since 2015, funding for schools has been delivered through a one-line budget. This provides flexibility to determine how budgets are used to deliver the education programs and support their students, including staffing decisions, which are made at the local school level.

Our structure and senior staff

At 30 June 2020



A full organisational chart is in [Appendix 4](#).

Our performance

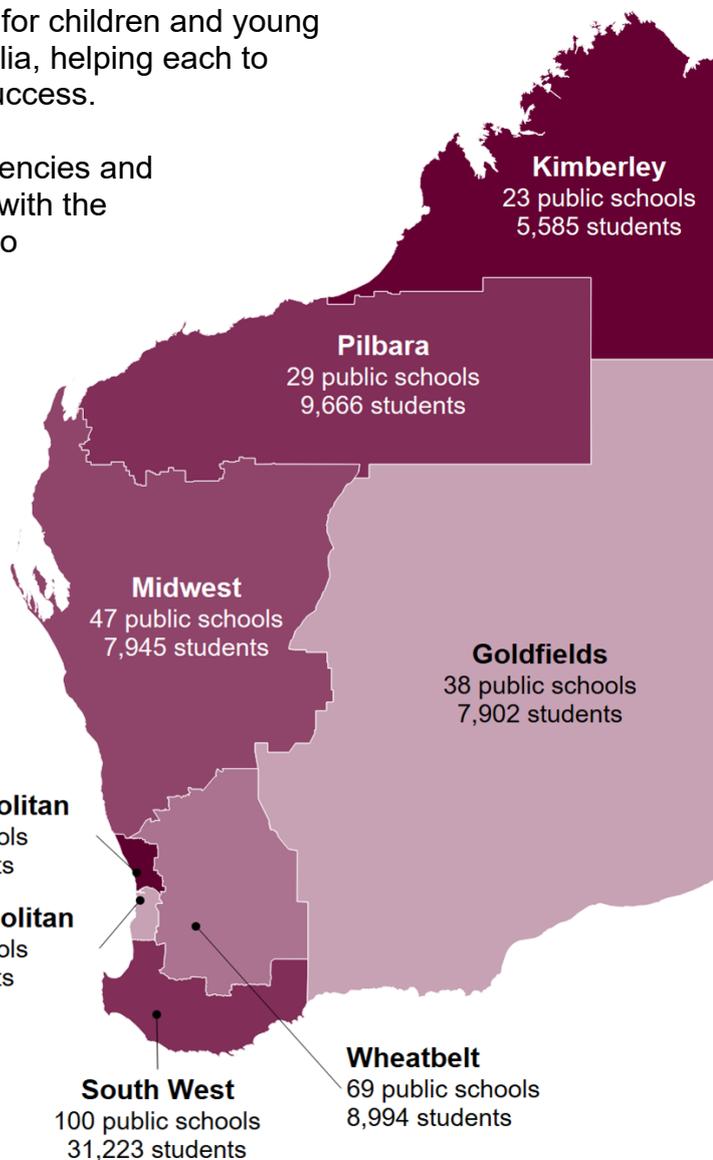
Providing public education

We provide high quality education for children and young people throughout Western Australia, helping each to achieve academic and personal success.

We work with parents, families, agencies and organisations to prepare students with the skills, understandings and values to achieve their best and make a positive contribution to society.

In 2020, there were 317,368 students in Kindergarten to Year 12 across 818 public schools Statewide. Public schools increased market share for the ninth consecutive year, up from 67.6% in 2019 to 67.9%. Enrolment and school information is in [Appendix 1](#).

We were the largest public sector employer in the State, with 40,011 full-time equivalent staff. Most of our staff (96.5%) were employed in public schools.



Responding to COVID-19

In response to the State Government's declaration of a State of Emergency on 15 March 2020, the Department established a COVID-19 response team on 17 March to support schools to implement measures in accordance with health advice.

In the rapidly changing environment the team provided schools with leadership, advice, updates and resources. This supported school-based leadership to adapt physical distancing and health and hygiene routines in the context of their individual settings.

The Connected Learning Hub was launched to provide public school teachers with access to teaching and learning materials, including a range of resources to support student wellbeing and re-engagement.

This was in addition to the [Learning at home website](#), which provided resources, activities and information to support schools, and parents with children and young people learning at home. The website also provided resources to support mental health and wellbeing.

Medically vulnerable students were supported to learn at home by their school, the School of Special Educational Needs: Medical and Mental Health, and the School of Isolated and Distance Education.

The State Government committed \$43 million to support schools to meet enhanced cleaning requirements to ensure the safety of staff and students.

On the advice of the Australian Health Protection Principal Committee (AHPPC), residential and boarding facilities were identified as higher risk environments requiring additional resources and support.

Boarders were assisted to return home safely when residential colleges were closed on 27 March. Based on advice from the Chief Health Officer, students started to return to residential colleges from 5 May.

Cleaning and hygiene guidelines were developed in accordance with advice from the AHPPC and Western Australia's Chief Health Officer to ensure the safety of staff and students.

The Department remains committed to providing a safe environment for all staff and students, and continues to act on health advice to take necessary precautions.

Providing every student with a pathway to a successful future

During the year, we supported schools to achieve positive learning outcomes for students. We set expectations that all students: be provided with high quality development and learning experiences; have the opportunities and support needed to achieve the building blocks on which their future success will be built; and are supported in ways that have a positive impact on their mental health and emotional wellbeing.

Student achievement and attendance

Public school Year 12 student performance and achievement

The student attainment rate remained high, at 90.9% in 2019 (90.9% in 2018). The attainment rate for Aboriginal students remained relatively consistent at 69.8% (69.5% in 2018). These attainment rates are based on all Year 12 students as at Semester 2 student census. These were previously reported based on a subset of Year 12 students – those who were full-time and eligible for the Western Australian Certificate of Education (WACE).

The Year 12 WACE achievement rate (one of our [key performance indicators](#)) increased slightly in 2019 to 80.7%, from 80.5% in 2018. The WACE achievement rate of Aboriginal students declined to 46.7% in 2019, from 47.7% in 2018.

In order to achieve a WACE, students must demonstrate a minimum standard of literacy (reading and writing) and numeracy. These standards were achieved by 85.2% of Year 12 students (85.0% in 2018). For Year 12 Aboriginal students, 54.9% demonstrated the literacy and numeracy standard (54.3% in 2018).

Details of Year 12 student achievement and responses to the Year 12 student intentions and satisfaction survey are in [Appendix 3](#).

In 2019, public school students received 1,647 School Curriculum and Standards Authority awards (1,815 in 2018).

The 2019 Rob Riley Memorial Prizes for the top Year 12 Aboriginal students from public schools were won by Maya Stasiuk from Perth Modern School (Australian Tertiary Admission Rank, ATAR) and Breanna Dorrington from Western Australia College of Agriculture – Narrogin (vocational education and training, VET).

Public school student literacy and numeracy performance

In 2020, we assessed 25,016 Pre-primary students in the On-entry Assessment Program, giving teachers important information about the foundation literacy and numeracy knowledge and skills of their students in the first year of full-time school.

Almost 90,000 Western Australian public school students in Years 3, 5, 7 and 9 were assessed in aspects of literacy and numeracy as part of the 2019 National Assessment Program – Literacy and Numeracy (NAPLAN).

With the exception of Year 3 Writing, NAPLAN continued its transition from pen and paper to online assessments. Although connectivity issues caused disruption for a number of schools, the vast majority of students were able to complete the assessments online.

The Department's NAPLAN key effectiveness indicators relate to the percentage of students achieving proficiency in Reading and Numeracy. Proficiency indicates students are on track to meet the curriculum expectations for the year level and assessment area.

The percentages of students achieving proficiency in 2019 were the highest ever recorded for three of the assessments – Year 5 Reading, Year 7 Reading and Year 7 Numeracy – and second highest on record for the remaining five proficiency results. See our [Key performance indicators](#) section for more information.

Our highest ever mean scores were achieved in 2019 for eight of the 20 assessments – Year 3 Reading, Numeracy, Writing, and Grammar and Punctuation; Year 5 Reading and Writing; Year 7 Numeracy; and Year 9 Writing.

There were substantial improvements in the mean scores and percentages achieving the national minimum standards for Writing across all year levels between 2018 and 2019. There were also improvements in the means for Year 7 Reading and Year 3 Grammar and Punctuation.

Females continued to substantially outperform males in all areas of literacy across all year levels.

Male students had marginally higher means in Numeracy across all year levels. However, slightly higher percentages of females were at or above the national minimum standards in Numeracy than males in all year levels.

While there have been several notable gains for Aboriginal students, the literacy and numeracy outcomes for many of these students continue to be of concern.

NAPLAN results tend to be lower as geographical remoteness increases.

Further NAPLAN results are in [Key performance indicators](#) and [Appendix 2](#).

Education Ministers from all states and territories announced that NAPLAN would not occur in 2020 due to COVID-19 to assist school leaders, teachers and support staff to focus on the wellbeing of students and continuity of education.

Student attendance

COVID-19 had an impact on student attendance at public schools in Semester 1, 2020. Students attending school sites dropped to less than 15% in Week 9, Term 1 (30 March to 3 April) when parents were encouraged by the State Government to keep their children at home if they could access online or other resources for their child's education to continue. Attendance gradually increased from the start of Term 2, culminating in almost pre-COVID-19 levels of school attendance from Week 4 of Term 2, when all children (except those medically referred to learn at home) were required to attend school on-site.

Prior to 2020, attendance had remained stable since 2013 at close to 91% with a slight decline in 2019 to 89.8% (90.7% in 2018). The slight decline in 2019 was mostly due to the early onset of the influenza season. In 2019, the rate was 74.3% for Aboriginal students, down from 75.3% in 2018. Details of attendance rates are in [Appendix 3](#).

We are continuing a review of our approach to attendance, which was initiated by the Minister for Education and Training in response to the Public Accounts Committee's 2018 report, *Setting the stage for improvement: Department of Education's management of student attendance*. Based on this, we are:

- developing a cross-agency approach to address the complex matter of low student attendance in remote and very disadvantaged communities
- developing operational strategies to provide stronger and more targeted support for schools
- updating our policy, procedures and guidance to improve schools' local decision-making to meet their legislated obligations.

We continued to work with other agencies and organisations to locate students whose whereabouts were unknown and reduce the number not participating in education or approved options. At June 2020, the whereabouts of 1,012 students of compulsory school age were unknown (1,087 in June 2019).

Providing support and pathways that meet the needs of students

Creating culturally responsive schools that build on the strength of Aboriginal students

The [Aboriginal Cultural Standards Framework](#) continued to drive the Department's work to strengthen the wellbeing, engagement and achievement of Aboriginal students and to build strong partnerships between families and schools. In 2019–20, we delivered 101 professional learning workshops to 4,506 principals, teachers, and Aboriginal and Islander education officers to support culturally responsive schools.

We commenced the On Country Teacher Education Pilot Program, developed with and delivered by Curtin University, to support Aboriginal staff working in support roles in our schools to complete a Bachelor of Education (Primary Education). In 2020, 28 staff began the course to become qualified teachers, studying part-time while continuing to work in their existing roles.

In 2020, KindiLink operated in 48 public schools and one Catholic school. The play and learn sessions were designed for Aboriginal children and their parents, and were also available to non-Aboriginal children at some sites. KindiLink supports children's learning before starting school, forges positive home-school partnerships, and builds the confidence and capability of families.

In 2020, 20 public and three non-government schools were participating in the Kimberley Schools Project (KSP). These schools were supported to intensify and accelerate children's learning through targeted teaching practices in Kindergarten to Year 2. Extending support to Years 3 to 6 (and lower secondary students where enrolled) is underway on a school by school basis in either or both literacy and numeracy. Schools can also participate in the project's leadership model and implement the KSP KindiLink program. Strategies that focus on improving regular attendance and community engagement will be supported from Semester 2, 2020.

In 2019, Follow the Dream: Partnerships for Success supported 1,210 Aboriginal secondary students (1,204 in 2018) across 82 public schools throughout Western Australia. One hundred and forty-six (86%) of the 169 Year 12 students in the program in 2019 achieved the WACE.

The Clontarf Foundation Academies continued in 26 schools in 2020, supporting male Aboriginal students through school and into post-school destinations. A new five-year agreement, commencing in 2020, was signed with Clontarf Foundation for the continued provision of the academies.

We provided funding in 2019 to Glass Jar Australia, SHINE Inspire Achieve Belong, Wirrpanda Foundation, and Role Models and Leaders Australia to deliver programs to support the engagement of Aboriginal girls in education, and their transitions through school and into further study and work.

Emeritus Professor Colleen Hayward AM and Mr Ian Trust (our Elders in Residence), provided advice to the Minister for Education and Training and senior staff on matters relating to the learning and wellbeing of Aboriginal children and young people.

Kevin O'Keefe (Principal Advisor, Aboriginal Education Teaching and Learning) continued as a member of Corporate Executive, to provide advice and guidance drawn from his extensive experience in the education sector.



Building on strength in uncertain times: In this together.
A message for Aboriginal families and all school communities.

High quality learning environments that meet the needs of students

In 2020, 1,793 students (1,755 in 2019) in Years 5 and 6 were eligible to participate in courses through the [Primary Extension and Challenge](#) (PEAC) program.

Selective [Gifted and Talented programs](#) were delivered by 20 secondary schools in 2020. We offered 1,266 Year 7 places (1,157 places were offered for 2019) in selective academic, languages and arts programs. The academic program was also available online for selected students in Western Australia's rural and remote regions.

We received 4,647 applications in 2020 for Year 7 secondary places commencing in 2021, an increase of 2.4% from 2019. We also received a further 1,629 applications (1,563 in 2019) from students applying for entry to Years 9, 10 and 11 in 2021.

Our School of Isolated and Distance Education (SIDE) provided education to more than 1,900 Kindergarten to Year 12 students across Western Australia in 2019 unable to access regular schools or specific subjects. It delivered more than 4,500 virtual lessons each month and provided nearly 250 web-based courses.

We continued to provide support to students and teachers in regional and rural schools with independent learning coordinators in 10 regional schools working with a team of eight curriculum specialist teachers. In 2019, the team visited 40 schools, provided face-to-face tuition to students in 26 ATAR courses, and developed online revision resources in 26 ATAR courses.

As at the Semester 1, 2020 student census, we were providing boarding facilities to 487 students through eight country-based residential colleges and one metropolitan-based residential college. Sixty-seven of these students were attending non-government schools. See [Appendix 1](#) for student numbers at each residential college.

Through the Boarding Away from Home Allowance for Isolated Children, we supported 1,356 public and non-government school students in 2019 at a total cost of just over \$2.4 million (1,357 students at just over \$2.6 million in 2018). We also supported 283 public and non-government school students (294 in 2018) boarding at Western Australian Colleges of Agriculture and Edmund Rice College through the Agriculture Colleges Special Subsidy Boarding Away from Home Allowance, amounting to \$491,630 (\$543,979 in 2018).

Through the Secondary Assistance Scheme, in 2019 we supported 30,494 public and non-government school students in Years 7 to 12 from low income families to pay contributions and charges, and purchase school uniforms (29,500 in 2018). Payments of more than \$7.0 million (more than \$6.8 million in 2018) were made under the Education Program Allowance and just over \$3.4 million (just over \$3.3 million in 2018) under the Clothing Allowance.

Support for students with specific educational and engagement needs

Intensive English Centres at 14 metropolitan public schools in 2020 provided targeted programs to 1,098 primary and secondary students for whom English is an additional language or dialect. Funding is provided for students to attend a centre for 12 months, with an additional year of funding available for humanitarian entrant students with a limited schooling background.

Mainstream schools in 2020 had 32,937 English as an Additional Language or Dialect (EALD) students. Of these, 12,516 were eligible for additional funding. Changes from 2020 to the student-centred funding model provided EALD funding to 1,329 Aboriginal students, available for their first three years of schooling.

As at 30 June 2020, 2,973 (91%) of the 3,252 children in the care of the Chief Executive Officer of the Department of Communities and enrolled in our schools had documented plans.

Four hundred and eighty-three students undertook the NAPLAN reading tests while in care in both 2017 and 2019; and 470 undertook the NAPLAN numeracy tests. Between 2017 and 2019 the percentages of these children who were at or above the national minimum standard improved in reading for one of the three cohorts (Year 7 to Year 9) and in numeracy for one of the three cohorts (also Year 7 to Year 9). See [Table A16](#) for further information.

Our Schools of Special Educational Needs (Behaviour and Engagement, Disability, Medical and Mental Health, and Sensory) continued to provide a range of services, some of which were available to staff and students from non-government schools.

In 2019, the School of Special Educational Needs: Behaviour and Engagement managed 691 cases of intensive support for students with extreme, complex and challenging behaviour support needs at our 13 engagement centres. A further 34 students were enrolled at the Midland Learning Academy which supports severely disengaged students.

The School of Special Educational Needs: Disability supported 6,412 students in 2019. This support was provided through a consulting teacher service to schools across four specialist areas: autism, assistive technologies, disabilities and learning difficulties.

The School of Special Educational Needs: Medical and Mental Health provided education support across more than 40 health settings for students whose medical or mental health prevented them from participating in their enrolled school program. Support was provided to 5,961 students in 2019.

Our School of Special Educational Needs: Sensory provided teaching and consultative support in 2019 to 2,552 students from Kindergarten to Year 12 in both public and non-government schools, and early intervention for 124 children aged zero to four years old with hearing loss and/or vision impairment.

Our five metropolitan language development centres provided intensive language intervention programs in 2020 for 1,391 students in the early years of schooling with a diagnosed language disorder. The centres, through our Statewide Speech and Language Outreach Service, also delivered support to teachers of young students across the State who have speech and language difficulties and do not attend a centre.

We provided support in 2020 for students with Autism Spectrum Disorder (ASD) through:

- Specialised Learning Programs operating in 16 schools
- the Early Intensive Intervention Program at five education support centres, which equips students with ASD in Kindergarten and Pre-primary to transition to Year 1 at their local school.

Our consulting teachers with specialist skills in supporting students with ASD assisted 528 students in 514 schools in 2019. Professional learning was also provided to 4,276 school staff in 2019 to develop the capacity of schools to support students with ASD. This included support to 20 regional schools through the Regional Autism Collaborative Model.

At the end of 2019, we were supporting 12,229 students through the student-centred funding model individual disability allocation to schools.

In 2019, we provided teaching and learning adjustments to 20.1% of public school Pre-primary to Year 12 students with disability, as reported through the Nationally Consistent Collection of Data on School Students with Disability. The adjustments are intended to enable these students to participate in education on the same basis as their peers.

Student wellbeing

Supporting student wellbeing

An average 355.7 full-time equivalent (FTE) school psychologists in 2019 (345.4 FTE in 2018) supported school staff with student behaviour, learning and disability, mental health and wellbeing, and emergency and critical incident management. School psychologists provided consultation, assessment, intervention and support for planning, with mental health and wellbeing a priority area.

In 2018 and 2019, as part of a State Government election commitment, 300 schools were provided with an additional 0.1 FTE Level 3 Classroom Teacher salary to oversee the delivery of mental health programs for students. By the end of 2019, 97% of these schools had undertaken Gatekeeper Suicide Prevention and Youth Mental Health First Aid professional learning.

Gatekeeper Suicide Prevention training was delivered to 579 public school staff in 2019 (including staff from the schools mentioned above) and the teen Mental Health First Aid program was delivered to 4,463 secondary students. Both programs were available to public and non-government schools. Youth Mental Health First Aid training was provided to more than 977 public school staff and other community members who work with young people.

As part of our pastoral care for students in 2019, 621 schools accessed chaplaincy services through in-school chaplaincy programs, school chaplaincy support and pastoral critical incident response services.

The [Student Mobile Phones in Public Schools policy](#), which bans students from using their mobile phones during school hours with exceptions for health and educational purposes, took effect from the start of the 2020 school year. The policy aims to enhance student engagement and wellbeing, and protect the privacy of staff and students.

In 2020, a further eight schools joined the 10 schools already piloting the Western Australian Respectful Relationships Teaching Support Program. The program, a State Government election commitment to address our State's high rates of family and domestic violence, is coordinated by the Department of Communities and delivered by Starick Services Inc. It provides teachers with evidence-based skills and knowledge to implement a whole-school approach to deliver respectful relationships educational content.

For the 2019 school year, 100% of schools completed our protective behaviours education survey and all schools reported fully or partially implementing protective behaviours. The 8% of schools that indicated partial implementation were supported to identify barriers and implement full protective behaviours education.

Addressing concerning student behaviour

Since the launch in late 2018 of the State Government's plan to address violence in schools, [Let's take a stand together](#), the numbers of students suspended and excluded have increased.

In 2019, 16,149 students (5.0% of total enrolments throughout the year) were suspended compared to 14,243 in 2018 (4.5% of total enrolments throughout the year). The majority of public school students (95.0%) received no suspensions.

There were 65 students excluded in 2019 and 24 in 2018 compared to eight in each of 2017 and 2016.

In 2019, more than 3,450 school staff completed training in de-escalation and positive handling. This included 810 graduates who received mandatory training on how to de-escalate and manage aggressive behaviour as part of their induction program.

In 2019, 6,418 participants attended the Classroom Management Strategies and Positive Behaviour Support training programs.

Strengthening support for teaching and learning excellence in every classroom

We provided staff with opportunities to grow their professional capabilities to raise the standard of teaching and impact on learning. We promoted careers in public education to build the supply of high quality staff applying for positions in our schools.

Supporting teachers to attain high standards of performance

In 2019, 4,021 teachers completed components of the Graduate Teacher Professional Learning Program and 485 accessed individual support through the In-Class Coaching component. All support is aligned to the Australian Professional Standards for Teachers.

Level 3 Classroom Teachers are exemplary teachers recognised for their exceptional teaching practices who provide and support high quality teaching in schools. In 2019–20, 84 teachers achieved Level 3 Classroom Teacher status.

In 2019–20, 581 teachers became Senior Teachers – experienced teachers committed to high quality teaching and ongoing professional learning.

The Leap program continued to provide training in identified areas of need with a focus on secondary science, technology, engineering and mathematics (STEM), and primary languages. In 2019, 233 teachers undertook training, including 181 in STEM. See [STEM](#) for our other related initiatives.

Through the annual [WA Education Awards](#), we acknowledged our public school teachers, leaders and support staff for their role in making a difference in the lives of students in Western Australia.

Attracting and retaining high quality teachers

We supported 120 pre-service teachers who undertook a practicum in a regional area in 2019 through an induction program; school visits that included classroom observations; coaching; and – for most – funding including access to stipends and travel allowances.

Of these, 81 pre-service teachers and school psychologists received financial support through our Country Practicum Program. Twenty-eight were supported financially through both the Professional Practice and Internships for Pre-Service Teachers projects to undertake third year and final year practicums in rural and remote schools.

Through the Internships for Pre-Service Teachers project, five high performing pre-service teachers completing qualifications in subject areas of need were selected from Murdoch University to undertake an extended practicum in our secondary schools. They commenced their placements in Semester 1, 2020. The project aims to increase capacity and work readiness by delivering practical learning that integrates theory into classroom practice.

Thirty-five Teach For Australia associates commenced teaching in 11 country and 11 metropolitan secondary schools in 2020, joining the 45 associates in 23 schools in their second year of teaching. Associates are high calibre graduates willing to work in relatively disadvantaged schools for two years while also completing a Master of Teaching.

We continued to arrange and subsidise housing to attract and retain staff in our rural, regional and remote public schools. In 2019–20, \$62.5 million was paid in rent for 2,055 properties occupied by our staff and owned or leased by Government Regional Officers' Housing (\$60 million for 2,042 properties in 2018–19). Of this, we subsidised 73% (71% in 2018–19).



Teach in WA – Discover the rewards of rural teaching.

Building the capability of our principals, our teachers and our allied professionals

We supported our school leaders to lead improvement in their schools through our leadership strategy, professional development programs, and accountability mechanisms. We supported teachers to develop their expertise to improve teaching practices in their schools.

Leadership strategy

Guided by our [Western Australian Public School Leadership Strategy 2018–2021](#), we continued to support and develop emerging, new and experienced leaders.

In 2020, we began a new induction program for principals in their first six months in the role, who have not previously held a substantive principal position. The Newly Appointed Principal Induction Program aims to increase understanding of the key operational aspects of being a principal and provide the opportunity to forge important connections to leaders. Forty-five participants attended the inaugural two-day induction in March 2020.

Launch: New Principal Program, designed to fast track the learning curve for leaders in their first three years of principalship, continued with 50 participants in 2019–20.

We supported 146 schools in 2019–20 to identify and develop future leaders in Western Australian Future Leaders Framework trials. Teachers identified as potential leaders were supported to pursue their aspirations through personalised development programs, the support of a mentor and practical leadership experiences in schools.

We continued to develop the Aspirant Aboriginal Leaders Program, with 20 Aboriginal staff participating in workshops to co-design the program. From these workshops participating staff developed and took part in the start of Djiral-ak djinda bidi – North Star Path, a program to support aspirant Aboriginal leaders to identify their career and leadership goals, their 'North Star', and the support they require to achieve those goals.

Professional development for school leaders

In 2019–20, we provided professional learning for principals and emerging leaders.

Since the Principals' Fellowship Program began in 2015–16, three groups of principals have completed the fellowship and been inducted as Principal Fellows. The fellows form a pool of experienced leaders to support their colleagues and lead system change initiatives. A fourth group is due to complete the fellowship in the second half of 2020.

Forty managers corporate services and school leaders completed a Graduate Certificate of Education Business Leadership from Deakin University in November 2019.

In 2020, we provided a new suite of programs significantly subsidised by the Department for managers corporate services at every career stage.

Science, technology, engineering and mathematics (STEM)

We continued to develop resources and provide professional learning to encourage greater interest and competence in [STEM](#).

We are on track to meet the State Government's election commitment to convert existing classrooms in 200 schools with primary enrolments to science laboratories by the end of 2020–21. One hundred and fifty classroom conversions have been completed and are in use. These schools have received resource grants of \$25,000 to purchase science resources.

Across two days in November 2019, we ran the Innovation Showcase, a professional learning event for school leaders and teachers looking to foster innovation in their schools. The Showcase was held concurrently and at the same location as the Resources Technology Showcase, which brought together mining and energy executives to provide insight into how technology is used in the resources industry. Fifty-five of our Innovation Partnership Schools attended, and shared and demonstrated their innovative practices.

Through the STEM Enterprise Schools project, an important initiative in the State STEM skills strategy, we continued to support the delivery of STEM professional learning and mentoring to teachers. In 2020, 58 pioneer schools involved in the project in 2019 established partnerships with 58 new schools. This will support the partner schools to implement the practices and the pioneer schools to refine their practices. Twenty STEM Mentor Schools, with a strong STEM culture, continued to provide practical school-based support to both sets of schools.

In 2019 and 2020, 26 of our Teacher Development Schools provided STEM related professional learning events and support.

In 2019–20, through professional learning we continued to train and support ten nominated teacher trainers to deliver an inquiry-based STEM program called Little Scientists. The teacher trainers provided 28 professional learning workshops in six Little Scientist modules to 399 participants in 2019–20.

The STEM Learning Project delivered 29 curriculum resource modules. Seven workshops with 159 attendances were held in 2019–20, supporting teachers and school leaders to implement the integrated STEM teaching and learning modules.

Across 2018 and 2019, our 110 Teachers Can Code lead teachers delivered 436 professional learning events to 5,349 participants in schools and networks. Teachers Can Code professional learning modules were created by the Department in partnership with the University of Sydney in response to the State Government election commitment to deliver professional learning to support the integration of coding in the curriculum.

An additional State Government election commitment was to engage with the Australian Government to enhance the teaching and learning of coding. In 2019–20, we distributed a total of \$230,511 from the Australian Government to schools for:

- Sponsorship Grants – to sponsor students to participate in conferences, competitions and other STEM-related events
- Maker Projects grants – to set up dedicated maker spaces that offer students hands-on STEM experiences in design, technology, innovation and entrepreneurship.

Providing excellence in our curriculum

In 2019–20, the first round of 20 teachers commenced an internship program through the Western Australian Centre for Excellence in the Explicit Teaching of Literacy. The internship provides teachers with professional learning, support and mentoring opportunities.

The Centre – an election commitment aimed at increasing the application of evidence-based explicit literacy practices in our public schools – will deliver three rounds of the four-term internship program for up to 60 teachers.

In 2019, 35 Teacher Development Schools and eight Primary Language Support Schools assisted with implementing the Western Australian Curriculum through 398 professional learning events with 4,896 attendances. They also provided tailored professional learning, with 2,592 attendances in response to 314 requests for support.

As the Languages curriculum becomes mandatory for successive year groups (compulsory for students in Years 3, 4 and 5 in 2020), we continue to provide additional support to teachers including professional learning, mentoring and teaching resources.

Supporting increased school autonomy within a unified public school system

We supported a unified public school system – providing system-wide governance, accountability and support structures – while still empowering principals and their staff to act with greater authority and responsibility for the success of their schools.

Transparent accountability of schools

In 2019–20, we completed 165 school reviews, until reviews were suspended in March 2020 due to COVID-19. The schools reviewed included 126 primary schools, 11 education support schools and centres, three district high schools, 23 secondary schools and two Kindergarten to Year 12 schools.

The three-year review cycle is a requirement for all Western Australian public schools. Principals are expected to share the school review reports with their school communities and publish them on their websites or on [Schools Online](#).

The Funding Agreement for Schools, introduced in 2016, continued to articulate accountability mechanisms for principals in managing their school budget to meet the learning and wellbeing needs of students.

Schools with students from Kindergarten to Year 2 must complete an annual internal audit against the National Quality Standard (NQS), and may request verification of their audit to ensure consistent interpretation of the Standard. In 2019, we verified the audits of 39 public schools.

We continued to support school council and board members to undertake their functions through the Linking Schools and Communities program, which had 81 participants in 2019–20.

At the start of 2020, 581 of our schools were operating as Independent Public Schools, including our six new schools. In Semester 1, 2020, 29 schools successfully completed the development and selection process and will commence as Independent Public Schools in Semester 2, 2020.

Central funding and support to public schools

During 2019–20, significantly more content has been made available through Ikon (Information and knowledge online), our customer-focused intranet. Ikon supports the needs of schools by providing a single point of entry for staff to find the information and services they need to do their jobs.

The 2018 independent [evaluation](#) of our student-centred funding model (SCFM) outlined recommendations for refining the existing methodology. In response, in 2020, changes were made to the SCFM methodology for the locality allocation and English as an Additional Language or Dialect (EALD) allocation.

The locality allocation increased for schools that are more than 200 km from Perth, providing additional support to regional schools in recognition of higher operating costs.

The changes to the EALD allocation methodology redistribute funding from students who are already proficient in English to those who are not. This includes extending eligibility to Aboriginal students and Pre-primary students and extending the funding period by a year for students who have not demonstrated proficiency in English.

We formed a working group that will consider the evaluation's remaining recommendations based on stakeholder feedback and current best practice.

Our School Budget Review Committee provides a mechanism for public schools to seek additional funding during the school year. In 2019–20, 33 requests for additional funding from schools were approved with \$1.37 million in additional funding allocated.

We provided 136 workshop and training sessions to 1,671 staff as part of a comprehensive professional learning program on leading, managing and monitoring school budgets. We also provided individual support for schools through online and in-school sessions.

We continued to address the recommendations from the 2017 Education and Health Standing Committee's Inquiry into vocational education and training (VET) in Western Australian schools. From Term 3, 2019, schools were able to select from a panel of private registered training organisations to deliver VET at the school through an auspice arrangement using a standardised contract.

In collaboration with the Department of Training and Workforce Development and TAFE colleges, we conducted co-design workshops and consultations to identify strategies for improving the delivery of VET to better meet individual and industry needs.

Our Direct to Market program – introduced in 2017–18 and a State Government election commitment – allows schools to directly source contractors for maintenance and minor capital works, providing increased flexibility and the ability to use local contractors. During 2019–20, almost \$2.04 million worth of projects were successfully delivered. Schools were supported through targeted training and an online hub.

Information and communication technologies (ICT) to support public schools

The Department signed a new interim agreement with Telstra to increase bandwidth capacity by up to five times the current capacity for 677 of our 818 schools, as well as other Department sites.

At the end of 2019–20, work to increase the bandwidth capacity at 526 schools has been completed. The work was partially delayed in Term 2 as a result of COVID-19 and further bandwidth increases will be deployed, where possible, to the remaining schools during 2020. A further three satellite serviced remote community schools are being assessed by Telstra for fibre optic connection feasibility.

Due to limited regional carrier infrastructure capacity, our remaining schools are not able to gain access to bandwidth increases through this interim agreement. We will explore alternative solutions to increase bandwidth for these sites during 2020–21.

The Department is continuing the evaluation of the [GovNext-ICT](#) telecommunication Offer for Quotation.

We provided 3,680 new notebook computers to teachers in 2019–20 through the Notebooks for Teachers program. We continued to provide technical support services, insurance and warranty cover to 8,114 teachers using a notebook provided by the program.

We addressed more than 115,000 requests by staff for ICT technical support, advice and consultancy in 2019–20, with 70% resolved at first contact.

More than 277,750 teachers, students and parents used Connect, our integrated online environment, in 2019–20. More than 54,000 online classrooms provided students with learning opportunities in Semester 1, 2020 and 196 schools provided parents with access to electronic versions of their children’s school reports through Connect at the end of Semester 2, 2019.

Investing in our public school infrastructure

Our asset investment program for 2019–20 was \$428.2 million, compared with \$416.9 million last year.

This included completing construction of stage one of Bob Hawke College and Alkimos College for the start of the 2020 school year. Planning has commenced for stage two of Bob Hawke College and major additions at Hedland Senior High School.



View a time lapse of the construction of Bob Hawke College, the new secondary college which opened in Subiaco for the beginning of Term 1, 2020.

Construction was completed for stage one of Hammond Park Secondary College and stage two of Harrisdale Senior High School for the start of the 2020 school year. Both were delivered through the WA Schools Public Private Partnership (PPP) Project. Construction commenced for stage two of Aveley Secondary College and planning commenced for stage two of Coastal Lakes College, both also delivered through the WA Schools PPP Project.

Construction was completed on Beenyup Primary School (planning name: Byford South East), Caversham Valley Primary School (planning name: Caversham South) and Sheoak Grove Primary School (planning name: Baldivis North) for the beginning of the 2020 school year.

Construction was also completed on permanent facilities for students in Kindergarten to Year 6 at Grandis Primary School (planning name: Banksia Grove East) and an annex at Harrisdale Primary School opened for Kindergarten and Pre-primary students for the beginning of the 2020 school year.

Planning commenced for a new performing arts centre, and additions and alterations at Kiara College. Construction commenced for the redevelopment of John Forrest Secondary College and for stage two of Yanchep Secondary College.

Construction commenced for additions and refurbishments at Darling Range Sports College, a new sports hall and outdoor hardcourts at Wanneroo Secondary College, and new performing arts centres at Ocean Reef Senior High School, Belmont City College and Belridge Secondary College.

Construction also commenced for a new science, technology, engineering and mathematics (STEM) building at Mount Lawley Senior High School, and a 700 seat auditorium at Perth Modern School.

Construction continued for the redevelopment of Balcatta Senior High School.

Construction was completed on a new performing arts centre at Ballajura Community College, upgrades at Morley Senior High School and Southern River College, refurbishments and additions at Carine Senior High School, and a new performing arts centre at Melville Senior High School.

Construction commenced for new primary schools in Baldivis South, Brabham, Harrisdale North, Yanchep (planning name: Sunningdale Primary School), and stage one of Southern River Precinct Three Primary School, all to open for the start of the 2021 school year. Construction also commenced for a replacement Yanchep Lagoon Primary School to be completed for the 2021 school year.

Planning commenced for new primary schools in Alkimos Shorehaven, Burns Beach, Forrestdale South East, Treeby and Wellard Village, all to open for 2022.

Construction was completed for a new Child and Parent Centre at Arbor Grove Primary School.

Construction was completed for new early childhood buildings at Attadale Primary School and Ballajura Primary School and replacement facilities for the International School of Western Australia at the old Doubleview Primary School site.

Construction was completed on a new administration building at both Weld Square Primary School and Warriapendi Primary School.

Construction commenced on a new classroom block at Victoria Park Primary School to respond to enrolment growth, as well as administration upgrades at Booragoon Primary School, Brookman Primary School, Hampton Park Primary School, Kalamunda Primary School and Mosman Park Primary School.

Planning commenced for administration upgrades at Broome Primary School, Falls Road Primary School and Hollywood Primary School.

Planning also commenced for a new administration building at Westminster Primary School to facilitate the school's amalgamation with Westminster Junior Primary School.

Construction commenced for a new covered assembly area at Dowerin District High School and toilet upgrades were completed at 22 primary, secondary and district high schools.

Science laboratories in 51 schools in stage two of the Investing in Science program were completed. Planning commenced to provide science laboratories for the remaining 50 schools in stage two of the program (see [STEM](#) for further information).

Through the Playground Equipment and Shade Shelter Program, \$1 million was allocated across 42 schools. Schools received grants of up to \$25,000.

An additional \$200 million was provided for the High Priority Maintenance and Minor Works program which will be used for maintenance and minor works in public schools in 2019–20 and 2020–21.

Under Royalties for Regions:

- construction commenced for additions at Broome Senior High School and Bunbury Senior High School, and additions and refurbishments at Albany Secondary Education Support Centre and North Albany Senior High School
- construction was completed for a new science block at Eaton Community College, a STEM centre at Newton Moore Senior High School and additions at Collie Senior High School
- construction was completed for early childhood teaching classrooms at both Eaton Primary School and Flinders Park Primary School, an early intervention centre at Glen Huon Primary School, and early learning and general teaching classrooms at South Bunbury Primary School
- construction was also completed for stage two at Cape Naturaliste College and Margaret River Senior High School and stage three at Carnarvon Community College.

Construction commenced for additions and alterations at Moora Residential College, funded through the Australian Government's Community Development Grants Programme.

Meeting our National and State commitments

The Royal Commission into Institutional Responses to Child Sexual Abuse made recommendations in 2017 that are directly or indirectly relevant to, or impact on, the operations of schools and the Department.

We are working collaboratively across sectors in a whole of government approach which includes working with the Australian and state and territory governments to ensure a coordinated and effective approach to the recommendations that require national consistency.

Work at a state level includes addressing recommendations for ensuring schools are child safe. We are a key partner in the development of a work plan led by the Department of Communities to implement these recommendations. The plan articulates the roles and responsibilities, deliverables, priorities, timeframes, sequencing and resource implications.

We also established a team to lead the Department's participation in the Royal Commission into Violence, Abuse, Neglect and Exploitation of People with Disability. The team will respond to Notices to Produce (none were received in 2019–20) and is working collaboratively with other public agencies in a whole of government approach, led by the Department of Communities.

We continued to support the application of the National Disability Insurance Scheme in our schools.

In 2019–20, we continued to contribute to nationally agreed policy initiatives and provided strategic advice to support key national decision-making forums, including the Council of Australian Governments (COAG) Education Council and the Australian Education Senior Officials Committee (AESOC).

In December 2019, COAG Education Council approved a new national declaration on educational goals for all young Australians. The Alice Springs (Mparntwe) Education Declaration builds on the impact of the 2008 Melbourne Declaration and sets out the vision for education in Australia and the commitment to improving educational outcomes for young Australians.

Agreements were negotiated with the Australian Government for the implementation of national programs or the extension of initiatives, including the National Partnership on Universal Access to Early Childhood Education, Sponsorship Grants for Student Science Engagement and International Competitions, the Australian Early Development Census, Local Schools Community Fund, Communities Environment Program, and the Sporting Schools Program. These agreements provided targeted funding to complement existing programs that support the learning and development of children and young people.

We continued to prioritise accuracy and timely turnaround of briefings and responses to Ministerial letters, Parliamentary questions and Cabinet comments (see [Table 2](#)).

Table 2: Ministerial requests processed 2017–18 to 2019–20

Type	2017–18	2018–19	2019–20
Letters	1,701	1,595	1,689
Briefing notes/advice	1,476 ^(a)	1,561	1,335 ^(b)
Answers to Parliamentary questions	262	208	218
Cabinet comments	29	20	44
Contentious issues reports (average number of briefings per report)	11 (33)	10 (47)	8 (31)
Total	3,479	3,394	3,294
Percentages processed on time	93	94	87

Source: *Strategy and Policy*

(a) As budget was not tabled until 7 September 2017, two Parliamentary Estimates Hearings were held in 2017–18, affecting the number of briefings prepared.

(b) Due to COVID-19, the 2020–21 budget was not tabled in 2019–20. Consequently, the preparation of budget briefings occurred after 30 June 2020.

Partnering with families, communities and agencies to support the educational engagement of every student

As students come to school with a range of learning, social adjustment and mental health issues, we engaged with families to better understand and support the interests, personalities and needs of their children. We also continued to build partnerships between our schools – across sectors and systems – and other agencies and organisations to provide specialist support services that schools cannot provide.

Best start to learning for young children

In 2019–20, our 21 Child and Parent Centres provided 605 programs and services with approximately 73,500 child attendances and 72,500 adult attendances. The centres continued to support families and communities to provide young children with the best start to learning.

Construction of the Child and Parent Centre at Arbor Grove Primary School in Ellenbrook was completed in June 2020.

In 2020, we finalised a new five-year grant agreement with Playgroup WA to continue the Enhanced Transition to School Project. This partnership between the Department, the Australian Government, Catholic Education Western Australia, Association of Independent Schools of Western Australia, and Playgroup WA aims to improve the transition of pre-school children and their families to Kindergarten.

In 2019, the project supported 252 playgroups on school sites and 129 community-led playgroups providing opportunities for wrap-around services, community engagement, and support for the transition of children to school.

Collaboration with families

Schools continued to support parents, caregivers and others in the community to model and reinforce positive behaviour to young people through the Positive Parenting Program (Triple P). In 2019, 5,120 parents attended 622 Triple P sessions facilitated by our staff and offered through schools, Child and Parent Centres, and not-for-profit organisations.

In 2019–20, we managed the School Drug Education and Road Aware program. Through this program:

- 812 public and non-government school staff participated in alcohol and other drugs education professional learning
- 377 parents of children in public and non-government schools attended alcohol and other drugs information seminars
- 227 public and non-government schools delivered the Keys4Life pre-driver education program which included information sessions attended by 1,868 parents.

Collaboration with other agencies and organisations

Services commenced in 2019 at the new Hobbs Drive Youth and Community Services Hub as part of the Full Service Schools three-year pilot at Armadale Senior High School. In 2019, 12 government and 25 non-government agencies worked collaboratively to provide a range of youth and family support services to the two initial target groups: young people who are pregnant or parenting, and young people who are vulnerable to homelessness or family and domestic violence.

To support the provision of education services to children and young people in detention, we continued to fund the Department of Justice with the salaries and on-costs for three full-time equivalent teachers employed at Banksia Hill Detention Centre. We also provided education staff at the centre with access to online professional learning courses.

Our School of Special Educational Needs: Behaviour and Engagement continued work with the Department of Justice to support students moving between Youth Justice Services and schools.

We contributed to the Kimberley Juvenile Justice Strategy, a cross-government approach led by the Department of Justice to address youth offending rates and antisocial behaviours in the Kimberley region. In 2019–20 we:

- appointed a Youth Transition Coordinator located in the Kimberley to provide tailored support to young people exiting the care of justice services by collaborating with Banksia Hill Detention Centre staff, the community, and the young person and their family
- commenced an alternative education program in the Kimberley designed to divert vulnerable students from offending by offering a pathway for them to reengage with education, and receive life-skills training and possible employment opportunities.

We maintained partnerships with other government agencies, including the Department of Communities, Department of Justice and Department of Health, through established memoranda of understanding.

We continued to partner with BHP to improve education opportunities and outcomes for students in the Pilbara. Through targeted programs, the BHP Pilbara Education Partnership focused on increasing the range of school based traineeships and ATAR courses available to students, preparing pre-school children and their parents for school through a playgroup, and delivering academic enrichment programs for students in Years 4 to 6. Schools were also eligible for funding to trial projects and implement programs relevant to their local context.

As a regulator and funder

The Department has a role in influencing the education of all students in Western Australia. We enact this indirectly for non-government school education through regulation and funding of Catholic and Independent schools.

Approximately one-third of Western Australian students (149,949) were enrolled in 311 non-government schools in 2020. See [Appendix 1](#) for further enrolment information.

We ensured the School Curriculum and Standards Authority and Teacher Registration Board of Western Australia were provided with secretariat services to support their functions.

Non-government school regulation and funding, and home education

Non-government school regulation

We regulated Independent schools, and audited and reviewed the regulation of Catholic schools against the *School Education Act 1999*, registration standards set by the Minister for Education and Training, the Minister's system agreement with Catholic Education Western Australia (CEWA) and policies adopted by the Director General. We maintained procedural safeguards to ensure our regulatory functions are transparent, and that regulatory and delivery functions are appropriately separated.

New [registration standards](#) came into effect on 1 January 2020. These new standards require compliance with the [National Principles for Child Safe Organisations](#), reflecting the standards recommended by the Royal Commission into Institutional Responses to Child Sexual Abuse. The registration standards also introduced new reporting requirements for critical incidents.

The Director General assessed compliance of Independent schools with the registration standards and other requirements. During the year, the Director General approved four new non-government schools, 36 registration renewals, seven additional campuses, nine extensions of year levels for existing schools, and 162 other registration changes. These other registration changes included 148 changes to Catholic schools' registrations to reflect the establishment of CEWA as the governing body of these schools (replacing the Catholic Education Commission of Western Australia in this role).

We provided secretariat support to the Minister's Non-Government Schools Planning Advisory Panel. The Panel provided advice to the Minister on 18 planning proposals seeking advance determination to establish a non-government school or to make a significant registration change.

On behalf of the Minister, we conducted a review of the Minister's Advance Determination Policy Direction 2015. This resulted in amendments to the *School Education Regulations 2000* and the publication of a new [Advance Determination Policy Direction 2019](#).

Non-government school funding

We provided funding to Catholic and Independent schools based on a formula approved by the Minister for Education and Training.

Funding was provided on a per student basis in accordance with the requirements of the National School Reform Agreement. The annual Non-Government Schools Funding Order and Guidelines were issued by the Minister and set out funding amounts, and accountability and eligibility requirements.

The main sources of funding for non-government schools were State Government grants, Australian Government grants, and tuition fees paid by parents.

During the year, we provided more than \$441 million in recurrent financial assistance for 148,057 students in non-government schools (more than \$439 million for 146,796 students in 2018–19), including \$31.2 million (\$29.7 million in 2018–19) to support students with special educational needs.

We provided \$4.6 million to CEWA and the Association of Independent Schools of Western Australia (AISWA) to administer the State Government's Non-Government School Psychology Service.

We also provided \$1.27 million to CEWA and AISWA to support the re-engagement of students at educational risk, and \$181,000 to the Australian Music Examinations Board (WA).

Through the Low Interest Loan Scheme, there were 348 active loans for non-government schools and The University of Notre Dame Australia with an outstanding balance of \$363.1 million ([Table 3](#)). Of the \$51.4 million advanced in 2019–20, \$44.8 million was for new works and \$6.6 million was for works in progress ([Table 4](#)). In 2019–20, we received recurrent appropriation of \$1.2 million (\$1.3 million in 2018–19) to meet the annual costs of the interest subsidy.

Table 3: Low interest loans summary 2017–18 to 2019–20

	2017–18	2018–19	2019–20
Balance outstanding	\$334.4m	\$349.2m	\$363m
Number of active low interest loans	397	372	348

Source: Education Business Services

Table 4: Low interest loans nature of works summary 2017–18 to 2019–20

	2017–18	2018–19	2019–20
New works	\$47.7m	\$42.2m	\$44.8m
Works in progress	\$5.0m	\$4.1m	\$6.6m

Source: Education Business Services

Further information about non-government school funding in 2019–20, including financial assistance to individual schools and a list of schools that received loans, is on our [website](#).

Home education

We are responsible for registering home educators, and evaluating home education programs and children's educational progress. In 2019–20, the Department provided \$2.92 million for the employment of home education moderators and administrative support to meet this commitment. See [Table A11](#) for the number of students registered to receive home education.

Providing secretariat services and support

School curriculum and standards

We provided services and support to the School Curriculum and Standards Authority through a service level agreement to ensure it delivered its functions of:

- developing and maintaining the Kindergarten to Year 12 curriculum and syllabuses
- assessments, examinations, reporting and certification
- monitoring and reporting on standards of student achievement
- internationalisation of the Western Australian Curriculum and Assessment Outline and the Western Australian Certificate of Education.

We maintained internal systems and processes that ensured the Authority received independent advice and support from our staff, and that the data it collected and managed were protected.

As an independent statutory body with its functions prescribed in the *School Curriculum and Standards Authority Act 1997*, the Authority tables its own [annual report](#) in Parliament.

Teacher registration

We provided services and support to the Teacher Registration Board of Western Australia for it to deliver its functions, including to register teachers and accredit initial teacher education programs. We maintained internal processes and systems that ensured the Board received independent advice and support from our staff; the data it collected and managed were protected; and investigations remained confidential, with the best interests of children the paramount consideration.

The scheme of teacher registration administered by the Board is designed to ensure that only fit and proper persons are registered as teachers.

As an independent statutory body with its functions prescribed in the *Teacher Registration Act 2012*, the Teacher Registration Board of Western Australia produces its own [annual report](#), which is included in this report.

Key performance indicators and budget matters related to the Board are included in the [Department's report](#).

Higher education

We provided secretariat services to the Western Australian Higher Education Council, chaired by the Minister for Education and Training and comprising the vice-chancellors of Western Australia's five universities. It met twice in 2019–20 and provided collaboration between the universities and the State Government on matters of mutual interest.

Priority projects included promoting international education, supporting the participation of regional WA students in higher education, encouraging inter-university collaboration in medical education and research, increasing the number of secondary school teacher graduates, and responding to the impact of COVID-19 on WA's universities.

Rural and remote education

We provided secretariat services to the Rural and Remote Education Advisory Council chaired by Matthew Hughes MLA and including community, consumer, and funding provider group representatives. The Council promoted cooperation between funding providers to enhance education service delivery in rural and remote regions.

Disclosures and legal compliance

General disclosures

Ministerial directions

No directions were issued by the Minister for Education and Training in 2019–20 relevant to the setting or achievement of desired outcomes or operational objectives, investment activities, and financing activities.

Compliance with public sector standards and ethical codes

Our commitment to promoting high standards of professional conduct, ethical behaviour and integrity continued through ensuring policies and procedures complied with [Public Sector Standards and the Code of Ethics](#).

In 2019–20, we engaged in a number of initiatives to support the assurance, integrity and governance of the Department's operations. These included:

- establishing a new independent Audit and Risk Committee with four external members (including the Chair, Mr Colin Murphy PSM) that met four times in the year to reinforce confidence in the integrity and effectiveness of management practices and identify opportunities to enhance those practices
- commencing work on a Department-wide integrity framework, aligned to the Integrity Strategy for WA Public Authorities 2020–2023
- strengthening corporate fraud and corruption assessments and investigations
- reviewing corporate integrity policies and functions, such as our staff code of conduct, and conflicts of interest.

We conducted selection panel training to ensure all our recruitment processes and employment decisions were conducted in accordance with the Public Sector Commissioner's Instructions: Employment Standard and Filling a Public Sector Vacancy.

We managed Breach of Standard claims as required by the *Public Sector Management (Breaches of Public Sector Standards) Regulations 2005*. No breaches were found in 2019–20.

Freedom of information

Through the *Freedom of Information Act 1992*, the public has the right to access government information (subject to exemptions), including information we hold or control.

Our Information Statement can be found on our [website](#). It provides details about how the public can amend their personal information held by the Department, the range of information we hold and how information can be accessed.

Recordkeeping plans

In 2019–20, 15,122 staff completed the mandatory online recordkeeping awareness training including 14,212 school staff; 253 new TRIM users were trained; and 36 staff participated in advanced TRIM training. We reviewed all recordkeeping training guides to ensure their currency and relevance for staff who worked from home as a result of COVID-19.

In 2019–20, 1,410 school administrators and teachers received online or face-to-face training on recordkeeping practices and 248 visits (including follow-up visits) were made to schools to provide on-site advice and support on their recordkeeping programs.

We implemented TRIM Web Client at Bob Hawke College to enable compliant recordkeeping from the school's opening in Term 1, 2020. This was the first school to have TRIM fully implemented.

We submitted our revised Retention and Disposal Schedule to the State Records Office as required.

An internal audit into the Department's recordkeeping was completed in December 2019. The audit made 17 recommendations to improve recordkeeping and the delivery of corporate information services.

We developed records management guidelines and a checklist to assist non-government schools with their recordkeeping requirements as per the recommendations made by the Royal Commission into Institutional Responses to Child Sexual Abuse.

Disability access and inclusion plan outcomes

We continued to implement our [Disability Access and Inclusion Plan 2018–2023](#), which identifies strategies to enhance equitable inclusion of people with disability in our schools, services and employment. It covers outcomes required under the *Disability Services Regulations 2004* and the additional outcome of improving learning outcomes for students with disability.

For example, over 21,600 school leaders, teachers and allied professionals received targeted professional learning in 2019 to enhance their capacity to:

- meet the individual needs of students through teaching and learning adjustments
- facilitate access to the curriculum
- improve learning outcomes for students with disability and diverse learning needs.

Our Schools of Special Educational Needs also provided specialised [support for students with specific educational and engagement needs](#).

Expenditure on advertising and market research

In 2019–20, we incurred expenditure centrally of \$1.82 million (\$0.95 million in 2018–19 and \$0.64 million in 2017–18) with media advertising organisations, advertising agencies and market research organisations (see [Table 5](#)). There was no expenditure with polling and direct mail organisations.

Table 5: Central expenditure on advertising and market research 2019–20

Category and providers	\$
Media advertising organisations	932,521
Carat Australia Media Initiative Media	
Advertising agencies^(a)	788,314
Ad Capital Gatecrasher Rare Creativethinking	
Market research organisations	95,235
Advantage Communications and Marketing Kantar TNS Perth Market Research Thinkfield	

Source: *Communications and Media, and Education Business Services*

(a) Provided full range of creative services.

Unauthorised use of credit cards

During 2019–20, staff reported 533 unauthorised uses of corporate credit cards with no cases referred for investigation. Forty-four of these were reported by staff in central and regional offices and 489 by staff in schools. Generally, unauthorised transactions were as a result of cards being used in error. If repayment was not received within five working days, strategies were employed to recover the amount owing including reminder notices and cancellation of cards.

The number of instances reported in 2019–20 increased by approximately 16% (72 instances) in comparison to the 2018–19 results (461 instances). Further information is in [Table 6](#).

Table 6: Unauthorised use of credit cards 2019–20

Category	\$
Aggregate amount of personal use expenditure for 2019–20	28,832.38
Aggregate amount of personal use expenditure settled by the due date (payment due within five working days)	25,197.06
Aggregate amount of personal use expenditure settled after the due date (after five working days)	3,635.42
Aggregate amount of personal use expenditure outstanding at 30 June 2020 ^(a)	-0.10

Source: *Education Business Service*

(a) All personal credit card use reported in 2019–20 have been settled. The repayments for personal use included rounding of \$0.10.

Pricing policies of services provided

We charge for goods and services rendered on a full or partial cost recovery basis. We determined these fees in accordance with [Costing and Pricing Government Services: Guidelines for Use by Agencies in the Western Australian Public Sector](#).

The *School Education Act 1999* and *School Education Regulations 2000* govern the setting of fees, charges and contributions for students in public schools.

The *Education Service Providers (Full Fee Overseas Students) Registration Regulations 1992* prescribes fees for registration and re-registration of international education service providers in Western Australia.

Fees and charges associated with teacher registration were governed by the *Teacher Registration (General) Regulations 2012* and the *Teacher Registration (Accreditation of Initial Teacher Education Programmes) Regulations 2012*. The Teacher Registration Board of Western Australia Schedule of Fees is available on the Board's [website](#).

The School Curriculum and Standards Authority charged for its regulatory functions relevant to certification, assessment and examinations as prescribed by the *School Curriculum and Standards Authority Regulations 2005*.

Fees for residential colleges were prescribed in regulation 14 (7) of the *School Education (Student Residential Colleges) Regulations 2017*.

Annual estimates

In the 2020–21 Budget Statement, the estimates for the Department of Education and the School Curriculum and Standards Authority are consolidated within a single Division of the Consolidated Account Expenditure Estimates. The annual estimates representing the budget for the Department of Education excluding the School Curriculum and Standards Authority are in [Appendix 5](#).

Board and committee remuneration

Members of boards and committees, as defined in Premier's Circular 2019/07 – State Government Boards and Committees, were remunerated as determined by the Minister for Education and Training, on the recommendation of the Public Sector Commissioner. Details of these remunerations are in [tables 7 to 11](#).

Table 7: Teacher Registration Board of Western Australia remuneration 2019–20

Position Member name	Term of appointment	Membership length (2019–20)	Remuneration		
			Type	Base salary/ sitting fee	Actual (2019–20)
Chair					
Margaret Collins	5 years	12 months	Annual	\$23,433	\$23,433
Deputy Chair					
Ron Dullard	5 years	12 months	Meeting	\$505	\$5,050
Member					
Nicole Brown	3 years	12 months	Meeting	\$505	\$5,050
Jeremy Bruse	2 years	12 months	–	–	–
Peter Collins	2 years	12 months	Meeting	\$505	\$5,050
Kate Offer	3 years	12 months	Meeting	\$505	\$5,555
Julie Woodhouse	3 years	12 months	–	–	–
Total					\$44,138

Source: Teacher Registration

Table 8: Non-Government Schools Planning Advisory Panel remuneration 2019–20

Position Member name	Term of appointment	Membership length (2019–20)	Remuneration		
			Type	Base salary/ sitting fee	Actual (2019–20)
Chair					
Audrey Jackson	3 years	12 months	Half/full day	\$380/580	\$1,920
Member					
Anne Coffey	3 years	12 months	–	–	–
Natalie Gulberti	3 years	12 months	–	–	–
Giselle Lau	3 years	3.5 months	–	–	–
Carmel Quin	3 years	12 months	–	–	–
Llewellyn Woodford	3 years	12 months	Half day	\$250	\$500
Total					\$2,420

Source: Schools Division

Table 9: School Curriculum and Standards Authority Board remuneration 2019–20

Position Member name	Term of appointment	Membership length (2019–20)	Remuneration		
			Type	Base salary/ sitting fee	Actual (2019–20)
Chair					
Emeritus Professor Patrick Garnett	5 years	12 months	Annual	\$37,380	\$37,380
Member					
Chapple Professor David Andrich	2.5 years	12 months	Annual	\$23,475	\$23,475
Associate Professor Lennie Barblett	3 years	12 months	Annual	\$23,475	\$23,475
Ms Pauline Coghlan	2.5 years	12 months	Annual	\$23,475	\$23,475
Dr Lynette Henderson- Yates	3 years	12 months	Annual	\$23,475	\$23,475
Ms Margaret Herley	4 years	9 months	Annual	\$23,475	\$19,051
Dr Bruce Matthews	4 years	12 months	Annual	\$23,475	\$23,475
Ms Denise O'Meara	3.5 years	3 months	Annual	\$23,475	\$1,174
Total					\$174,980

Source: School Curriculum and Standards

Table 10: School Curriculum and Standards Authority – Curriculum and Assessment Committee remuneration 2019–20

Position Member name	Term of appointment	Membership length (2019–20)	Remuneration		
			Type	Base salary/ sitting fee	Actual (2019–20)
Chair					
Ms Margaret Herley	4 years	9 months	Meeting	\$550	\$2,200
Ms Denise O'Meara	3.5 years	3 months	Meeting	\$550	–
Member					
Associate Professor Caroline Barratt-Pugh	3 years	12 months	Meeting	\$370	\$1,110
Ms Elizabeth Blackwell	3 years	12 months	–	–	–
Ms Eileen Climo	1 year	6 months	–	–	–
Ms Amanda Connor	2 years	12 months	Meeting	\$370	\$1,480
Ms Fiona Forbes	3 years	12 months	–	–	–
Mr Armando Giglia	3 years	12 months	–	–	–
Mr Lindsay Hale	3 years	8 months	–	–	–
Ms Jillian Jamieson	2 years	12 months	Meeting	\$370	\$1,110
Mr Tony Misich	3 years	12 months	Meeting	\$370	\$370
Ms Kristine Stafford	2 years	12 months	Meeting	\$370	\$1,110
Ms Katherine Ward	3 years	12 months	–	–	–
Mr Roderick (Rod) Wood	3 years	12 months	Meeting	\$370	\$1,850
Total					\$9,230

Source: School Curriculum and Standards

Table 11: School Curriculum and Standards Authority – Standards Committee remuneration 2019–20

Position Member name	Term of appointment	Membership length (2019–20)	Remuneration		
			Type	Base salary/ sitting fee	Actual (2019–20)
Chair					
Dr Bruce Matthews	4 years	12 months	Meeting	\$550	\$2,200
Member					
Ms Anne Ford	3 years	12 months	Meeting	\$370	\$1,110
Ms Melissa Gillett	1 year	12 months	–	–	–
Associate Professor Stephen Humphry	3 years	12 months	Meeting	\$370	\$1,110
Ms Pauline White	2 years	12 months	–	–	–
				Total	\$4,420

Source: School Curriculum and Standards

Occupational safety, health and injury management

In 2019–20, we continued our commitment to safe and healthy workplaces. We sought to enlist the support and cooperation of all staff to minimise and control hazards as far as practicable.

Our occupational safety and health (OSH), and workers' compensation and injury management policies outlined roles and responsibilities of line managers, including the requirement to identify and manage hazards and risks in workplaces.

Occupational safety and health

We continued to adhere to the *Occupational Safety and Health Act 1984* and *Occupational Safety and Health Regulations 1996*. In 2020, we commissioned Franklyn Work Safety to complete an audit of our OSH management systems using the [WorkSafe Plan](#). This audit has been completed and we will use the recommendations to improve our systems.

To ensure there were opportunities for formal consultation on occupational safety and health matters between management and staff, we encouraged worksites to elect safety and health representatives and establish safety and health committees.

We consulted with key stakeholders (including the Insurance Commission of Western Australia, WorkSafe, the State School Teachers' Union of WA, United Workers Union and the Principals' Federation of Western Australia) and sought feedback from principals and line managers to develop and implement our safety and health initiatives.

See [Responding to COVID-19](#) for how we responded to OSH issues relating to COVID-19.

Workers' compensation and injury management

Our Injury Management and Workers' Compensation policy outlined processes developed in accordance with the requirements of the *Workers' Compensation and Injury Management Act 1981*. This included the requirement for written return-to-work programs to be developed when injured staff returned to work with medical restrictions on their hours or duties.

All staff with workers' compensation claims who had at least three days off work were advised of support available to assist recovery and return to work.

We continued to collaborate with the Insurance Commission of Western Australia to manage workers' compensation claims.

See [Table 12](#) for details on our OSH performance indicators.

Table 12: Occupational safety and health performance indicators 2017–18 to 2019–20

Indicator	2017–18	2018–19	2019–20	Target ^(a)	Outcome
Number of fatalities	0	0	1	0	Target not achieved
Lost time injury/disease incidence rate ^(b)	2.6	2.7	2.8	0 or 10% improvement on 2017–18	Target not achieved
Lost time injury/disease severity rate ^(c)	29.9	27.4	30.6	0 or 10% improvement on 2017–18	Target not achieved
% of injured workers returned to work within 13 weeks	76%	77%	75%	No target	–
% of injured workers returned to work within 26 weeks	86%	84%	85%	Greater than or equal to 80%	Target achieved
% of managers trained in occupational safety, health and injury management responsibilities, including refresher training within 3 years	90%	46% ^(d)	76% ^(d)	Greater than or equal to 80%	Target not achieved

Source: Insurance Commission of Western Australia and Department of Education's Workforce

(a) As defined by Public Sector Commissioner's Circular 2018-03 Code of Practice: Occupational Safety and Health in the Western Australian public sector.

(b) Number of incidents resulting in lost time per 100 full-time equivalent staff.

(c) Number of incidents resulting in lost time classified as severe per 100 incidents resulting in lost time.

(d) The figure is based on current principals who have ever completed the training by 30 June and uses a different methodology from 2017–18.

Staff

During 2019–20, an average of 40,011 full-time equivalent (FTE) staff were employed. Of these, 58.2% were teachers, 29.9% were support staff, 6.9% were cleaners and gardeners, and 5.0% were administrative and clerical staff. School-based staff represented 96.5% of total FTE.

Click [here](#) for a snapshot of our workforce demographics, and see [tables 13 to 16](#) and [figures 3 and 4](#) for further information about our staff.

Our average FTE is an increase of 806 FTE (2.1%) from 2018–19. This growth can be attributed to student enrolments, an increase in education assistants in accordance with an election commitment and the response to COVID-19 which allocated extra staffing resources to undertake additional cleaning across Department sites.

The implementation of the State Government election commitments to fund 300 FTE education assistants and 50 FTE Aboriginal and Islander education officers to directly support students is on track. As at 30 June 2020, funding had been allocated to 200 schools with the most socially disadvantaged students for the employment of an additional 242.16 FTE education assistants. Also, an additional 37.8 FTE Aboriginal and Islander education officers were employed across 68 regional senior high schools, district high schools and remote community schools; with a further 7.0 FTE used to employ Aboriginal Boarding Supervisors at four residential colleges. All staff were employed on a permanent basis.

Since the Public Sector Commissioner’s Instruction regarding the conversion and appointment of fixed term contract and casual employees to permanency was released in August 2018, we have continued to review and oversee the employment arrangements of our fixed term and casual staff. We are committed to permanency being the preferred form of employment.

Both teacher retirements and resignations remained relatively stable in 2019 (see [Appendix 4](#)).

Our workforce demographics in 2020

2.3%
identified as Aboriginal
and/or Torres Strait
Islander

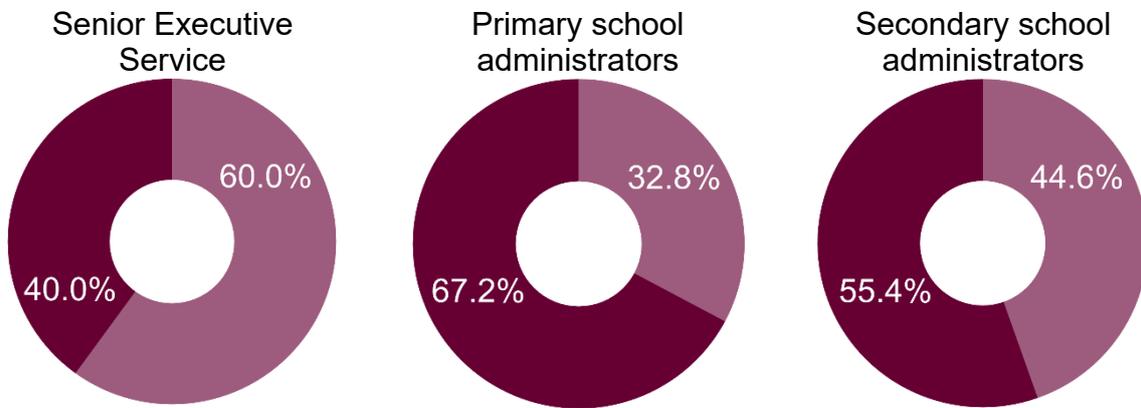
9.4%
identified as being from
culturally diverse
backgrounds

1.3%
identified as people with
disability

The age profile of our staff



Our leadership by gender – ■ Female ■ Male



Demographics ^(a)	2019 (%)	2020 (%)
Aboriginal and/or Torres Strait Islander	2.4	2.3
People from a culturally diverse background	8.9	9.4
People with disability	1.3	1.3
Age profile		
People 24 years of age and under	4.0	4.0
People 25 to 44 years of age	40.9	41.1
People 45 years of age and over	55.1	54.9
Gender breakdown of Senior Executive Service ^(b)		
Female	34.6	40.0
Male	65.4	60.0
Gender breakdown of school administrators ^(c)		
Primary		
Female	65.9	67.2
Male	34.1	32.8
Secondary		
Female	54.1	55.4
Male	45.9	44.6

Source: Workforce and Education Business Services, using Human Resource Minimum Obligatory Information Requirements (HRMOIR) data

(a) Data as at June of each year.

(b) Employees who are members of the Senior Executive Service (SES) under sections 53 and 56 of the *Public Sector Management Act 1994*.

(c) Defined as Level 3 to 6 under The School Education Act Employees' (Teachers and Administrators) General Agreement 2019.

Table 13: Staff ^(a) by category 2015–16 to 2019–20

Category	2015–16	2016–17	2017–18 ^(b)	2018–19	2019–20
Teaching ^(c)	21,862	22,889	22,878	23,031	23,303
Support ^(d)	10,390	11,127	11,447	11,674	11,944
Cleaning and gardening	2,479	2,541	2,573	2,593	2,763
Administrative and clerical ^(e)	1,673	1,741	1,938	1,907	2,001
Total	36,404	38,298	38,836	39,205	40,011

Source: Education Business Services

(a) Average financial year paid full-time equivalent staff rounded to nearest whole number.

(b) From 2017–18, the new Department of Education was formed which included staff from School Curriculum and Standards Authority and former Department of Education, Department of Education Services, and Country High School Hostels Authority.

(c) Includes principals and deputy principals.

(d) Includes school clerical staff and education assistants.

(e) *Public Sector Management Act 1994* positions and teaching award staff in administrative roles.

Table 14: Staff ^(a) by operational area and category 2019–20

Operational area	Teaching ^(b)	Support ^(c)	Cleaning and gardening	Administrative and clerical ^(d)	Total
Schools	23,263	11,942	2,758	661	38,624
Central strategic and corporate services	–	–	–	1,243	1,243
Regional offices	40 ^(e)	2	5	97	144
Total	23,303	11,944	2,763	2,001	40,011

Source: Education Business Services

(a) Average financial year paid full-time equivalent staff rounded to nearest whole number.

(b) Includes principals and deputy principals.

(c) Includes school clerical staff and education assistants.

(d) *Public Sector Management Act 1994* positions and teaching award staff in administrative roles.

(e) Includes Primary Extension and Challenge (PEAC) teachers and home education moderators.

Table 15: School-related staff^(a) by type of school and category 2019–20

Type of school	Teaching ^(b)	Support ^(c)	Cleaning and gardening	Administrative and clerical ^(d)	Total
Community kindergarten	19	18	–	–	37
Primary ^(e)	12,240	6,490	1,460	12	20,202
District high	1,009	545	167	5	1,726
Kindergarten–Year 12 ^(f)	413	158	43	37	651
Secondary	7,968	2,673	1,049	526	12,216
Education support ^(g)	888	1,865	32	44	2,829
Specialist services ^(h)	726	193	7	37	963
Total	23,263	11,942	2,758	661	38,624

Source: *Education Business Services*

(a) Average financial year paid full-time equivalent staff rounded to nearest whole number.

(b) Includes principals and deputy principals.

(c) Includes school clerical staff and education assistants.

(d) *Public Sector Management Act 1994* positions and teaching award staff in administrative roles.

(e) Includes schools of the air and remote community schools.

(f) Includes School of Isolated and Distance Education.

(g) Includes language development school/centres.

(h) Includes education services that do not directly enrol students such as camp schools, some schools of special educational needs, vacation swimming and Instrumental Music School Services. Residential colleges are included under Support.

Table 16: School-based teaching staff^(a) by category and education category^(b) 2020

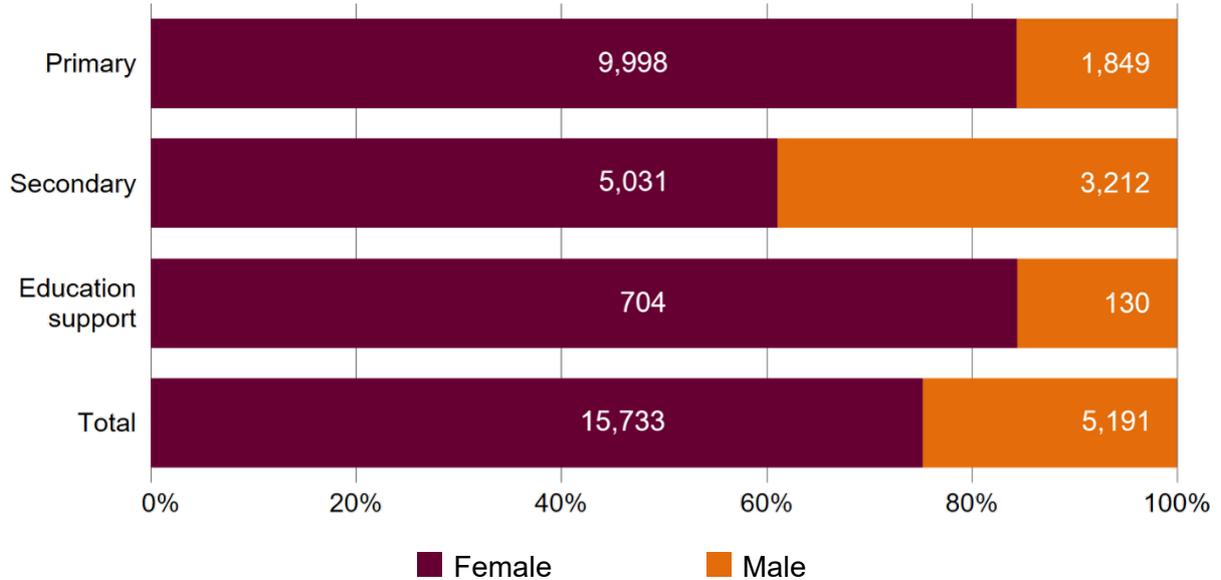
Category	Primary	Secondary	Education support	Total
Principal	563	171	66	800
Deputy principal	820	399	70	1,289
Head of department or program coordinator	10	975	7	992
Teacher	10,274	6,575	661	17,510
Guidance/counselling	180	123	30	333
Total	11,847	8,243	834	20,924

Source: *System and School Performance*

(a) Full-time equivalents at Semester 1 student census including teachers at community kindergartens. Based on counting method used for National Schools Statistics Collection that does not include staff on extended leave.

(b) Staff apportioned to education category based on proportion of students in each education category.

Figure 3: School-based teaching staff^(a) by education category^(b) and gender 2020^(c)



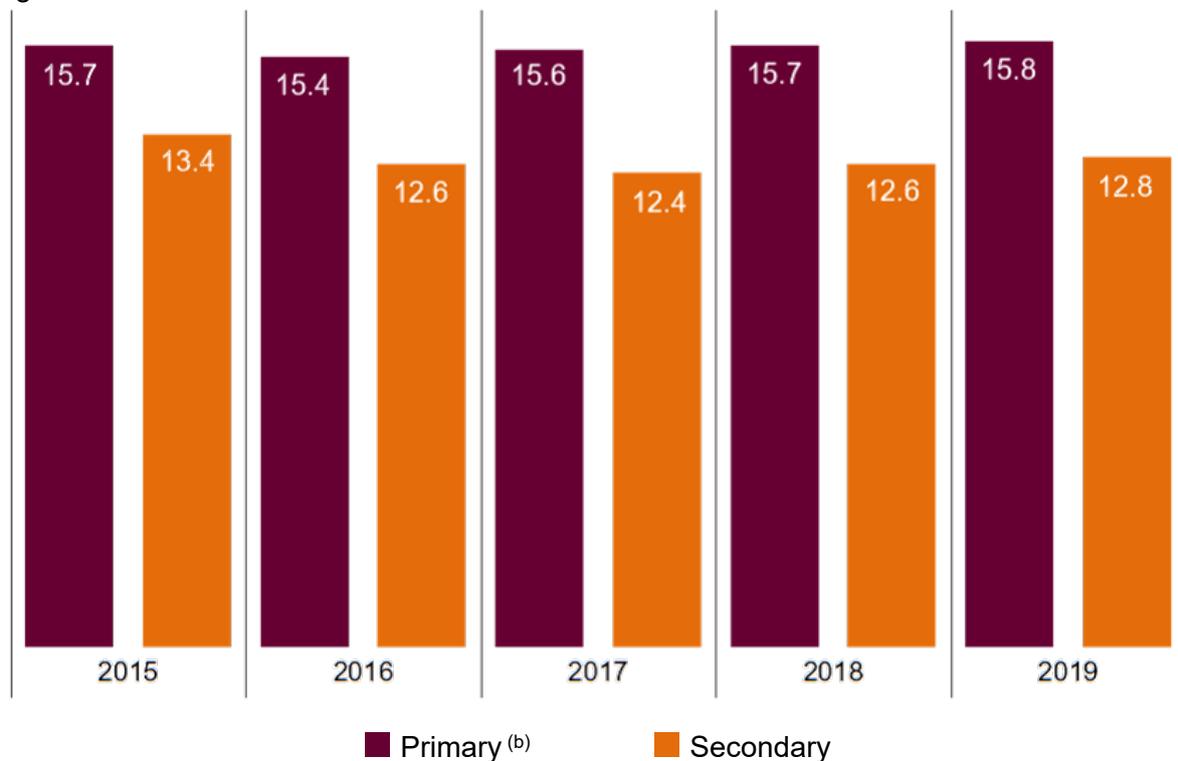
Source: *System and School Performance*

(a) Full-time equivalents at Semester 1 student census including teachers at community kindergartens. Based on counting method used for National Schools Statistics Collection that does not include staff on extended leave.

(b) Staff apportioned to education category based on proportion of students in each education category.

(c) See [Appendix 4](#) for corresponding table.

Figure 4: Student-teacher ratios^(a) 2015 to 2019



Source: *System and School Performance*

(a) Ratios based on full-time equivalent students and full-time equivalent teaching staff at Semester 2.

(b) Excludes Kindergarten.



TRBWA

Teacher Registration Board
of Western Australia

Teacher Registration Board of Western Australia Annual Report 2019–20

This annual report reflects the operations of the Teacher Registration Board of Western Australia in regulating the registration of teachers and accrediting initial teacher education programs.

Letter of transmittal

Ms Lisa Rodgers
Director General
Department of Education

Dear Ms Rodgers

In accordance with section 114 of the *Teacher Registration Act 2012*, I am pleased to submit the annual report of the Teacher Registration Board of Western Australia for the period 1 July 2019 to 30 June 2020 for inclusion in the annual report of the Department of Education.

Yours sincerely

Margaret Collins
Chairperson
Teacher Registration Board of Western Australia

21 August 2020

Chairperson's report

On behalf of the Teacher Registration Board of Western Australia, I am pleased to present the Board's 2019–20 annual report.

In the reporting period, the Board established its new Strategic Direction 2019-2022. Our vision is a quality and contemporary regulator that operates in the best interests of children.

Like other bodies that are committed to serving the public interest, responding to COVID-19 has presented unique challenges. More than ever, the vital role of teachers in our community has been demonstrated at this time. In the face of these challenges, the Board took action to provide reasonable and proportionate regulatory relief. This included extending the expiration date of all teachers' registration, giving additional time to teachers for payment of the annual registration fee, and providing greater flexibility for the conduct of practicum placements for students completing their initial teacher education courses.

The Board will continue to work with teachers and employers to ensure teacher registration requirements are well understood, and online systems for teacher registration are easy to navigate and helpful.

The Board values its collaborative engagement with a number of State Government agencies and other authorities that have a focus on the interests of children. This includes the Department of Education, Catholic Education Western Australia and the Association of Independent Schools of Western Australia, as well as the Department of Communities, the Commissioner for Children and Young People and the Western Australia Police Force.

I would like to acknowledge the national authorities with whom we work, and our regulatory counterparts around Australia and in New Zealand. Several projects of national significance are continuing related to the registration of teachers, and the accreditation of initial teacher education programs.

One of these is a national project examining the ways in which child safety in schools can be strengthened through teacher registration. The Board's paramount consideration in the performance of its functions is the best interests of children, and the Board is looking forward to contributing to the development of a national best practice framework in this important area.

The Board, as a regulator of teachers, is provided secretariat support by the Department of Education. I extend my thanks to Ms Lisa Rodgers, the Director General of the Department, for her leadership and the support provided by the Department to the Board. The development this year of a Memorandum of Understanding has helped to clarify and enhance the support provided to the Board to perform its functions and operations as well as its independence.

In this regard, I would also like to acknowledge and thank the Director, Teacher Registration and all of the Directorate staff for their continued commitment to support the Board in line with the core values of integrity, excellence, service, fairness and respect.

Finally, I also express my appreciation to all the Board's members, as well as those who serve on or chair a committee of the Board. I value the commitment, experience and knowledge each member contributes to the Board's work.

I look forward to continuing to work with the Western Australian education sector in the year ahead to achieve the Board's vision and to serve the public interest by ensuring the professional, competent and safe practice of teaching.



Mrs Margaret Collins
Chairperson

About the board

As the teacher regulatory authority in Western Australia, the Board is responsible for registering teachers, including renewing teacher registration, and administering the teacher disciplinary and impairment review processes. The Board is also responsible for accrediting initial teacher education programs delivered by Western Australian higher education providers.

In undertaking these functions, the Board maintains an up-to-date register of teachers, and has developed and published professional standards for teachers, accreditation standards for initial teacher education programs, and a professional learning activities policy.

In performing its role, the Board's paramount consideration is the best interests of children.

The relevant legislation

The Board was established in December 2012 under the *Teacher Registration Act 2012*.

The Board undertakes its duties in accordance with the *Teacher Registration Act 2012* and its subsidiary legislation: the *Teacher Registration (General) Regulations 2012* and the *Teacher Registration (Accreditation of Initial Teacher Education Programmes) Regulations 2012*.

The Board's vision

A quality and contemporary regulator of the Western Australian teaching profession that operates in the best interests of children.

The Board's purpose

Serving the public interest in Western Australia by ensuring that teachers are registered and initial teacher education programs are accredited in accordance with the *Teacher Registration Act 2012*.

The Board's values

Integrity: We act with integrity, responsibility and transparency.

Excellence: We set standards of excellence and strive to achieve them.

Service: We are responsive, efficient and effective.

Fairness and Respect: We treat everyone fairly, with empathy and respect.

The Board's members

The Board is appointed by the Minister for Education and Training and must include an Australian lawyer and at least three currently registered teachers.

At 30 June 2020, the Board members were:

- Margaret Collins (Chairperson) – former Regional Executive Director, South Metropolitan Education Region, Department of Education
- Ron Dullard (Deputy Chairperson) – former Director, Catholic Education Western Australia
- Nicole Brown – Dean of Students (PK-6), Peter Moyes Anglican Community School
- Jeremy Bruse – Associate Principal, Harrisdale Senior High School
- Peter Collins – Principal, Holy Cross College, Ellenbrook
- Kate Offer – Senior Lecturer, School of Law, The University of Western Australia
- Julie Woodhouse – Principal, Butler Primary School.

There were no changes to the Board's membership during the reporting period.

In 2019–20, the Board formally met 11 times and considered 39 items out-of-session.



Back row (left to right): Kate Offer, Jeremy Bruse, Peter Collins, and Julie Woodhouse.

Front row (left to right): Ron Dullard, Margaret Collins, and Nicole Brown.

Governance framework

The *Teacher Registration Act 2012* requires the Board to establish at least one disciplinary committee and an impairment review committee. The Board may establish other committees to assist it to perform its functions.

The Board is supported by:

- two disciplinary committees which consider complaints referred by the Board
- an impairment review committee which considers impairment matters referred by the Board
- an interim disciplinary order committee which has the authority to make an interim disciplinary order where
 - there is the risk of imminent injury or harm to the physical or mental health of any person, or
 - a registered teacher has been charged with a sexual offence involving a child.

See [Disciplinary and impairment matters](#) for further information about the activities of these committees in 2019–20.

The Department of Education’s Teacher Registration Directorate provides secretariat support to the Board which includes:

- processing teacher registration applications and initial teacher education program accreditation applications for consideration by the Board
- assisting the Board to administer its disciplinary function
- supporting the work of the Board on policy matters.

The Board has delegated certain powers such as granting teacher registration to the Director, Teacher Registration, who refers matters that require further examination to the Board.

[Financial statements and performance information](#) related to the Teacher Registration Directorate and the Board’s remuneration are provided in the Department of Education’s annual report.

The operations of the Board are funded by fees collected in accordance with the *Teacher Registration Act 2012* and [Costing and Pricing Government Services: Guidelines for Use by Agencies in the Western Australian Public Sector](#) published by the Department of Treasury. During the reporting period there were no changes to the Board’s [fee schedule](#).

Key achievements

Online digital solutions

The Board has continued to streamline application processes for registered teachers and applicants. During the year, the Board increased the number of applications which can be made online, reducing processing times for applicants. Access to our online management tool for employers, Teacher Register Information (Professional) or TRIP was also improved.

Collaboration on national projects

Following the National Review of Teacher Registration, which was led by an expert panel of state and territory representatives, the Board has continued to collaborate with stakeholders on projects of national significance, including projects on:

- examining the consistency of decision-making in relation to the progression of teachers from provisional to full registration
- strengthening child safety
- early childhood teacher registration
- English language competency related to initial teacher education programs.

Strengthening child safety

The paramount consideration for the Board is the best interests of children. During the year, the Board continued to work with relevant agencies, national authorities and other regulators to progress recommendations relating to teacher registration arising from the Royal Commission into Institutional Responses to Child Sexual Abuse and the National Review of Teacher Registration.

Updates to Professional Boundaries resource

In August 2019, the Board published and communicated an update to the Board's Teacher-Student Professional Boundaries resource. The resource is designed to inform and guide teachers about professional boundaries they should maintain when dealing with students and prompt reflective behaviour. Updated in consultation with stakeholders, feedback indicated that the resource continues to provide useful professional guidance to teachers and educational leaders.

COVID-19 regulatory relief

To mitigate the impact of COVID-19, registered teachers received a six-month registration extension, to provide more time for registration requirements to be met. Additional time was also provided for payment of the annual registration fee. The Board also provided greater flexibility for the conduct of practicum placements for students completing their initial teacher education courses and extended the expiry dates of all Western Australian accredited programs by 12 months.

Significant issues for the next financial year

Review of the *Teacher Registration Act 2012*

A review of the *Teacher Registration Act 2012* was tabled in Parliament in September 2018. Recommendations from the review have been the subject of consideration by a Strategic Implementation Group. This work will contribute to the development of an amendment Bill at a future time. The Board will work to amend policies and processes in light of amendments to the Act once it is introduced.

Initial teacher education reform

The Board continues to engage with the Australian Institute for Teaching and School Leadership (AITSL), state and territory teacher regulatory authorities and other stakeholders about proposed reforms to the initial teacher education accreditation scheme. The Board will continue to ensure that the Western Australian accreditation scheme balances regulatory rigour and reasonableness.

During the year, the Board considered initial teacher education program requirements for phonics teaching methods, provider reporting requirements, and enhancing publication of accreditation decisions. The Board will continue to work with providers to implement these reforms.

Registration renewal application peak

The teacher registration cycle for the renewal of Full Registration has cyclical peaks that arise approximately every three and a half years, for an 18-month period.

In the context of the extension of the registration of all teachers by six months in response to COVID-19, the Board is expecting renewal applications to increase significantly from September 2020 to March 2022. The Board has been undertaking comprehensive preparation to ensure effective registration processes and staffing arrangements are in place.

Teacher registration system development

The Board is committed to the further development of suitable online solutions to optimise the experiences of the teachers and applicants. The Board will continue to work with the Department of Education to achieve this outcome to create services that are efficient, safe and secure.

Activities of the board

Regulatory activity

Teacher registration

All teachers teaching in schools and other educational venues in Western Australia, such as a centre based education and care service (long day care) and the juvenile detention centre, must be registered with the Board.

To meet [registration requirements](#), applicants must be appropriately qualified, have the necessary English language skills, meet the required professional standards for the relevant registration category, and be a fit and proper person.

To renew registration, the Board must be satisfied that the teacher continues to meet the requirements for their category of registration. Provisional Registration may only be renewed where there are exceptional circumstances.

At 30 June 2020, 55,143 teachers were registered with the Board (see [Table 1](#)).

Table 1: Teachers registered at June 30 by category 2016 to 2020

Category	2016	2017	2018	2019	2020
Full Registration	41,076	41,721	42,994	44,083	44,970
Provisional Registration	5,701	5,710	5,913	5,721	5,201
Non-Practising Registration	3,802	4,649	4,490	4,289	4,271
Limited Registration	691	684	648	643	701
Total	51,270	52,764	54,045	54,736	55,143

During 2019–20, the Board received 8,454 teacher registration applications and approved 8,680 applications (see [Table 2](#)).

Based on the Mutual Recognition Principle, the Board registered 422 teachers who were registered in another Australian state or territory or in New Zealand.

Table 2: Applications received and approved by type 2018–19 and 2019–20 ^(a)

Type of application	2018–19		2019–20	
	Received	Approved	Received	Approved
New registration	3,310	3,292	2,677	2,635
Renewal of registration	3,218	3,587	3,242	3,464
Move registration category	2,524	2,533	2,402	2,448
Extension of non-practising registration ^(b)	192	189	133	133
Total	9,244	9,601	8,454	8,680

(a) Number of applications received in one year may not be the same as number approved that same year as applications may be processed in subsequent years.

(b) The extension of non-practising registration may only be approved when there are extenuating circumstances.

Applicants can progress to Full Registration from either Provisional Registration (including early career teachers) or Non-Practising Registration (see [Table 3](#)). Applicants must provide evidence that they meet the proficient level of the Professional Standards for Teachers in Western Australia, as well as meeting the other requirements.

Table 3: Summary of approved applications to transition to Full Registration 2018–19 and 2019–20

	2018–19	2019–20
Provisional to Full Registration	1,653	1,693
Non-Practising to Full Registration	525	411

Board determinations

The Board has delegated the granting of teacher registration to the Director, Teacher Registration. Applications considered by the Director to require further examination are referred to the Board.

During 2019–20, 19 of the 32 applications referred to the Board for further examination were refused as they did not meet one or more of the requirements for registration or the renewal of registration (see [Table 4](#)).

Table 4: Applications considered and refused by the Board by registration requirements 2018–19 and 2019–20

	2018–19		2019–20	
	Considered	Refused	Considered	Refused
One requirement considered				
Qualifications	22	11	14	6
English Language	12	10	15	13
Professional Standards	1	0	1	0
Fit and Proper	3	2	2	0
More than one requirement considered				
Qualifications and English Language	1	1	0	0
Qualifications and Professional Standards	0	0	0	0
Professional Standards and Professional Engagement	0	0	0	0
Total	39	24	32	19

The Board also considered two other applications where further information was requested from the applicant under section 13(1) of the *Teacher Registration Act 2012*. Neither applicant complied with the request, and the Board refused their applications under section 13(3).

Providing advice to prospective applicants

Prospective applicants can seek written advice from the Board on whether their qualification would meet the qualification requirements for registration, or if they would meet the fit and proper requirements for registration.

Of the requests for qualifications advice finalised, 76 were determined by the Director, Teacher Registration as meeting requirements. The remaining 28 were considered by the Board, with 22 determined as not meeting requirements.

No requests for fit and proper advice were received from prospective applicants.

Annual teacher registration fee

Registered teachers must pay an annual fee by 31 March to maintain registration. In late March 2020, to mitigate the impact of COVID-19 on teachers, the due date for this fee was extended to 31 May and the late payment processing fee was not applied.

In January 2020, the Board raised 53,290 invoices. The registrations of 1,439 teachers who did not pay the annual fee by 4 June were cancelled. As at 30 June, 118 registrations were reinstated for teachers whose non-payment was due to extenuating circumstances.

Unregistered teaching

When a concern about unregistered teaching is identified, the case is managed to ensure the obligations of the teacher and the employer are met. No unregistered teaching matters were referred for prosecution in 2019–20 (one matter in 2018–19).

Review by the State Administrative Tribunal (SAT)

Teachers dissatisfied with a Board decision related to registration can appeal to the SAT. In 2019–20, no decisions of the Board were appealed to the SAT.

Disciplinary and impairment matters

The Board's paramount consideration in dealing with disciplinary and impairment matters is the best interests of children. The *Teacher Registration Act 2012* requires that only fit and proper people are registered as teachers, and places obligations on teachers, employers and certain other parties.

Notifications required by the *Teacher Registration Act 2012* and complaints about teachers

Notifications are received about registered teachers from employers, teachers, the Commissioner of Police and Director of Public Prosecutions. More than one notification can be received per matter.

Complaints may also be made to the Board about registered teachers or a person who was a registered teacher at the time the alleged conduct occurred. More than one complaint can be received per matter.

In 2019–20, the Board received 46 notifications and 34 complaints (see [Table 5](#)) relating to 68 matters.

Table 5: Notifications and complaints received by the Board 2018–19 and 2019–20 ^(a)

	2018–19	2019–20
Notifications from Teachers		
Legal actions (section 38)	5	3
Loss of qualifications (section 39)	0	0
Issued Working With Children Negative Notice (section 40)	0	0
Notifications from Director of Public Prosecutions or Commissioner of Police (section 41)	5	6
Notifications from Employers		
Serious incompetence (section 42)	6	5
Serious misconduct (section 42)	32	32
Complaints from the public/other (section 51)	9	34
Total	57	80

(a) As per the specified section in the *Teacher Registration Act 2012*.

The status of ongoing and new matters is reflected in [Table 6](#).

Table 6: Status of ongoing and new matters as at 30 June 2020 ^(a)

Status of matters	2019–20
Matters ongoing at 30 June 2020	
Still to be decided (section 51(3)(a))	2
Investigations continuing (section 53(2))	21
Completed during the reporting period	
Cancellation of registration (section 27(2)(b))	10
Complaint not required (section 45(e))	22
Other person or authority (section 57(1)(a))	0
Not within power (section 57(1)(b))	30
Without substance (section 57(1)(c))	6
Referred during the reporting period	
Disciplinary Committee (section 53(1)(c))	1
Impairment Review Committee (section 53(1)(d))	0
State Administrative Tribunal (section 53(1)(e))	5
Total	97

(a) As per the specified section in the *Teacher Registration Act 2012*.

Disciplinary committee

The one matter referred to a disciplinary committee in 2019–20 was dismissed.

Of the two matters referred to a disciplinary committee that remained ongoing at the end of the previous reporting period:

- one teacher was found to be seriously incompetent and had their full registration cancelled and substituted with provisional registration
- one teacher was found to have contravened the *Teacher Registration Act 2012* and received a reprimand and fine.

Referral to the State Administrative Tribunal (SAT)

Of the five matters referred in 2019–20, the SAT ordered that:

- one teacher be disqualified from applying for registration for a period of time
- the registration of four teachers be cancelled with disqualification from applying for registration for periods of time.

In 2019–20, of the eight matters referred to SAT that remained ongoing at the end of the previous reporting period:

- the Board withdrew one matter and discontinued two others
- the SAT ordered that three teachers be disqualified from applying for registration for periods of time
- two matters remain ongoing.

Interim disciplinary orders

The Board and the interim disciplinary order committee have the authority to make interim disciplinary orders, that include placing conditions on registration or suspending registration.

The outcome of matters referred to the interim disciplinary order committee are reflected in [Table 7](#).

Table 7: Matters referred to the interim disciplinary order committee 2019–20 ^(a)

Interim disciplinary orders	Referred	Made
An activity that involves a risk of imminent injury or harm (section 59)	5	0
Charged with child sexual offence (section 60)	6	6
Total	11	6

(a) As per the specified section in the *Teacher Registration Act 2012*.

One other interim disciplinary order was made directly by the Board.

The seven interim orders were revoked as the teachers concerned were no longer entitled to be registered, and their registration was cancelled.

The Board must refer all matters for which an interim disciplinary order has been made to SAT within 14 days, unless the order is revoked. None of the seven orders made were referred to SAT.

Accreditation of initial teacher education programs

The accreditation of initial teacher education (ITE) programs is directly linked to teacher registration. For a person to be eligible for Full, Provisional or Non-Practising Registration under the *Teacher Registration Act 2012*, they must have a teaching qualification from an accredited program or one that the Board recognises as equivalent to such a qualification.

[Applications](#) from ITE providers for program accreditation or re-accreditation are assessed against the Western Australian Standards for the Accreditation of Initial Teacher Education Programs by a panel of education experts appointed by the Board. The standards are based on nationally agreed accreditation standards.

Approved programs are accredited for up to five years and recognised for the purposes of teacher registration by other Australian state and territory teacher regulatory authorities. See [Table 8](#) for the number of accredited ITE programs in Western Australia.

To mitigate the impact of COVID-19 during 2019–20, the Board extended the expiry dates of all Western Australian accredited programs by 12 months and afforded greater flexibility for students completing practicum placements in their initial teacher education courses.

During 2019–20, the Board approved the re-accreditation of two existing initial teacher education programs and the accreditation of one new program. As at 30 June 2020, the assessment of one application for initial accreditation and four applications for re-accreditation received during the reporting period remain ongoing.

Table 8: WA accredited initial teacher education programs at 30 June 2018–19 and 2019–20

ITE Programs	Undergraduate		Postgraduate		Total	
	2018–19	2019–20	2018–19	2019–20	2018–19	2019–20
Early Childhood	3	3	1	1	4	4
Early Childhood/Primary	1	1	2	2	3	3
Primary	5	5	3	3	8	8
Primary/Secondary	1	1	0	0	1	1
Secondary	6	7	3	3	9	10
Early Childhood/ Primary/Secondary	0	0	1	1	1	1
Total	16	17	10	10	26	27

Stakeholder engagement

The Board engages with stakeholders to ensure that information about registration requirements and processes is clear, consistent and timely, and to identify opportunities to improve the Board's regulatory services.

A communication campaign was undertaken to inform all registered teachers of the Board's new [strategic direction for 2019–2022](#), and the Board's updated [guidance](#) on teacher-student professional boundaries. Both resources were developed in consultation with the Board's key stakeholders.

Another component to the Board's communications with the education sector is a communication program undertaken with employers of teachers, on employer obligations under the *Teacher Registration Act 2012*. The purpose of this communication is to remind employers to provide notifications when required, and to appoint, employ or engage only registered teachers, including in accordance with any conditions on their registration.

The Board's customer service team is the first point of contact for teachers, applicants and employers. The Board's [Service Charter](#) was revised in line with the Board's new strategic direction.

Presentations and workshops continued to be delivered to new, early career and returning teachers, and to employers of teachers within schools, and the education and care sectors. Presentations were made available online to final year pre-service teachers during the COVID-19 response to ensure that these students could continue to receive guidance about registration requirements and application processes.

Feedback from applicants and teachers is important to the Board and informs improvements to regulatory services and policies. During the year, this included the further improvement of online services for teachers and employers.

Feedback on our annual report can be sent to feedback@trb.wa.gov.au.

End of Teacher Registration Board of Western Australia Annual Report 2019–20.

Key performance indicators and financial statements

Certification of key performance indicators

I hereby certify that the performance indicators are based on proper records, are relevant and appropriate for assisting users to assess the performance of the Department of Education, and fairly represent the performance of the Department for the year ended 30 June 2020.



Lisa Rodgers
Director General
(Accountable authority)

14 September 2020

Certification of financial statements

The accompanying financial statements of the Department of Education have been prepared in compliance with the provisions of the *Financial Management Act 2006* from proper accounts and records to present fairly the financial transactions for the financial year ended 30 June 2020 and the financial position as at 30 June 2020.

At the date of signing, we are not aware of any circumstances which would render the particulars included in the financial statements misleading or inaccurate.



Lisa Rodgers
Director General
(Accountable authority)

14 September 2020



Philippa Beamish Burton
Acting Chief Finance Officer

14 September 2020



Auditor General

INDEPENDENT AUDITOR'S REPORT

To the Parliament of Western Australia

DEPARTMENT OF EDUCATION

Report on the financial statements

Opinion

I have audited the financial statements of the Department of Education which comprise the Statement of Financial Position as at 30 June 2020, the Statement of Comprehensive Income, Statement of Changes in Equity, Statement of Cash Flows, and Summary of Consolidated Account Appropriations for the year then ended, and Notes comprising a summary of significant accounting policies, Schedule of Income and Expenses by Service, Schedule of Assets and Liabilities by Service, and other explanatory information, including administered transactions and balances.

In my opinion, the financial statements are based on proper accounts and present fairly, in all material respects, the operating results and cash flows of the Department of Education for the year ended 30 June 2020 and the financial position at the end of that period. They are in accordance with Australian Accounting Standards, the *Financial Management Act 2006* and the Treasurer's Instructions.

Basis for opinion

I conducted my audit in accordance with the Australian Auditing Standards. My responsibilities under those standards are further described in the Auditor's Responsibility for the Audit of the Financial Statements section of my report. I am independent of the Department in accordance with the *Auditor General Act 2006* and the relevant ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to my audit of the financial statements. I have also fulfilled my other ethical responsibilities in accordance with the Code. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Responsibility of the Director General for the financial statements

The Director General is responsible for keeping proper accounts, and the preparation and fair presentation of the financial statements in accordance with Australian Accounting Standards, the *Financial Management Act 2006* and the Treasurer's Instructions, and for such internal control as the Director General determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Director General is responsible for assessing the entity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Western Australian Government has made policy or funding decisions affecting the continued existence of the Department.

Auditor's responsibility for the audit of the financial statements

As required by the *Auditor General Act 2006*, my responsibility is to express an opinion on the financial statements. The objectives of my audit are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A further description of my responsibilities for the audit of the financial statements is located on the Auditing and Assurance Standards Board website at https://www.auasb.gov.au/auditors_responsibilities/ar4.pdf. This description forms part of my auditor's report.

Report on controls

Opinion

I have undertaken a reasonable assurance engagement on the design and implementation of controls exercised by the Department of Education. The controls exercised by the Department are those policies and procedures established by the Director General to ensure that the receipt, expenditure and investment of money, the acquisition and disposal of property, and the incurring of liabilities have been in accordance with legislative provisions (the overall control objectives).

My opinion has been formed on the basis of the matters outlined in this report.

In my opinion, in all material respects, the controls exercised by the Department of Education are sufficiently adequate to provide reasonable assurance that the receipt, expenditure and investment of money, the acquisition and disposal of property and the incurring of liabilities have been in accordance with legislative provisions during the year ended 30 June 2020.

The Director General's responsibilities

The Director General is responsible for designing, implementing and maintaining controls to ensure that the receipt, expenditure and investment of money, the acquisition and disposal of property, and the incurring of liabilities are in accordance with the *Financial Management Act 2006*, the Treasurer's Instructions and other relevant written law.

Auditor General's responsibilities

As required by the *Auditor General Act 2006*, my responsibility as an assurance practitioner is to express an opinion on the suitability of the design of the controls to achieve the overall control objectives and the implementation of the controls as designed. I conducted my engagement in accordance with Standard on Assurance Engagements ASAE 3150 *Assurance Engagements on Controls* issued by the Australian Auditing and Assurance Standards Board. That standard requires that I comply with relevant ethical requirements and plan and perform my procedures to obtain reasonable assurance about whether, in all material respects, the controls are suitably designed to achieve the overall control objectives and were implemented as designed.

An assurance engagement to report on the design and implementation of controls involves performing procedures to obtain evidence about the suitability of the design of controls to achieve the overall control objectives and the implementation of those controls. The procedures selected depend on my judgement, including the assessment of the risks that controls are not suitably designed or implemented as designed. My procedures included testing the implementation of those controls that I consider necessary to achieve the overall control objectives.

I believe that the evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Limitations of controls

Because of the inherent limitations of any internal control structure, it is possible that, even if the controls are suitably designed and implemented as designed, once the controls are in operation, the overall control objectives may not be achieved so that fraud, error, or non-compliance with laws and regulations may occur and not be detected. Any projection of the outcome of the evaluation of the suitability of the design of controls to future periods is subject to the risk that the controls may become unsuitable because of changes in conditions.

Report on the key performance indicators

Opinion

I have undertaken a reasonable assurance engagement on the key performance indicators of the Department of Education for the year ended 30 June 2020. The key performance indicators are the Under Treasurer-approved key effectiveness indicators and key efficiency indicators that provide performance information about achieving outcomes and delivering services.

In my opinion, in all material respects, the key performance indicators of the Department of Education are relevant and appropriate to assist users to assess the Department's performance and fairly represent indicated performance for the year ended 30 June 2020.

The Director General's responsibility for the key performance indicators

The Director General is responsible for the preparation and fair presentation of the key performance indicators in accordance with the *Financial Management Act 2006* and the Treasurer's Instructions and for such internal control as the Director General determines necessary to enable the preparation of key performance indicators that are free from material misstatement, whether due to fraud or error.

In preparing the key performance indicators, the Director General is responsible for identifying key performance indicators that are relevant and appropriate, having regard to their purpose in accordance with Treasurer's Instruction 904 *Key Performance Indicators*.

Auditor General's responsibility

As required by the *Auditor General Act 2006*, my responsibility as an assurance practitioner is to express an opinion on the key performance indicators. The objectives of my engagement are to obtain reasonable assurance about whether the key performance indicators are relevant and appropriate to assist users to assess the entity's performance and whether the key performance indicators are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. I conducted my engagement in accordance with Standard on Assurance Engagements ASAE 3000 *Assurance Engagements Other than Audits or Reviews of Historical Financial Information* issued by the Australian Auditing and Assurance Standards Board. That standard requires that I comply with relevant ethical requirements relating to assurance engagements.

An assurance engagement involves performing procedures to obtain evidence about the amounts and disclosures in the key performance indicators. It also involves evaluating the relevance and appropriateness of the key performance indicators against the criteria and guidance in Treasurer's Instruction 904 for measuring the extent of outcome achievement and the efficiency of service delivery. The procedures selected depend on my judgement, including the assessment of the risks of material misstatement of the key performance indicators. In making these risk assessments I obtain an understanding of internal control relevant to the engagement in order to design procedures that are appropriate in the circumstances.

I believe that the evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

My independence and quality control relating to the reports on controls and key performance indicators

I have complied with the independence requirements of the *Auditor General Act 2006* and the relevant ethical requirements relating to assurance engagements. In accordance with ASQC 1 *Quality Control for Firms that Perform Audits and Reviews of Financial Reports and Other Financial Information, and Other Assurance Engagements*, the Office of the Auditor General maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Matters relating to the electronic publication of the audited financial statements and key performance indicators

This auditor's report relates to the financial statements and key performance indicators of the Department of Education for the year ended 30 June 2020 included on the Department's website. The Department's management is responsible for the integrity of the Department's website. This audit does not provide assurance on the integrity of the Department's website. The auditor's report refers only to the financial statements and key performance indicators described above. It does not provide an opinion on any other information which may have been hyperlinked to/from these financial statements or key performance indicators. If users of the financial statements and key performance indicators are concerned with the inherent risks arising from publication on a website, they are advised to contact the entity to confirm the information contained in the website version of the financial statements and key performance indicators.



CAROLINE SPENCER
AUDITOR GENERAL
FOR WESTERN AUSTRALIA
Perth, Western Australia
/ 7 September 2020

Key performance indicators

Key performance indicators enable senior management to assess and monitor the extent to which we achieve our Government desired outcome, and enhance our ability to account to the community for our performance.

Government Goal

Strong Communities: Safe communities and supported families

Desired Outcome

School students across Western Australia have access to high quality education

Services

1. Public Primary Education
2. Public Secondary Education
3. Regulation and Non-Government Sector Assistance
4. Support to the School Curriculum and Standards Authority

This section presents effectiveness indicators that show how well we met our desired outcome and efficiency indicators that show how efficiently we delivered our four services in 2019–20. The indicators are as per our Outcomes-Based Management (OBM) reporting structure. We revised our OBM reporting structure in 2018–19 to better reflect our current operations.

Supplementary information relating to our key performance indicators in the appendices is not audited by the Office of the Auditor General.

Effectiveness indicators

Outcome: School students across Western Australia have access to high quality education

We aim to provide everyone aged four to 17 years (at 30 June) in Western Australia with access to education through the public school system, irrespective of their location, circumstances and whether that provision is taken up or not.

Two approaches are used to measure how well we achieve this aim.

The rate of participation in education gives an indication of the extent to which school-aged Western Australian residents are engaged in some form of education during the senior secondary years. The rate includes data spanning the main forms of education including public and non-government schools, vocational education and training, and university.

The apparent retention rate is the second measure of our success in providing access to education through the public system. It provides an indication of the proportion of students in Year 8 that completed Year 12 at public schools four years later.

Our other indicators provide measures of the extent to which students achieve high standards of learning.

The WACE achievement rate shows the percentage of Year 12 public school students who achieved the Western Australian Certificate of Education (WACE) qualification, the criterion for overall success in school in WA.

Student achievement prior to Year 12 is shown using indicators that measure the percentage of public school students in Years 3, 5, 7 and 9 who achieve proficiency standards in national reading and numeracy tests.

Rate of participation in education

This rate shows the proportion of the State's estimated resident population of 15, 16 and 17 year olds who are participating in some form of education.

These ages align to Years 10, 11 and 12. The rate includes young people of these ages who (i) were enrolled in public and non-government schools at the Semester 2 student census; (ii) attended vocational education and training during the year; or (iii) attended university during the year. To ensure students are only counted once, students attending both school and vocational education and training are only counted in the school data.

Participation rates for 2015 to 2019 are in [Table 17](#) with rates by gender in [Appendix 3](#).

The target in the 2019–20 Budget Papers is based on the higher of the preliminary actual for 2017 and the estimated actual for 2018, rounded up to the next integer, using the latest available data at the time of the 2019–20 State Budget.

Table 17: Participation rate (%) of persons aged 15 to 17 years engaged in some form of education 2015 to 2019 ^{(a) (b)}

2015	2016	2017	2018 ^(c)	2019	Target for 2019–20
96.7	96.8	96.2	98.1	97.8	97

Source: *System and School Performance*

(a) Based on Australian Bureau of Statistics preliminary estimates of resident population (age at 30 June) and data collected from public and non-government schools (Semester 2 student census, age at 1 July), universities (age at 30 June), and vocational education and training providers (age at 30 June).

(b) University enrolment data for 2019 is an estimate based on 2018 university enrolment data and an annual compound growth factor calculated from university enrolment data across the previous four years.

(c) Revised rate for 2018 due to updated data for 2018 university student enrolments and estimate of resident population. The 2018 rate published in our 2018–19 annual report was 98.0%.

Retention in public schooling

The extent to which students continue to participate in public school education is indicated by the apparent Year 8 to 12 retention rate. This is the number of full-time students in Year 12 as a percentage of the number of full-time students who enrolled in Year 8 four years earlier (the start of secondary school at that time). Retention rates for 2015 to 2019 are in [Table 18](#), with rates by subgroup in [Appendix 3](#).

The apparent retention rate does not account for net changes to the school population caused by interstate and overseas migration, or students moving between school sectors.

The target in the 2019–20 Budget Papers was based on the higher of the two most recent years' performance at that time (2017 and 2018), rounded up to the next integer.

Table 18: Apparent retention rate (%) of public school students from Year 8 to Year 12, 2015 to 2019 ^{(a) (b)}

2015	2016	2017	2018	2019	Target for 2019–20
80.4	77.7	80.1	81.4	81.6	82

Source: *System and School Performance*

(a) Excludes Canning College and Tuart College students, part-time and international students, and mature-aged students at senior campuses.

(b) Semester 2 student census.

WACE achievement by Year 12 public school students

To achieve the Western Australian Certificate of Education (WACE) qualification, students must meet criteria established by the School Curriculum and Standards Authority. For 2019, students had to:

- demonstrate the Authority's minimum standards of literacy and numeracy
- complete at least 20 units (or equivalent) that met breadth and depth of study requirements
- complete at least four Year 12 Australian Tertiary Admission Rank (ATAR) courses or complete a certificate II (or higher) vocational education and training (VET) qualification
- achieve a grade of C or better in 14 course units (or equivalent) of which at least six must be completed in Year 12.

The WACE achievement rate shows the percentage of Year 12 students enrolled in a public school in Semester 2 who achieved the WACE qualification that same year. The rates for 2015 to 2019 are in [Table 19](#) with further breakdowns in [Appendix 3](#).

The introduction of higher requirements for WACE achievement affected results from 2016. From 2016, Year 12 students had to meet designated standards in reading, writing and numeracy through either the Year 9 National Assessment Program – Literacy and Numeracy (NAPLAN) or the School Curriculum and Standards Authority’s Online Literacy and Numeracy Assessment (OLNA) to achieve the WACE.

The target in the 2019–20 Budget Papers was based on the higher of the two most recent years’ performance at that time (2017 and 2018), rounded up to the next integer.

Table 19: WACE achievement rate (%) of Year 12 public school students 2015 to 2019 ^{(a) (b)}

2015	2016	2017	2018 ^(c)	2019	Target for 2019–20
87.7	79.8	79.5	80.5	80.7	81

Source: *System and School Performance*

(a) Year 12 full-time students in the Semester 2 student census.

(b) Year 12 WACE achievement data from the School Curriculum and Standards Authority and taken at a point in time. Data may be updated after this time for a variety of reasons such as students successfully appealing their results.

(c) A few registered training organisations did not complete VET certification for some public school students in time to be included in the 2018 data. This may have affected the data reported for 2018.

Student proficiency in reading and numeracy

The National Assessment Program – Literacy and Numeracy (NAPLAN) is conducted annually across all states and territories by the Australian Curriculum, Assessment and Reporting Authority.

Full cohorts of Year 3, 5, 7 and 9 students across the country undertake common tests in May.

This program provides valuable information for parents on their children’s achievements as well as useful information at school level and Australia-wide. The national and state/territory results are reported in the [2019 NAPLAN national report](#).

The key performance indicators for reading and numeracy are defined as the proportion of public school students in Years 3, 5, 7 and 9 achieving proficiency standards in NAPLAN Reading and Numeracy.

The proficiency standards were set by the Department based on provisional work conducted nationally. They represent challenging but reasonable reading and numeracy achievement expectations for a typical student in Years 3, 5, 7 or 9. Proficiency indicates students are on track to meet the curriculum expectations for the year level and assessment area. Proficiency standards are more challenging to achieve than national minimum standards and we consider them to be better indicators of the quality of students’ reading and numeracy skills.

Results for WA public school students for 2015 to 2019 are in [Table 20](#).

The targets in the 2019–20 Budget Papers were based on the higher of the two most recent years' performance at that time (2017 and 2018), rounded up to the next integer.

WA public school students' NAPLAN results are summarised [online](#) and in [Appendix 2](#) of this report.

Table 20: Percentage of Western Australian public school Year 3, 5, 7 and 9 students achieving proficiency standards in NAPLAN Reading and Numeracy, 2015 to 2019^(a)

	Assessment	2015	2016	2017	2018	2019	Target for 2019–20
Year 3	Reading	63.8	64.6	67.3	70.0	68.8	71
	Numeracy	60.9	63.5	67.6	69.2	68.8	70
Year 5	Reading	58.1	62.8	65.0	68.4	70.2	69
	Numeracy	61.4	62.2	64.5	66.3	66.1	67
Year 7 ^(b)	Reading	62.0	60.6	62.6	64.3	67.3	65
	Numeracy	52.8	58.7	61.1	62.1	64.1	63
Year 9	Reading	63.2	65.1	64.3	71.1	69.8	72
	Numeracy	64.0	63.8	65.3	70.5	67.8	71

Source: *System and School Performance*

(a) From 2018 NAPLAN began transitioning from pen and paper to online assessments.

(b) Year 7 became part of public school secondary education in Western Australia from 2015, having previously been part of primary education.

Efficiency indicators

Efficiency indicators show how efficiently we delivered our four services in 2019–20. The indicators have been calculated based on costs of services excluding any non-cash revaluation decrement, extraordinary asset write-offs and any other costs that are not related to the approved efficiency indicators.

Service 1: Public Primary Education

This service provides access to education in public schools for persons aged generally from four years and six months to 11 years and six months.

Cost per student full-time equivalents of public primary education

This indicator is the total cost of services for primary education in public schools divided by the average full-time equivalent of public school primary students across the two semesters of the financial year.

The 2019–20 result is higher than 2018–19 mainly due to:

- An increase in employee benefits expense due to salary cost growth in accordance with State Government’s Public Sector Wages Policy. An increase in leave liability expense also contributed to the higher expenditure and was due to a decrease in the discount rate for long service leave liabilities and the combined impact of an increase in leave accruing over the year and less leave being taken during the year due to employees deferring their leave in light of the COVID-19 travel restrictions.
- An increase in depreciation expenditure due primarily to the costs associated with Right-of-Use Assets following the introduction of AASB 16 Leases; higher building impairment expense due to fire and accident damage; and the accelerated depreciation for assets that were disposed of during the year.

The 2019–20 result is higher than the 2019–20 budget target primarily due to:

- Increased maintenance expenditure following the post budget announcement of the High Priority Maintenance and Minor Works program in September 2019.
- Additional depreciation expenditure associated with the impairment of various buildings damaged due to unforeseen events, such as fire; and the accelerated depreciation of assets that were disposed of during the year.
- An increase in leave liability expense due to a decrease in the discount rate for long service leave liabilities and the combined impact of an increase in leave accruing over the year and less leave being taken during the year due to employees deferring their leave in light of the COVID-19 travel restrictions.

Table 21: Cost (\$) per full-time equivalent student of public primary education 2017–18 to 2019–20 ^(a)

2017–18 ^(b)	2018–19	2019–20	Target for 2019–20
15,155	15,242	16,207	15,582

Source: *Education Business Services*

(a) Figures are not adjusted for inflation.

(b) The 2017–18 actual varies from what was published in our 2017–18 annual report due to a change in the calculation methodology as a result of the Department’s revised OBM reporting structure.

Service 2: Public Secondary Education

This service provides access to education in public schools for persons aged generally from 11 years and six months. It includes the provision of accommodation, care and services for students from rural and remote areas who have to board away from home to attend a public school.

Cost per student full-time equivalents of public secondary education

This indicator is the total cost of services for secondary education in public schools divided by the average full-time equivalent of public school secondary students across the two semesters of the financial year.

The 2019–20 result is higher than 2018–19 mainly due to:

- An increase in employee benefits expense due to salary cost growth in accordance with State Government’s Public Sector Wages Policy. An increase in leave liability expense also contributed to the higher expenditure and was due to a decrease in the discount rate for long service leave liabilities and the combined impact of an increase in leave accruing over the year and less leave being taken during the year due to employees deferring their leave in light of the COVID-19 travel restrictions.
- An increase in depreciation expenditure due primarily to the costs associated with Right-of-Use Assets following the introduction of AASB 16 Leases; higher building impairment expense due to fire damage; and the accelerated depreciation for assets that were disposed of during the year.

Table 22: Cost (\$) per full-time equivalent student of public secondary education 2017–18 to 2019–20 ^(a)

2017–18 ^(b)	2018–19	2019–20	Target for 2019–20
18,383	18,488	19,094	19,018

Source: *Education Business Services*

(a) Figures are not adjusted for inflation.

(b) The 2017–18 actual varies from what was published in our 2017–18 annual report due to a change in the calculation methodology as a result of the Department’s revised OBM reporting structure.

Service 3: Regulation and Non-Government Sector Assistance

This service provides regulatory and assistance services, as required by legislation or government policy, to support provision of quality services by non-government schools, universities and teachers across all Western Australian schools. It also includes the provision of accommodation, care and services for students from rural and remote areas who have to board away from home to attend a non-government school.

Cost of non-government school regulatory services per non-government school

This indicator shows the cost to the Department of regulatory services provided for non-government schools divided by the number of Independent non-government schools.

The higher 2019–20 result compared to the 2018–19 is due to a refinement in the cost allocation methodology in 2019–20, which resulted in an increased allocation of office accommodation costs.

The 2019–20 result is lower than the 2019–20 budget target due to lower than expected corporate costs associated with the delivery of regulatory services.

Table 23: Cost (\$) of non-government school regulatory services per non-government school 2017–18 to 2019–20 ^(a)

2017–18 ^(b)	2018–19	2019–20	Target for 2019–20
7,407	6,747	7,316	7,841

Source: *Education Business Services*

(a) Figures are not adjusted for inflation.

(b) Includes expenditure associated with the Training Accreditation Council secretariat function and staff which transferred to the Department of Training and Workforce Development on 1 January 2019.

Cost of teacher regulatory services per teacher

This indicator is the cost to the Department of providing secretariat support to the Teacher Registration Board of Western Australia divided by the number of registered teachers at 30 June.

The higher 2019–20 cost compared to 2018–19 and the 2019–20 budget target is as a result of the approved budget increase allocated during 2019–20 to meet the operational costs of increased activity associated with a large cohort of teachers' registrations falling due for renewal in the year. An increased allocation of office accommodation costs following a refinement in the cost allocation methodology also contributed to higher cost in 2019–20, compared to 2018–19.

Table 24: Cost (\$) of teacher regulatory services per teacher 2017–18 to 2019–20 ^(a)

2017–18 ^(b)	2018–19	2019–20	Target for 2019–20
95	110	132	109

Source: *Education Business Services*

(a) Figures are not adjusted for inflation.

(b) The 2017–18 actual varies from what was published in our 2017–18 annual report due to a change in the calculation methodology as a result of the Department's revised OBM reporting structure.

Service 4: Support to the School Curriculum and Standards Authority

This service provides resources to the School Curriculum and Standards Authority to assist it to perform its statutory functions under the *School Curriculum and Standards Authority Act 1997*.

Cost per student of support to the School Curriculum and Standards Authority

This indicator shows the cost to the Department of providing secretariat services to the Authority divided by the average full-time equivalent of all students across the two semesters of the financial year.

The 2019–20 result is lower than 2018–19 mainly due to a reduction in expenditure associated with NAPLAN markers fees, consultant fees and evaluation materials following the cancellation of NAPLAN testing in 2020.

Table 25: Cost (\$) per student of support to the School Curriculum and Standards Authority 2017–18 to 2019–20 ^(a)

2017–18	2018–19	2019–20	Target for 2019–20
76	77	73	75

Source: *Education Business Services*

(a) Figures are not adjusted for inflation.

Financial statements

The Department has pleasure in presenting its audited general purpose financial statements for the financial reporting period ended 30 June 2020 which provides users with the information about the Department's stewardship of resource entrusted to it. The financial information is presented in the following structure:

CONTENTS

Statement of Comprehensive Income.....	86
Statement of Financial Position	87
Statement of Changes in Equity	88
Statement of Cash Flows.....	89
Summary of Consolidated Account Appropriations	90
NOTE 1. BASIS OF PREPARATION.....	91
NOTE 2. DEPARTMENT OUTPUTS	93
2.1 Department objectives	93
2.2 Schedule of Income and Expenses by Service	94
2.3 Schedule of Assets and Liabilities by Service.....	95
NOTE 3. USE OF OUR FUNDING	96
3.1.1 Employee benefits expense.....	96
3.1.2 Employee related provisions.....	97
3.2 Grants and subsidies	99
3.3 Other expenses.....	100
3.4 Net loss on disposal of non-current assets.....	101
NOTE 4. OUR FUNDING SOURCES	102
4.1 Income from State Government.....	102
4.2 User contributions, charges and fees	103
4.3 Australian Government grants and contributions.....	104
4.4 Interest revenue	104
4.5 Other revenue	105
NOTE 5. KEY ASSETS.....	106
5.1 Property, plant and equipment.....	107
5.2 Right-of-use assets	112
5.3 Intangible assets	114
NOTE 6. OTHER ASSETS AND LIABILITIES	116
6.1 Receivables.....	116
6.2 Amounts receivable for services (Holding Account)	117
6.3 Other assets.....	117
6.4 Inventories.....	118

6.5 Payables	118
6.6 Other provisions	119
6.7 Other liabilities.....	119
NOTE 7. FINANCING.....	121
7.1 Borrowings	121
7.2 Leases.....	122
7.3 Assets pledged as security	123
7.4 Finance costs	123
7.5 Cash and cash equivalents.....	124
7.6 Commitments	126
NOTE 8. RISKS AND CONTINGENCIES.....	127
8.1 Financial risk management	127
8.2 Contingent assets and liabilities.....	133
8.3 Fair value measurements.....	134
NOTE 9. OTHER DISCLOSURES	137
9.1 Events occurring after the end of the reporting period.....	137
9.2 Initial application of Australian Accounting Standards.....	137
9.3 Future impact of Australian Accounting Standards not yet operative.....	140
9.4 Key management personnel	141
9.5 Related party transactions	142
9.6 Affiliated and related bodies.....	143
9.7 Special purpose accounts.....	143
9.8 Remuneration of auditors.....	146
9.9 Services provided free of charge	147
9.10 Non-current assets classified as held for sale	148
9.11 Equity	149
9.12 Supplementary financial information.....	150
9.13 Explanatory statement	150
9.14 Indian Ocean Territories.....	157
9.15 Disclosure of administered income and expenses	158
9.16 Explanatory statement for administered items.....	159
9.17 Administered assets and liabilities	159

STATEMENT OF COMPREHENSIVE INCOME

For the year ended 30 June 2020

	Notes	2019-20 \$'000	2018-19 \$'000
COST OF SERVICES			
Expenses			
Employee benefits expense	3.1.1	4,060,139	3,864,805
Supplies and services	3.3	961,522	901,290
Depreciation, amortisation and impairment expense	5.1.1, 5.2, 5.3.1	252,791	188,060
Grants and subsidies	3.2	31,545	33,177
Finance costs	7.4	31,225	30,881
Other expenses	3.3	21,895	476,272
Total cost of services		5,359,117	5,494,485
Income			
Revenue			
User contributions, charges and fees	4.2	115,927	135,423
Interest revenue	4.4	22,897	19,291
Other revenue	4.5	110,763	114,467
Australian Government grants and contributions	4.3	904,957	813,495
Total revenue		1,154,544	1,082,676
Total income other than income from State Government		1,154,544	1,082,676
NET COST OF SERVICES			
		4,204,573	4,411,809
Income from State Government			
	4.1		
Service appropriation		4,066,784	4,064,460
Grants from State Government Agencies		9,415	13,020
Services received free of charge		19,078	14,170
Royalties for Regions Fund		26,392	19,070
Total income from State Government		4,121,669	4,110,720
SURPLUS/(DEFICIT) FOR THE PERIOD		(82,904)	(301,089)
OTHER COMPREHENSIVE INCOME			
		-	-
TOTAL COMPREHENSIVE INCOME/(LOSS) FOR THE PERIOD		(82,904)	(301,089)

See also the 'Schedule of Income and Expenses by Service'.

The Statement of Comprehensive Income should be read in conjunction with the accompanying notes.

STATEMENT OF FINANCIAL POSITION

As at 30 June 2020

	Notes	2019-20 \$'000	2018-19 \$'000
ASSETS			
Current Assets			
Cash and cash equivalents	7.5.1	558,952	599,313
Restricted cash and cash equivalents	7.5.2	30,247	43,037
Amounts receivable for services	6.2	19,674	19,673
Inventories	6.4	6,442	6,936
Receivables	6.1	81,558	73,305
Other current assets	6.3	10,763	19,578
Non-current assets held for distribution to owner	9.10	3,499	3,547
Total Current Assets		711,135	765,389
Non-Current Assets			
Restricted cash and cash equivalents	7.5.2	61,323	41,188
Receivables	6.1	298,197	279,418
Amounts receivable for services	6.2	3,119,560	2,921,922
Property, plant and equipment	5.1	11,117,503	11,090,687
Right-of-use assets	5.2	293,225	-
Intangible assets	5.3	4,733	16,366
Total Non-Current Assets		14,894,541	14,349,581
TOTAL ASSETS		15,605,676	15,114,970
LIABILITIES			
Current Liabilities			
Payables	6.5	134,530	88,377
Borrowings	7.1	34,876	50,259
Lease liabilities	7.2	32,668	-
Employee related provisions	3.1.2	589,440	569,568
Other current liabilities	6.7	11,481	12,253
Total Current Liabilities		802,995	720,457
Non-Current Liabilities			
Payables	6.5	1,004	173
Borrowings	7.1	328,849	540,159
Lease liabilities	7.2	305,151	-
Employee related provisions	3.1.2	232,268	206,003
Other provisions	6.6	189	-
Total Non-Current Liabilities		867,461	746,335
TOTAL LIABILITIES		1,670,456	1,466,792
NET ASSETS		13,935,220	13,648,178
EQUITY			
	9.11		
Contributed equity		14,557,656	14,196,703
Reserves		-	-
Accumulated surplus/(deficit)		(622,436)	(548,525)
TOTAL EQUITY		13,935,220	13,648,178

See also the 'Schedule of Assets and Liabilities by Service'.
The Statement of Financial Position should be read in conjunction with the accompanying notes.

STATEMENT OF CHANGES IN EQUITY

For the year ended 30 June 2020

	Notes	Contributed equity \$'000	Accumulated surplus/(deficit) \$'000	Total equity \$'000
Balance at 1 July 2018	9.11	13,851,064	(238,044)	13,613,020
Changes in accounting policy ^(a)		-	(9,392)	(9,392)
Restated balance at 1 July 2018		13,851,064	(247,436)	13,603,628
Surplus/(deficit)		-	(301,089)	(301,089)
Other comprehensive income		-	-	-
Total comprehensive income for the period		-	(301,089)	(301,089)
<u>Transactions with owners in their capacity as owners:</u>				
Capital appropriations		275,880	-	275,880
Transfer of net assets from other agencies		-	-	-
Other contributions by owners		84,487	-	84,487
Distribution to owners		(14,728)	-	(14,728)
Total		345,639	-	345,639
Balance at 30 June 2019		14,196,703	(548,525)	13,648,178

	Notes	Contributed equity \$'000	Accumulated surplus/(deficit) \$'000	Total equity \$'000
Balance at 1 July 2019	9.11	14,196,703	(548,525)	13,648,178
Initial application of AASB 16		-	-	-
Initial application of AASB 15/1058		-	8,993	8,993
Restated balance at 1 July 2019		14,196,703	(539,532)	13,657,171
Surplus/(deficit)		-	(82,904)	(82,904)
Other comprehensive income		-	-	-
Total comprehensive income for the period		-	(82,904)	(82,904)
<u>Transactions with owners in their capacity as owners:</u>				
Capital appropriations		316,737	-	316,737
Transfer of net assets from other agencies		1,409	-	1,409
Other contributions by owners		42,917	-	42,917
Distribution to owners		(110)	-	(110)
Total		360,953	-	360,953
Balance at 30 June 2020		14,557,656	(622,436)	13,935,220

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

(a) Initial application of AASB 9 Financial Instruments.

STATEMENT OF CASH FLOWS

For the year ended 30 June 2020

	Notes	2019–20 \$'000	2018–19 \$'000
CASH FLOWS FROM STATE GOVERNMENT			
Service Appropriation		3,849,508	3,824,094
Capital Contribution		316,737	275,880
Holding Account Draw Downs		19,637	19,842
Royalties for Regions		69,309	103,557
Grants and Subsidies Income		9,600	12,909
Net cash provided by State Government		4,264,791	4,236,282
Utilised as follows:			
CASH FLOWS FROM OPERATING ACTIVITIES			
Payments			
Employee benefits expense		(3,952,490)	(3,842,592)
Supplies and services		(937,350)	(910,629)
Grants and subsidies		(31,732)	(32,276)
Finance costs ^(a)		(24,882)	(22,948)
GST payments on purchases		(134,857)	(132,130)
Loans advanced to non-government schools ^(a)		(51,406)	(46,264)
Other payments		(261)	(592)
Receipts			
User contributions, charges and fees		109,066	125,249
Australian Government grants and contributions		906,521	813,495
Interest received ^(a)		13,586	15,798
GST receipts on revenue		4,204	5,790
GST receipts from taxation authority		132,110	122,135
Repayments of loans by non-government schools		37,318	31,324
Other receipts		90,182	98,904
Net cash used in operating activities	7.5.3	(3,839,991)	(3,774,736)
CASH FLOW FROM INVESTING ACTIVITIES			
Payments			
Purchases of non-current physical assets		(428,202)	(416,991)
Receipts			
Receipts from sale of non-current physical assets		211	517
Net cash provided by/(used in) investing activities		(427,991)	(416,474)
CASH FLOW FROM FINANCING ACTIVITIES			
Payments			
Payment of lease liabilities		(43,529)	(18,986)
Repayment of borrowings		(37,702)	(31,420)
Receipts			
Proceeds from borrowings		51,406	46,264
Net cash used in financing activities		(29,825)	(4,142)
Net increase/(decrease) in cash and cash equivalents		(33,016)	40,930
Cash and cash equivalents at the beginning of the period		683,538	642,608
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	7.5.3	650,522	683,538

(a) 2018–19 Finance costs (previously \$27.48 million), loans advanced to non-government schools (previously \$42.38 million) and interest received (previously \$16.45 million) have been restated to recognise gross loans advanced to non-government schools. Net nil effect on 2018–19 net cash used in operating activities.

SUMMARY OF CONSOLIDATED ACCOUNT APPROPRIATIONS

For the year ended 30 June 2020

	2019–20 Budget Estimate \$'000	2019–20 Supplementary Funding \$'000	2019–20 Revised Budget \$'000	2019–20 Actual \$'000	2019–20 Variance \$'000
DELIVERY OF SERVICES					
Item 56 Net amount appropriated to deliver services	4,066,704	-	4,066,704	4,065,311	(1,393)
Amount authorised by other statutes					
<i>Salaries and Allowances Act 1975</i>	1,443	-	1,443	1,473	30
Total appropriations provided to deliver services	4,068,147	-	4,068,147	4,066,784	(1,363)
ADMINISTERED TRANSACTIONS					
Item 57 Amount provided for Administered Grants, Subsidies and Other Transfer Payments	451,873	-	451,873	451,873	-
CAPITAL					
Item 127 Capital Contribution	343,494	-	343,494	316,737	(26,757)
GRAND TOTAL	4,863,514	-	4,863,514	4,835,394	(28,120)

No supplementary income was received by the Department.

NOTES TO THE FINANCIAL STATEMENTS For the year ended 30 June 2020

NOTE 1. BASIS OF PREPARATION

The Department is a WA Government entity and is controlled by the State of Western Australia, which is the ultimate parent. The entity is a not-for-profit entity (as profit is not its principal objective).

A description of the nature of its operations and its principal activities have been included in the 'Overview' which does not form part of these financial statements.

These annual financial statements were authorised for issue by the Accountable Authority of the Department on 14 September 2020.

Statement of compliance

These general purpose financial statements have been prepared in accordance with:

1. *The Financial Management Act 2006* (FMA)
2. The Treasurer's Instructions (the Instructions or TI)
3. Australian Accounting Standards (AAS) including applicable interpretations
4. Where appropriate, those AAS paragraphs applicable for not-for-profit entities have been applied.

The *Financial Management Act 2006* and the Treasurer's Instructions (the Instructions) take precedence over AAS. Several AAS are modified by the Instructions to vary application, disclosure format and wording. Where modification is required and has had a material or significant financial effect upon the reported results, details of that modification and the resulting financial effect are disclosed in the notes to the financial statements.

Reporting entity

The reporting entity comprises the Department of Education including public schools and residential colleges across the State, central and regional offices, and the Business and Customer Services Centre.

Since 1 July 2017 a newly formed Department of Education, with responsibility for government and non-government education services brought together the operations of the Department of Education, Department of Education Services and the School Curriculum and Standards Authority.

While the School Curriculum and Standards Authority continues as a statutory authority under the *School Curriculum and Standards Authority Act 1997*, all staff of the three agencies became employees of the Department of Education. The Teacher Registration Board of Western Australia continued as a statutory entity.

Amalgamation of accounts

Financial information from 815 educational sites including 800 schools are amalgamated into the financial statements. The information provided by schools is generally drawn from accounts prepared on a cash basis with appropriate accrual information provided for the financial statements. All intra-entity transactions and balances between the Department and educational sites are eliminated.

Basis of preparation

These financial statements are presented in Australian dollars applying the accrual basis of accounting and using the historical cost convention. Certain balances will apply a different measurement basis (such as the fair value basis). Where this is the case the different measurement basis is disclosed in the associated note. All values are rounded to the nearest thousand dollars (\$'000).

Judgements and estimates

Judgements, estimates and assumptions are required to be made about financial information being presented. The significant judgements and estimates made in the preparation of these financial statements are disclosed in the notes where amounts affected by those judgements and/or estimates 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.

Significant judgements and estimates have been made to meet the requirements of the new standards AASB 15, AASB 16 and AASB 1058.

AASB 16:

Key judgements to be made for AASB 16 include identifying leases within contracts, determination whether there is reasonable certainty around exercising extension and termination options and, identifying whether payments are variable or fixed in substance.

Estimation uncertainty that may arise is the estimation of the lease term, determination of the appropriate discount rate to discount the lease payments and assessing whether the right-of-use asset needs to be impaired.

NOTES TO THE FINANCIAL STATEMENTS For the year ended 30 June 2020

Judgements and estimates (continued)

AASB 15:

Key judgements include determining the timing of revenue from contracts with customers in terms of timing of satisfaction of performance obligations and determining the transaction price and the amounts allocated to performance obligations.

Estimation uncertainty include determining the transaction prices (estimating variable consideration and measuring non-cash considerations), allocating the transaction price, including estimating stand-alone selling prices and allocating discounts and variable consideration.

AASB 1058:

Key judgements include determining the timing in the satisfaction of obligations and judgements used in determining whether funds are restricted.

Refer to Note 9.2 for the impact of the initial adoption and the practical expedients applied in the initial recognition.

Contributed equity

AASB Interpretation 1038 Contributions by Owners Made to Wholly-Owned Public Sector Entities requires transfers in the nature of equity contributions, other than as a result of a restructure of administrative arrangements, to be designated by the Government (the owner) as contributions by owners (at the time of, or prior, to transfer) before such transfers can be recognised as equity contributions. Capital appropriations have been designated as contributions by owners by TI 955 Contributions by Owners Made to Wholly Owned Public Sector Entities and have been credited directly to Contributed Equity.

The transfers of net assets to/from other agencies, other than as a result of a restructure of administrative arrangements, are designated as contributions by owners where the transfers are non-discretionary and non-reciprocal.

NOTES TO THE FINANCIAL STATEMENTS For the year ended 30 June 2020

NOTE 2. DEPARTMENT OUTPUTS

This section includes information regarding the nature of funding the Department receives and how this funding is utilised to achieve the Department's objectives. This note also provides the distinction between controlled funding and administered funding:

	Note
Department objectives	2.1
Schedule of Income and Expenses by Service	2.2
Schedule of Assets and Liabilities by Service	2.3

2.1 Department objectives

Mission

The Department's mission is to ensure school students across Western Australia have access to high quality education.

Services

The Department provides the following services:

Service 1: Public Primary Education

This service provides access to education in public schools for persons aged generally from four years and six months to 11 years and six months.

Service 2: Public Secondary Education

This service provides access to education in public schools for persons aged generally from 11 years and six months. It includes the provision of accommodation, care and services for students from rural and remote areas who have to board away from home to attend a public school.

Service 3: Regulation and Non-Government Sector Assistance

This service provides regulatory and assistance services, as required by legislation or government policy, to support provision of quality services by non-government schools, universities and teachers across Western Australia schools. It also includes the provision of accommodation, care and services for students from rural and remote areas who have to board away from home to attend a non-government school.

Service 4: Support to the School Curriculum and Standards Authority

This service provides resources to the School Curriculum and Standards Authority to assist it to perform its statutory functions under the *School Curriculum and Standards Authority Act 1997*.

NOTES TO THE FINANCIAL STATEMENTS For the year ended 30 June 2020

2.2 Schedule of Income and Expenses by Service

	Primary Education		Secondary Education		Regulation and Non-Government Sector Assistance		Support to the School Curriculum and Standards Authority		Total	
	2019-20 \$'000	2018-19 \$'000	2019-20 \$'000	2018-19 \$'000	2019-20 \$'000	2018-19 \$'000	2019-20 \$'000	2018-19 \$'000	2019-20 \$'000	2018-19 \$'000
COST OF SERVICES										
Expenses										
Employee benefits expense	2,426,145	2,310,996	1,593,960	1,513,443	19,873	22,722	20,161	17,644	4,060,139	3,864,805
Supplies and services	525,468	478,653	405,691	385,027	16,631	21,573	13,732	16,037	961,522	901,290
Depreciation and amortisation expense	146,377	106,587	103,820	80,625	2,563	848	31	-	252,791	188,060
Grants and subsidies	6,587	3,799	6,293	5,936	18,362	23,125	303	317	31,545	33,177
Finance costs	11,113	7,875	7,517	5,048	12,593	17,957	2	1	31,225	30,881
Other expenses	11,579	221,429	9,708	252,362	606	2,480	2	1	21,895	476,272
Total cost of services	3,127,269	3,129,339	2,126,989	2,242,441	70,628	88,705	34,231	34,000	5,359,117	5,494,485
Income										
User contributions, charges and fees	30,622	37,682	78,309	89,656	6,992	8,042	4	43	115,927	135,423
Interest revenue	1,441	2,724	1,986	3,338	19,470	13,227	-	2	22,897	19,291
Other revenue	63,837	68,063	43,114	46,046	740	227	3,072	131	110,763	114,467
Australian Government grants and contributions	568,673	522,347	317,572	277,667	18,712	13,481	-	-	904,957	813,495
Total income other than income from State Government	664,573	630,816	440,981	416,707	45,914	34,977	3,076	176	1,154,544	1,082,676
NET COST OF SERVICES	2,462,696	2,498,523	1,686,008	1,825,734	24,714	53,728	31,155	33,824	4,204,573	4,411,809
Income from State Government										
Service appropriation	2,381,581	2,301,768	1,630,475	1,681,958	23,900	49,496	30,828	31,238	4,066,784	4,064,460
Grants from State Government Agencies	2,555	6,915	5,626	5,649	1,234	456	-	-	9,415	13,020
Services received free of charge	11,659	8,665	7,294	5,381	59	74	66	50	19,078	14,170
Royalties for Regions Fund	15,124	10,710	9,671	6,850	1,597	1,510	-	-	26,392	19,070
Total income from State Government	2,410,919	2,328,058	1,653,066	1,699,838	26,790	51,536	30,894	31,288	4,121,669	4,110,720
SURPLUS/(DEFICIT) FOR THE PERIOD	(51,777)	(170,465)	(32,942)	(125,896)	2,076	(2,192)	(261)	(2,536)	(82,904)	(301,089)

The Schedule of Income and Expenses by Service should be read in conjunction with the accompanying notes.

NOTES TO THE FINANCIAL STATEMENTS For the year ended 30 June 2020

2.3 Schedule of Assets and Liabilities by Service

	Primary Education		Secondary Education		Regulation and Non-Government Sector Assistance		Support to the School Curriculum and Standards Authority		Total	
	2019-20 \$'000	2018-19 \$'000	2019-20 \$'000	2018-19 \$'000	2019-20 \$'000	2018-19 \$'000	2019-20 \$'000	2018-19 \$'000	2019-20 \$'000	2018-19 \$'000
ASSETS										
Current assets	352,049	386,176	309,504	333,894	46,551	45,081	3,031	238	711,135	765,389
Non-current assets	8,499,763	7,544,717	6,066,839	6,484,710	325,178	318,257	2,761	1,897	14,894,541	14,349,581
Total assets	8,851,812	7,930,893	6,376,343	6,818,604	371,729	363,338	5,792	2,135	15,605,676	15,114,970
LIABILITIES										
Current liabilities	465,687	413,849	295,324	262,791	39,625	41,719	2,359	2,098	802,995	720,457
Non-current liabilities	283,062	264,988	253,496	161,775	330,058	318,818	845	754	867,461	746,335
Total liabilities	748,749	678,837	548,820	424,566	369,683	360,537	3,204	2,852	1,670,456	1,466,792
NET ASSETS	8,103,063	7,252,056	5,827,523	6,394,038	2,046	2,801	2,588	(717)	13,935,220	13,648,178

The Schedule of Assets and Liabilities by Service should be read in conjunction with the accompanying notes.

NOTES TO THE FINANCIAL STATEMENTS For the year ended 30 June 2020

NOTE 3. USE OF OUR FUNDING

Expenses incurred in the delivery of services

This section provides additional information about how the Department's funding is applied and the accounting policies that are relevant for an understanding of the items recognised in the financial statements. The primary expenses incurred by the Department in achieving its objectives and the relevant notes are:

	Notes	2019-20 \$'000	2018-19 \$'000
Employee benefits expenses	3.1.1	4,060,139	3,864,805
Employee benefits provisions	3.1.2	821,708	775,571
Grants and subsidies	3.2	31,545	33,177
Other expenses	3.3	983,417	1,377,562

3.1.1 Employee benefits expense

	2019-20 \$'000	2018-19 \$'000
Salaries and allowances	3,644,030	3,460,062
Termination benefits	1,076	6,683
Superannuation - defined contribution plans ^(a)	358,161	344,010
Other employee-related expense ^(b)	56,872	54,050
Total employee benefits expense	4,060,139	3,864,805
Add: AASB 16 Non-monetary benefits	18,975	-
Less: Employee contributions	(16,773)	-
Net employee benefits	4,062,341	3,864,805

- (a) Defined contribution plans include GESB West State \$289.59 million, GESB Gold State \$33.07 million and other superannuation funds (contributions paid) and includes the superannuation contribution component relating to leave movement.
- (b) Includes furniture (staff relocation costs) and fringe benefits tax. In 2018-19, employee rental contributions (\$17.19 million) was included within this note. In 2019-20, employee rental contributions (\$16.77 million) has been reclassified, and now included within Note 4.5 'Other Revenue.'

Employment on-costs expenses, such as workers' compensation insurance are included in Note 3.3 'Other Expenses.'

Employee benefits

Includes wages, salaries and social contributions, paid annual leave and paid sick leave, profit-sharing and bonuses; and non-monetary benefits (such as medical care, housing, cars and free or subsidised goods or services) for current employees.

Termination benefits

Payable when employment is terminated before normal retirement date, or when an employee accepts an offer of benefits in exchange for the termination of employment. Termination benefits are recognised when the Department is demonstrably committed to terminating the employment of current employees according to a detailed formal plan without possibility of withdrawal or providing termination benefits as a result of an offer made to encourage voluntary redundancy. Benefits falling due more than 12 months after the end of the reporting period are discounted to present value.

Superannuation

The amount recognised in profit or loss of the Statement of Comprehensive Income comprises employer contributions paid to the GSS (concurrent contributions), the WSS, the GESB, or other superannuation funds. The employer contribution paid to the Government Employees Superannuation Board (GESB) in respect of the GSS is paid back into the Consolidated Account by the GESB.

GSS (concurrent contributions) is a defined benefit scheme for the purposes of employees and whole-of-government reporting. It is however a defined contribution plan for Department purposes because the concurrent contributions (defined contributions) made by the Department to GESB extinguishes the Department's obligations to the related superannuation liability.

NOTES TO THE FINANCIAL STATEMENTS For the year ended 30 June 2020

3.1.1 Employee benefits expense (continued)

Superannuation (continued)

The Department does not recognise any defined benefit liabilities because it has no legal or constructive obligation to pay future benefits relating to its employees. The Liabilities for the unfunded Pension Scheme and the unfunded GSS transfer benefits attributable to members who transferred from the Pension Scheme, are assumed by the Treasurer. All other GSS obligations are funded by concurrent contributions made by the Department to the GESB.

The GESB and other fund providers administer public sector superannuation arrangements in Western Australia in accordance with legislative requirements. Eligibility criteria for membership in particular schemes for public sector employees vary according to commencement and implementation dates.

AASB 16 Non-monetary benefits

Employee benefits in the form of non-monetary benefits, such as the provision of motor vehicles or housing, are measured at the cost.

3.1.2 Employee related provisions

Provision is made for benefits accruing to employees in respect of wages and salaries, annual leave and long service leave for services rendered up to the reporting date and recorded as an expense during the period the services are delivered.

	2019-20	2018-19
	\$'000	\$'000
Current		
<i>Employee related provisions</i>		
Annual leave ^(a)	31,449	27,297
Entitlement to payment during student vacation ^(b)	226,052	227,786
Long service leave ^(c)	296,072	280,974
Deferred salary scheme ^(d)	29,014	26,107
Remote teaching service ^(e)	6,853	7,404
	589,440	569,568
Non-current		
<i>Employee related provisions</i>		
Long service leave ^(c)	230,765	205,111
Remote teaching service ^(e)	1,503	892
	232,268	206,003
Total employee related provisions	821,708	775,571

(a) Annual leave liabilities

	2019-20	2018-19
	\$'000	\$'000
Within 12 months of the end of the reporting period	24,274	20,219
More than 12 months after the end of the reporting period	7,175	7,078
	31,449	27,297

Annual leave that is not expected to be settled wholly within 12 months after the end of the reporting period is considered to be 'other long-term employee benefits'. The annual leave liability is recognised and measured at the present value of amounts expected to be paid when the liabilities are settled using the remuneration rate expected to apply at the time of settlement.

When assessing expected future payments consideration is given to expected future wage and salary levels including non-salary components such as employer superannuation contributions, as well as the experience of employee departures and periods of service. The expected future payments are discounted using market yields at the end of the reporting period on national government bonds with terms to maturity that match, as closely as possible, the estimated future cash outflows.

The provision for annual leave is classified as a current liability as the Department does not have an unconditional right to defer settlement of the liability for at least 12 months after the end of the reporting period.

NOTES TO THE FINANCIAL STATEMENTS For the year ended 30 June 2020

3.1.2 Employee related provisions (continued)

(b) Entitlement to payment during student vacation

	2019-20 \$'000	2018-19 \$'000
Within 12 months of the end of the reporting period	226,052	227,786
	226,052	227,786

Entitlement to payment during student vacation is paid during the student vacation period for most school based staff employed under the Teachers Award, Teachers' Aides' Award and Education Department Ministerial Officer's Salaries and Allowances and Conditions Award, subject to meeting relevant conditions of the Award (including teachers, education assistants and some administration and school support staff).

The entitlement to payment during student vacation is used during the school vacations, leaving no balance at the end of the summer holidays (i.e. zero balance when school resumes at the start of each calendar year).

As at financial year end, the Department recognises a liability for the entitlement to payment during student vacation accrued during the current calendar school year (accrued daily) and not yet taken as at 30 June.

(c) Long service liabilities

	2019-20 \$'000	2018-19 \$'000
Within 12 months of the end of the reporting period	115,904	102,078
More than 12 months after the end of the reporting period	410,933	384,007
	526,837	486,085

A liability for long service leave is recognised across all employees using a short-hand approach which allows for the likelihood of payment, salary increases and a discount rate based on remuneration rates and bond yields current as at the end of the reporting period. The short-hand approach was not materially different from the liability determined using the present value of expected future payments. This calculation is consistent with the Department's experience of employee retention and leave utilisation

All long service leave provisions which are unconditional or expected to become unconditional within 12 months of the reporting date, plus all conditional long service leave provisions which are vested (i.e. the employee has met the age (55) or other criteria which allows early access) or will become vested within 12 months of the reporting date are classified as current liabilities. The remaining long service leave provisions are classified as non-current liabilities because the Department has an unconditional right to defer the settlement of the liability until the employee has completed the requisite criteria (e.g. age or years of service).

(d) Deferred salary scheme liabilities

	2019-20 \$'000	2018-19 \$'000
Within 12 months of the end of the reporting period	3,772	7,310
More than 12 months after the end of the reporting period	25,242	18,797
	29,014	26,107

The provision for deferred leave relates to Public Sector employees who have entered into an agreement to self-fund up to an additional 12 months leave in the fifth year of the agreement. The provision recognises the value of salary set aside for employees to be used in the fifth year. This liability is measured on the same basis as annual leave. Deferred leave is reported as a current provision as employees can leave the scheme at their discretion at any time.

NOTES TO THE FINANCIAL STATEMENTS For the year ended 30 June 2020

3.1.2 Employee related provisions (continued)

(e) Remote teaching service

	2019-20	2018-19
	\$'000	\$'000
Within 12 months of the end of the reporting period	3,510	3,567
More than 12 months after the end of the reporting period	4,846	4,729
	8,356	8,296

The provision for Remote Teaching Service leave relates to teaching staff who are working in remote and isolated communities within Western Australia. Employees who stay in the same remote location continuously for three years are entitled to an additional 10 weeks paid leave and those who remain in the same remote location continuously for four years are entitled to an additional 22 weeks paid leave. The provision recognises the value of salary set aside for employees. This liability is measured on the same basis as long service leave.

Employment on-costs

The settlement of annual and long service leave liabilities gives rise to the payment of employment on-costs including workers' compensation insurance. The provision is the present value of expected future payments.

Employment on-costs, including workers' compensation insurance, are not employee benefits and are recognised separately as liabilities and expenses when the employment to which they relate has occurred. Employment on-costs are included as part of 'Other expenses, and are not included as part of the Department's 'employee benefits expense'.

Key sources of estimation uncertainty – long service leave

Key estimates and assumptions concerning the future are based on historical experience and various other factors that have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities within the next financial year.

Several estimates and assumptions are used in calculating the Department's long service leave provision. These include:

- Expected future salary rates
- Discount rates
- Employee retention rates; and
- Expected future payments

Changes in these estimations and assumptions may impact on the carrying amount of the long service leave provision.

Any gain or loss following revaluation of the present value of long service leave liabilities is recognised as employee benefits expense.

3.2 Grants and subsidies

	2019-20	2018-19
	\$'000	\$'000
<u>Recurrent</u>		
Parents from public schools	2,455	2,426
Non-government schools and other organisations	29,090	30,751
Total grants and subsidies	31,545	33,177

Transactions in which the Department provides goods, services, assets (or extinguishes a liability) or labour to another party without receiving approximately equal value in return are categorised as 'Grant expenses'. Grants can either be operating or capital in nature.

Grants can be paid as general purpose grants which refer to grants that are not subject to conditions regarding their use. Alternatively, they may be paid as specific purpose grants which are paid for a particular purpose and/or have conditions attached regarding their use.

Grants and other transfers to third parties (other than contribution to owners) are recognised as an expense in the reporting period in which they are paid or payable. They include transactions such as: grants, subsidies, personal benefit payments made in cash to individuals, other transfer payments made to public sector agencies, local government, non-government schools, and community groups.

NOTES TO THE FINANCIAL STATEMENTS For the year ended 30 June 2020

3.3 Other expenses

	2019-20	2018-19
	\$'000	\$'000
Supplies and services		
Communication services	25,882	27,776
Consumables	4,178	3,005
Consumables - utilities	79,324	76,425
Equipment purchases (\$4,999 and below)	6,004	5,141
Insurance	67,694	68,835
Minor works	76,152	69,885
PPP - School maintenance costs	7,392	4,315
Repairs and maintenance	125,876	116,068
Service and contracts ^(a)	171,133	148,022
Service and contracts - property	35,618	34,805
Staff-related expense	3,317	4,052
Travel	6,403	6,504
Schools expenses	345,943	331,983
Other	6,606	4,474
Total supplies and services expenses	961,522	901,290

- (a) Included within service and contracts are short-term and low value leases of up to \$5,000. This excludes leases with another wholly-owned public sector entity lessor agency. Refer to Note 5.2 for aggregate short-term and low value leases expense.

Supplies and services

Supplies and services are recognised as an expense in the reporting period in which they are incurred. The carrying amounts of any materials held for distribution are expensed when the materials are distributed.

Repairs and maintenance

Repairs, maintenance and cleaning costs are recognised as expenses as incurred, except where they relate to the replacement of a significant component of an asset. In that case, the costs are capitalised and depreciated.

Employee on-cost

Employee on-cost includes workers' compensation insurance and other employment on-costs. The on-costs liability associated with the recognition of annual and long service leave liabilities is included at Note 3.1.2 'Employee related provisions'. Superannuation contributions accrued as part of the provision for leave are employee benefits and are not included in employment on-costs.

Expected credit losses expense

Expected credit losses is an allowance of trade receivables, measured at the lifetime expected credit losses at each reporting date. The most significant assumptions and judgements in estimating the expected credit losses include the assessment of credit risk, forecasted economic assumptions and probability of recovery. Please refer to Note 6.1.1. 'Movement in the allowance for impairment of trade receivables'.

NOTES TO THE FINANCIAL STATEMENTS For the year ended 30 June 2020

3.3 Other expenses (continued)

Other

Other operating expenses generally represent the day-to-day running costs incurred in normal operations.

	2019-20	2018-19
	\$'000	\$'000
Other expenditures		
Loss on disposal of non-current assets ^(a)	1,087	3,419
Write-off of intangibles (work in progress) ^(b)	13,100	-
Refund of prior period revenue	227	553
Asset revaluation decrement	-	468,447
Expected credit losses expense	7,447	3,822
Other expenditures	34	31
Total other expenditures	21,895	476,272
Total other expenses	983,417	1,377,562

(a) Refer to Note 3.4 Net loss on disposal of non-current assets for detailed breakdown.

(b) A write-off of intangibles (work in progress) relating to computer software development.

3.4 Net loss on disposal of non-current assets

	2019-20	2018-19
	\$'000	\$'000
<u>Carrying amount of disposal of non-current assets</u>		
Land	110	220
Buildings	392	1,189
Plant and equipment	282	986
Motor vehicles	2	422
Buses	65	105
Computers	49	289
Communication equipment	90	125
Office equipment	168	343
Library collections	80	75
Miscellaneous assets ^(a)	189	183
	1,427	3,937
<u>Proceeds from disposal of non-current assets</u>		
Land	110	220
Plant and equipment	71	112
Motor Vehicles	-	48
Buses	16	24
Computers	13	33
Communication equipment	22	14
Office equipment	38	35
Library collections	15	9
Miscellaneous assets	55	23
	340	518
Net loss on disposal of non-current assets	1,087	3,419

(a) Includes \$45,000 of intangibles disposed in 2019-20. Refer to Note 5.3.

Gains or losses

Realised and unrealised gains or losses are usually recognised on a net basis. These include gains or losses arising on the disposal of non-current assets and some revaluations of non-current assets.

NOTES TO THE FINANCIAL STATEMENTS For the year ended 30 June 2020

NOTE 4. OUR FUNDING SOURCES

How we obtain our funding

This section provides additional information about how the department obtains its funding and the relevant accounting policy notes that govern the recognition and measurement of this funding. The primary income received by the Department and the relevant notes are:

	Notes	2019–20 \$'000	2018–19 \$'000
Income from State Government	4.1	4,121,669	4,110,720
User contributions, charges and fees	4.2	115,927	135,423
Australian Government grants and contributions	4.3	904,957	813,495
Interest revenue	4.4	22,897	19,291
Other revenue	4.5	110,763	114,467

4.1 Income from State Government

	2019–20 \$'000	2018–19 \$'000
<u>Appropriation received during the period:</u>		
Service appropriation	4,066,784	4,064,460
	4,066,784	4,064,460
<u>Grants and subsidies received during the period:</u>		
State grants - recurrent*	9,415	13,020
	9,415	13,020
<u>Services received free of charge from other State government agencies during the period:</u>		
Department of Communities - Family centre operating costs	19	15
Department of Justice - Legal services	1,471	1,100
Department of Planning, Lands and Heritage - Data analysis	-	7
Department of Finance - Government accommodation	227	196
Department of Health - Online curriculum support materials, and funded teacher training	459	159
Landgate - Valuation services and land information data	325	183
Department of Primary Industries and Regional Development - Digital downloads	34	-
WA Child and Adolescent Health Service - School health services*	16,543	12,510
	19,078	14,170
<u>Royalties for Regions Fund:</u>		
Regional Community Services Fund	21,644	19,070
Regional Reform Fund**	4,748	-
	26,392	19,070
	4,121,669	4,110,720

* In 2019–20, WA Child and Adolescent Health Service revised the 2018–19 services received free of charge from \$12.51 million to \$15.65 million.

**In 2018–19, the Regional Reform Fund (\$3.37 million) was included within State grants – recurrent.

Service Appropriations are recognised as income at the fair value of consideration received in the period in which the Department gains control of the appropriated funds. The Department gains control of appropriated funds at the time those funds are deposited in the bank account or credited to the 'Amounts receivable for services' (holding account) held at Treasury. Service appropriations fund the net cost of services delivered (as set out in Note 2.2). Appropriation revenue comprises the following:

- Cash component; and
- A receivable (asset).

Assets transferred from other parties are recognised as income at fair value when the assets are transferred.

NOTES TO THE FINANCIAL STATEMENTS For the year ended 30 June 2020

4.1 Income from State Government (continued)

The **Regional Infrastructure and Headworks Account, and Regional Community Services Accounts** are sub-funds within the over-arching 'Royalties for Regions Fund'. The recurrent funds are committed to projects and programs in WA regional areas and are recognised as income when the Department receives the funds. The Department has assessed Royalties for Regions agreements and concludes that they are not within the scope of AASB 15 as they do not meet the 'sufficiently specific' criterion.

The application of AASB 15 and AASB 1058 from 1 July 2019 has had no impact on the treatment of income from State Government.

Assets and services received free of charge or for nominal value

Assets or services received free of charge or for nominal cost, that the Department would otherwise purchase if not donated, are recognised as income at the fair value of the assets or services where they can be reliably measured. A corresponding expense is recognised for services received. Receipts of assets are recognised in the Statement of Financial Position. Assets or services received from other State Government agencies are separately disclosed under Income from State Government in the Statement of Comprehensive Income.

4.2 User contributions, charges and fees

	2019-20	2018-19
	\$'000	\$'000
<u>Schools</u>		
Contributions, charges and fees	97,986	114,509
	97,986	114,509
<u>Central Office</u>		
Agricultural schools fees	2,384	3,344
Other charges and fees	15,557	17,570
	17,941	20,914
Total user contributions, charges and fees	115,927	135,423

Until 30 June 2019, revenue was recognised and measured at the fair value of consideration received or receivable.

From 1 July 2019, revenue is recognised at the transaction price when the Department transfers control of the services to customers. Revenue is recognised for the major activities as follows:

Contributions, charges and fees (schools and central office)

Revenue is recognised when the agency transfers control of services to a customer for the amount to which the agency expects to be entitled. Under AASB 15, these are predominantly to be recognised at a point in time when performance obligations are satisfied.

Net appropriation determination

The Treasurer may make a determination providing for prescribed receipts to be retained for services under the control of the Department. In accordance with the determination specified in the 2019-20 Budget Statements, the Department retained \$1,292.99 million in 2019-20 (\$1,213.35 million in 2018-19) from the following:

- User contributions, charges and fees (excluding user contributions, and fees and charges in respect of schools);
- Australian Government specific purpose grants and contributions; and
- Other departmental revenue.

NOTES TO THE FINANCIAL STATEMENTS For the year ended 30 June 2020

4.3 Australian Government grants and contributions

	2019-20 \$'000	2018-19 \$'000
Central office		
Australian Government grants - recurrent	900,521	806,460
Australian Government grants - capital	3,495	5,500
	904,016	811,960
Schools		
Australian Government grants - recurrent	823	1,535
Australian Government grants - capital	118	-
	941	1,535
Total Australian Government grants and contributions	904,957	813,495

Until 30 June 2019, income from Australian Government grants is recognised at fair value when the grant is receivable.

From 1 July 2019, recurrent Australian Government grants are recognised as income when the grants are receivable.

Australian Government contributions

Where Australian Government specific purpose funding is received, contributions received are deferred and revenue is recognised when or as the performance obligation is satisfied.

Capital grants

Income is recognised at the fair value of the consideration received to the extent the obligations for asset acquisition or construction specified in the grant are satisfied.

4.4 Interest revenue

	2019-20 \$'000	2018-19 \$'000
Interest revenue	3,518	6,066
Loan interest revenue	19,379	13,225
	22,897	19,291

Loan interest revenue amount reflects the interest charged and receivable from low interest loans to non-government schools and University of Notre Dame Australia (UNDA). In 2019-20 loans to the value of \$51.40 million were advanced to non-government schools and UNDA. Interest has been calculated using the effective interest rate method in compliance with AASB 9. Participating institutions repay financial costs applicable to their loans, with the balance of the interest rate charged (see Note 7.4 Finance Costs) being met by a government appropriation.

NOTES TO THE FINANCIAL STATEMENTS For the year ended 30 June 2020

4.5 Other revenue

	2019-20	2018-19
	\$'000	\$'000
<u>Schools</u>		
Bookshops and canteens	4,396	4,381
Donations to schools	18,002	21,129
Hire of facilities ^(a)	2,495	3,086
Lease income ^(a)	6,401	6,414
Other revenue	21,353	20,112
Total other revenue - Schools	52,647	55,122
<u>Central office</u>		
<u>Capital contributions and recoveries</u>		
Developer contributions	2,664	7,161
	2,664	7,161
<u>Other</u>		
Recoveries and refunds	21,701	26,482
Sale of goods and services	13,584	15,427
Employee rental contributions ^(b)	16,773	-
Other miscellaneous revenue	3,394	10,275
	55,452	52,184
Total other revenue - Central office	58,116	59,345
Total other revenue	110,763	114,467

(a) Hire facilities for 2018-19 has been restated (previously \$9.50 million) with \$6.41 million now included within lease income (previously \$0).

(b) In 2018-19, employee rental contributions (\$17.19 million) was included within Note 3.1.1 under 'Other employee-related expense.' In 2019-20, employee rental contributions (\$16.77m) has been reclassified, and is now included within this note.

Other revenue

Other revenue is recognised in the accounting period in which the relevant performance obligations has been satisfied.

NOTES TO THE FINANCIAL STATEMENTS For the year ended 30 June 2020

NOTE 5. KEY ASSETS

Assets the Department utilises for economic benefit or service potential

This section includes information regarding the key assets the Department utilises to gain economic benefits or provide service potential. The section sets out both the key accounting policies and financial information about the performance of these assets:

	Notes	2019-20 \$'000	2018-19 \$'000
Property, plant and equipment	5.1	11,117,503	11,090,687
Right-of-use assets	5.2	293,225	-
Intangibles	5.3	4,733	16,366
Total key assets		11,415,461	11,107,053

NOTES TO THE FINANCIAL STATEMENTS For the year ended 30 June 2020

5.1 Property, plant and equipment

	Carrying amount at 1 Jul 2018	Additions	Disposals	Transferred to land & buildings held for distribution to owner ^(a)	Transferred to/from works in progress	Depreciation	Transfers/ Adjustments/ Write- offs/ Revaluation tfr to Income Stat't	Carrying amount at 30 Jun 2019
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
2018-19								
Land	3,750,637	3,975	(220)	(96)	21,132	-	(101,476)	3,673,952
Buildings	7,141,904	46,814	(1,189)	-	251,009	(145,292)	(362,977)	6,930,269
Leased buildings PPP	117,052	64,039	-	-	365	(1,887)	(17,832)	161,737
Plant and equipment	13,321	3,486	(986)	-	-	(4,922)	1	10,900
Leased plant and equipment	85	-	-	-	-	(21)	-	64
Motor vehicles	1,230	148	(422)	-	-	(728)	(29)	199
Leased motor vehicles	183	227	-	-	-	(161)	61	310
Buses	4,638	1,666	(105)	-	-	(1,463)	-	4,736
Leased buses	59	-	-	-	-	-	(59)	-
Computers	5,185	2,686	(289)	-	-	(3,289)	(170)	4,123
Communication equipment	435	339	(125)	-	-	(571)	-	78
Office equipment	7,217	2,414	(343)	-	-	(2,990)	-	6,298
Leased office equipment	31,236	17,686	-	-	-	(15,578)	(558)	32,786
Library collections	35,155	6,642	(75)	-	-	(9,256)	(7)	32,459
Miscellaneous assets	4,090	476	(183)	-	-	(638)	9	3,754
Capital works in progress	152,679	348,850	-	-	(272,506)	-	(1)	229,022
Total	11,265,106	499,448	(3,937)	(96)	-	(186,796)	(483,038)	11,090,687

(a) The Department of Planning, Lands and Heritage (DPLH) is the only Department with the power to sell Crown land. The land is transferred to DPLH for sale and the Department accounts for the transfer as a distribution to owner.

Information on fair value measurements is provided in Note 8.3

NOTES TO THE FINANCIAL STATEMENTS For the year ended 30 June 2020

5.1 Property, plant and equipment (continued)

	Carrying amount at 30 June 2019	Adjustment for change in accounting policy - AASB 16 ^(a)	Restated opening carrying amount at 1 Jul 2019	Additions	Disposals	Transferred to land & buildings held for distribution to owner ^(b)	Transferred from land & buildings held for distribution to owner	Transferred to/from works in progress	Impairment losses ^(c)	Depreciation	Transfers/ Adjustments/ Write-offs/ Revaluation tfr ^(d) to Income Stat't	Carrying amount at 30 Jun 2020
	\$'000			\$'000	\$'000	\$'000	\$'000	\$'000		\$'000	\$'000	\$'000
2019-20												
Land	3,673,952	-	3,673,952	-	(110)	(7)	55	29,572	-	-	(13)	3,703,449
Buildings	6,930,269	-	6,930,269	48,749	(392)	-	-	373,862	(18,282)	(168,882)	106	7,165,430
Leased buildings PPP	161,737	(161,737)	-	-	-	-	-	-	-	-	-	-
Plant and equipment	10,900	-	10,900	5,964	(282)	-	-	-	-	(4,518)	(10)	12,054
Leased plant and equipment	64	(64)	-	-	-	-	-	-	-	-	-	-
Motor vehicles	199	-	199	1,251	(2)	-	-	-	-	(519)	(2)	927
Leased motor vehicles	310	(310)	-	-	-	-	-	-	-	-	-	-
Buses	4,736	-	4,736	2,027	(65)	-	-	-	-	(941)	-	5,757
Leased buses	-	-	-	-	-	-	-	-	-	-	-	-
Computers	4,123	-	4,123	3,444	(49)	-	-	-	-	(3,296)	(17)	4,205
Communication equipment	78	-	78	964	(90)	-	-	-	-	(552)	1	401
Office equipment	6,298	-	6,298	4,487	(168)	-	-	-	-	(3,085)	1	7,533
Leased office equipment	32,786	(32,786)	-	-	-	-	-	-	-	-	-	-
Library collections	32,459	-	32,459	6,389	(80)	-	-	-	-	(9,824)	1	28,945
Miscellaneous assets	3,754	-	3,754	848	(144)	-	-	-	-	(592)	5	3,871
Capital works in progress	229,022	-	229,022	359,345	-	-	-	(403,434)	-	-	(2)	184,931
Total	11,090,687	(194,897)	10,895,790	433,468	(1,382)	(7)	55	-	(18,282)	(192,209)	70	11,117,503

(a) The application of AASB 16 has resulted in the reclassification of finance leased assets to right-of-use assets.

(b) The Department of Planning, Lands and Heritage (DPLH) is the only Department with the power to sell Crown land. The land is transferred to DPLH for sale and the Department accounts for the transfer as a distribution to owner.

(c) Refer to Note 5.1.1 for impairment loss details.

(d) The indices for land, buildings, and school infrastructure moved by less than 10% since the last revaluation and accordingly no revaluation adjustment for the year ended 30 June 2020.

Information on fair value measurements is provided in Note 8.3

NOTES TO THE FINANCIAL STATEMENTS For the year ended 30 June 2020

5.1 Property, plant and equipment (continued)

Initial recognition

Items of property, plant and equipment, costing \$5,000 or more are measured initially at cost. Where an asset is acquired for no or nominal cost, the cost is valued at its fair value at the date of acquisition. Items of property, plant and equipment and infrastructure costing less than \$5,000 are immediately expensed direct to the Statement of Comprehensive Income (other than where they form part of a group of similar items which are significant in total).

Assets transferred as part of a machinery of government change are transferred at their fair value.

The cost of a leasehold improvement is capitalised and depreciated over the shorter of the remaining term of the lease or the estimated useful life of the leasehold improvement.

Subsequent measurement

Subsequent to initial recognition as an asset, the revaluation model is used for the measurement of land, buildings and school infrastructure and historical cost for all other property, plant and equipment. Buildings and school infrastructure are carried at fair value less accumulated depreciation and accumulated impairment loss. Land is carried at fair value. All other items of property, plant and equipment are stated at historical cost less accumulated depreciation and accumulated impairment losses.

Where market-based evidence is available, the fair value of land and buildings is determined on the basis of current market values determined by reference to recent market transactions. When buildings are revalued by reference to recent market transactions, the accumulated depreciation is eliminated against the gross carrying amount of the asset and the net amount restated to the revalued amount.

In the absence of market-based evidence, fair value of land and buildings, including building subclasses (school infrastructure) is determined on the basis of existing use. This normally applies where buildings are specialised or where land use is restricted. Fair value for existing use buildings is determined by reference to the cost of replacing the remaining future economic benefits embodied in the asset, i.e. the depreciated replacement cost. Where the fair value of buildings is determined on the depreciated replacement cost basis, the accumulated depreciation is eliminated against the gross carrying amount of the asset and the net amount restated to the revalued amount. Fair value for restricted use land is determined by comparison with market evidence for land with similar approximate utility (high restricted use land) or market value of comparable unrestricted land (low restricted use land).

School infrastructure consists of roads, foot paths and paved areas, boundary walls, fences and gates, soft landscaping, and external services. Information from the quantity surveyor engaged by the Department, previous analysis of school infrastructure, and a cross reference to industry cost guide publication is considered to estimate the building replacement cost for school infrastructure.

Land and Buildings are measured at fair value on a cyclical basis, consistent with TI 954 Revaluation of Non-Current Physical Assets, issued by the Department of Treasury. The last revaluation for land, buildings and school infrastructure was effective for the year ended 30 June 2019, carried out by the Western Australian Land Information Authority (Landgate).

Effective 1 July 2019, the Department reviewed the frequency to revalue land, buildings and school infrastructure annually to every three years. Any interim revaluations are determined by applying relevant industry indices to determine if fair values adjustments are required. In a non-revaluation year, land, buildings and school infrastructure are measured at each reporting date by applying cumulative Western Australia industry indices from the Australian Bureau of Statistics (ABS) since the last revaluation as follows:

- less than 10% - the carrying amount is not updated as the movement is immaterial;
- between 10% and 20% - the carrying amount is adjusted based on relevant indices; and
- more than 20% - a comprehensive revaluation is performed regardless of when the last comprehensive revaluation was performed.

A full revaluation normally occurs every three years but may occur more frequently if fair value assessments indicate material changes in values. Independent valuers are generally used to conduct these scheduled revaluations.

The most significant assumptions and judgements in estimating fair value are made in assessing whether to apply the existing use basis to assets and in determining estimated economic life. Professional judgement by the valuer is required where the evidence does not provide a clear distinction between market type assets and existing use assets.

NOTES TO THE FINANCIAL STATEMENTS For the year ended 30 June 2020

5.1 Property, plant and equipment (continued)

Key sources of estimation uncertainty – Valuation of building sub-classes

The Department recognises building sub-classes (school infrastructure) comprising roads, footpaths and paved areas; boundary walls, fencing and gates; soft landscaping and external services from an independent quantity surveyor as determined by the Department's valuer. Currently the value for each sub-class is determined by applying the appropriate disclosed rate per square metre to the gross floor area of the individual school. An appropriate unit rate per square metre is determined by the Department's valuer using, but not limited to such information as building periodicals, Departmental data and analysis of tender results from Department of Finance - Building Management and Works. When determining depreciated replacement cost the effective age for the school buildings is currently used. The carrying amounts of the building sub-classes (school infrastructure) included in the 2019–20 financial statements is \$1.51 billion (2018–19: \$1.55 billion). This is within the total buildings of \$7.16 billion (2018–19: \$6.93 billion).

The interest rate used to estimate the value of assets and liabilities under the PPP arrangement is 6.79%.

5.1.1 Depreciation and impairment

Depreciation charge for the period

	2019–20	2018–19
	\$'000	\$'000
<u>Depreciation</u>		
Buildings	168,882	145,292
Plant and equipment	4,518	4,922
Motor vehicles	519	728
Buses	941	1,463
Computers	3,296	3,289
Communication equipment	552	571
Office equipment	3,085	2,990
Library collections	9,824	9,256
Miscellaneous assets	592	638
Leased buildings PPP*	-	1,887
Leased plant and equipment*	-	21
Leased office equipment*	-	15,578
Leased buses*	-	-
Leased motor vehicles*	-	161
Total depreciation	192,209	186,796

*Lessees were required to classify leases as either finance leases or operating leases until 30 June 2019. From 1 July 2019, at the commencement date, lessees are required to recognise leases as right-of-use assets.

Impairment charge for the period

	2019–20	2018–19
	\$'000	\$'000
<u>Impairment</u>		
Buildings ^(a)	18,282	-
Total impairment	18,282	-

(a) The majority of the impairment charge relates to fire damage at Gingin District High School, East Kimberley College, Tom Price Primary School and Broome Primary School.

Finite useful lives

All non-current assets having a limited useful life are systematically depreciated over their estimated useful lives in a manner that reflects the consumption of their future economic benefits.

In calculating depreciation for buildings, (including the infrastructure sub-class), the Department deems the economic life of the asset (as assessed by the valuer) to be the useful life of the asset. The asset is then depreciated on a straight line basis over its economic life.

NOTES TO THE FINANCIAL STATEMENTS For the year ended 30 June 2020

5.1.1 Depreciation and impairment (continued)

Depreciation is calculated using the straight line method, using rates which are reviewed annually. Estimated useful lives for each class of depreciable assets are:

Buildings	40 to 80	Years
Communication equipment	5	Years
Computers	4	Years
Furniture and fittings	10	Years
Motor vehicles	5	Years
Buses	10	Years
Musical instruments	8 to 12	Years
Office equipment	5 to 8	Years
Plant and equipment	8	Years
Transportables	16	Years
Software	4	Years
Library collections	Four to five years with 100% depreciation at the end of the fifth year, or in the sixth year respectively after acquisition.	

Works of art controlled by the Department are classified as property, plant and equipment. These are anticipated to have indefinite useful lives. Their service potential has not, in any material sense, been consumed during the reporting period and consequently no depreciation has been recognised.

Land is not depreciated.

Transportables are included in buildings.

Furniture and fittings, and musical instruments are included within miscellaneous assets.

Impairment

Non-financial assets, including items of plant and equipment, are tested for impairment whenever there is an indication that the asset may be impaired. Where there is an indication of impairment, the recoverable amount is estimated. Where the recoverable amount is less than the carrying amount, the asset is considered impaired and is written down to the recoverable amount and an impairment loss is recognised.

Where an asset measured at cost is written down to its recoverable amount, an impairment loss is recognised through profit or loss.

Where a previously revalued asset is written down to its recoverable amount, the loss is recognised as a revaluation decrement through other comprehensive income.

As the Department is a not-for-profit agency, the recoverable amount of regularly revalued specialised assets is anticipated to be materially the same as fair value.

If there is an indication that there has been a reversal in impairment, the carrying amount shall be increased to its recoverable amount. However, this reversal should not increase the asset's carrying amount above what would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised in prior years.

The risk of impairment is generally limited to circumstances where an asset's depreciation is materially understated, where the replacement cost is falling or where there is a significant change in useful life. Each relevant class of assets is reviewed annually to verify that the accumulated depreciation/amortisation reflects the level of consumption or expiration of the asset's future economic benefits and to evaluate any impairment risk from declining replacement costs.

NOTES TO THE FINANCIAL STATEMENTS For the year ended 30 June 2020

5.2 Right-of-use assets

	Carrying amount at 30 Jun 2019	Recognition of right-of-use assets on initial application of AASB 16 ^(a)	Restated opening carrying amount at 1 Jul 2019	Additions	Disposals	Transfers	Impairment losses	Depreciation	Carrying amount at the end of the period
	\$'000			\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
2019–20									
Land	-	2,898	2,898	-	-	-	-	(416)	2,482
Buildings	-	28,400	28,400	5,290	-	-	-	(18,546)	15,144
Buildings PPP	-	161,737	161,737	88,955	-	602	-	(2,715)	248,579
Motor vehicles	-	5,804	5,804	2,035	(28)	-	-	(2,370)	5,441
Other	-	32,849	32,849	5,888	-	2	-	(17,160)	21,579
Total	-	231,688	231,688	102,168	(28)	604	-	(41,207)	293,225

(a) The application of AASB 16 has resulted in the reclassification of finance leased assets to right-of-use assets.

NOTES TO THE FINANCIAL STATEMENTS For the year ended 30 June 2020

5.2 Right-of-use assets (continued)

Initial recognition

Right-of-use assets are measured at cost including the following:

- the amount of the initial measurement of lease liability
- any lease payments made at or before the commencement date less any lease incentives received
- any initial direct costs, and
- restoration costs, including dismantling and removing the underlying asset.

This includes all leased assets other than investment property ROU assets, which are measured in accordance with AASB 140 Investment Property.

The Department has elected not to recognise right-of-use assets and lease liabilities for short-term leases (with a lease term of 12 months or less) and low value leases (with an underlying value of \$5,000 or less). Lease payments associated with these leases are expensed over a straight-line basis over the lease term.

Subsequent measurement

The cost model is applied for subsequent measurement of right-of-use assets, requiring the asset to be carried at cost less any accumulated depreciation and accumulated impairment losses and adjusted for any re-measurement of lease liability.

Depreciation and impairment of right-of-use assets

Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the underlying assets.

If ownership of the leased asset transfers to the Department at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

Right-of-use assets are tested for impairment when an indication of impairment is identified. The policy in connection with testing for impairment is outlined in Note 5.1.1.

The following amounts relating to leases have been recognised in the statement of comprehensive income:

	2019–20	2018–19
	\$'000	\$'000
Land	416	-
Buildings	18,546	-
Buildings PPP	2,715	-
Vehicles	2,370	-
Other	17,160	-
Total depreciation expense of right-of-use assets	41,207	
Lease interest expense	18,646	-
Short-term leases	289	-
Low-value leases	1,085	-

The total cash outflow for leases in 2019–20 was \$57.2 million.

The Department's leasing activities and how these are accounted for:

The Department has leases for mostly vehicles, computer equipment, private public partnership schools and residential accommodations.

The Department has entered into a Memorandum of Understanding Agreements (MOU) with the Department of Finance for the leasing of office accommodation. These are not recognised under AASB 16 because of substitution rights held by the Department of Finance and are accounted for as an expense as incurred.

The Department also has open ended leases with Government Regional Officer Housing (GROH), where either party may exit the agreement with limited penalty. As the agreements work on a month-to-month 'extension' basis, the lessee and lessor can elect to not continue extending the arrangement. As a result, under AASB 16, there is no non-cancellable period that gives right to specific rights and obligations, and are therefore accounted for as an expense as incurred.

NOTES TO THE FINANCIAL STATEMENTS For the year ended 30 June 2020

5.2 Right-of-use assets (continued)

Up to 30 June 2019, the Department classified lease as either finance leases or operating leases. From 1 July 2019, the Department recognises leases as right-of-use assets and associated lease liabilities in the Statement of Financial Position.

The corresponding lease liabilities in relation to these right-of-use assets have been disclosed in Note 7.2.

5.3 Intangible assets

	2019-20 \$'000	2018-19 \$'000
Computer software		
At cost - central office	10,645	10,800
At cost - schools	167	173
Accumulated amortisation	(9,721)	(8,744)
	1,091	2,229
Work in progress - Intangible internally generated ^(a)	3,642	14,137
	4,733	16,366
Reconciliations:		
Computer software		
Carrying amount at start of period	2,229	3,290
Additions	-	203
Disposal	(45)	-
Amortisation expense	(1,093)	(1,264)
Carrying amount at end of period	1,091	2,229
Work in progress - Intangible internally generated ^(a)	3,642	14,137
	4,733	16,366

(a) Refer to Note 3.3 'Other Expenses' for further information.

Initial recognition

Intangible assets are initially recognised at cost. For assets acquired at no cost or for nominal cost, the cost is their fair value at the date of acquisition.

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

- the technical feasibility of completing the intangible asset so that it will be available for use or sale;
- an intention to complete the intangible asset, and use or sell it;
- the ability to use or sell the intangible asset;
- the intangible asset will generate probable future economic benefit;
- the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset; and
- the ability to measure reliably the expenditure attributable to the intangible asset during its development.

Acquisitions of intangible assets costing \$50,000 or more and internally generated intangible assets costing \$50,000 or more that comply with the recognition criteria as per AASB 138.57 (as noted above), are capitalised.

Costs incurred below these thresholds are immediately expensed directly to the Statement of Comprehensive Income.

Costs incurred in the research phase of a project are immediately expensed.

Subsequent measurement

The cost model is applied for subsequent measurement of intangible assets, requiring the asset to be carried at cost less any accumulated amortisation and accumulated impairment losses.

NOTES TO THE FINANCIAL STATEMENTS For the year ended 30 June 2020

5.3.1 Amortisation and impairment

Charge for the period

	2019-20	2018-19
	\$'000	\$'000
<u>Amortisation</u>		
Intangible assets	1,093	1,264
Total amortisation	1,093	1,264

As at 30 June 2020 there were no indications of impairment to intangible assets.

The Department held no goodwill or intangible assets with an indefinite useful life during the reporting period. At the end of the reporting period there were no intangible assets not yet available for use.

Amortisation of finite life intangible assets is calculated on a straight line basis at rates that allocate the asset's value over its estimated useful life. All intangible assets controlled by the Department have a finite useful life and zero residual value. Estimated useful lives are reviewed annually.

The estimated useful lives for each class of intangible asset are:

Software	4	Years
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Impairment of intangible assets

The Department's central office and regional offices test intangible assets with an indefinite useful life and intangible assets not yet available for use for impairment at the end of each reporting period irrespective of whether there is any indication of impairment. Schools test intangible assets each year for indication of impairment.

Key sources of estimation uncertainty – Impairment of intangible assets

Central office, regional offices and schools assess impairment of intangible assets at the end of each reporting period. The impact of impairment of intangible assets in schools is minimal. Where there is an indication of impairment (such as falling replacement costs), the recoverable amount of the intangible asset is estimated. Calculations performed in assessing recoverable amounts incorporate a number of key estimates.

NOTES TO THE FINANCIAL STATEMENTS For the year ended 30 June 2020

This section sets out those assets and liabilities that arose from the Department's controlled operations and includes other assets utilised for economic benefits and liabilities incurred during normal operations:

NOTE 6. OTHER ASSETS AND LIABILITIES

	Notes	2019-20 \$'000	2018-19 \$'000
Receivables	6.1	379,755	352,723
Amounts receivable for services	6.2	3,139,234	2,941,595
Other current assets	6.3	10,763	19,578
Inventory	6.4	6,442	6,936
Payables	6.5	135,534	88,550
Other provisions	6.6	189	-
Other liabilities	6.7	11,481	12,253

6.1 Receivables

	2019-20 \$'000	2018-19 \$'000
<u>Current</u>		
Trade receivables	44,516	33,732
Loans to non-government schools and UNDA ^(a)	34,876	31,980
Allowance for impairment of receivables	(14,474)	(10,362)
GST receivable	16,640	17,955
	81,558	73,305
<u>Non-current</u>		
Loans to non-government schools and UNDA ^(a)	298,197	279,418
	298,197	279,418

(a) Loans to non-government schools and UNDA.

The Department is required to report the value of subsidised loans it provides to non-government schools and the UNDA, in accordance with AASB 9. The loans are measured at amortised cost and have a maturity term not exceeding 15 years, as per the Low Interest Loan Scheme (LILS) guidelines. These loans are not held for trading purposes. See Note 8.1 Financial risk management.

The loans are at a reduced average interest rate of 2.53% per annum, as the Department meets the subsidised interest (refer to Note 4.4, Interest Revenue) on behalf of borrowers through a government appropriation.

Trade receivables are recognised and carried at original invoice amount less any allowance for uncollectible amounts (i.e. impairment). Estimated credit losses are provided for the life of loans using the simplified approach under AASB 9, taking into account historical trends as well as current and forecast credit risks. A progressive provisioning matrix is applied based on an ageing analysis. All loans were classified as current at the end of the reporting with a general provision for estimated credit losses at 0.27% (2018-19 - 0.10%).

NOTES TO THE FINANCIAL STATEMENTS For the year ended 30 June 2020

6.1.1 Movement in the allowance for impairment of trade receivables

	2019-20 \$'000	2018-19 \$'000
<u>Reconciliation of changes in the allowance for impairment of trade receivables:</u>		
Balance at start of period	10,362	919
Remeasurement under AASB 9	-	9,392
Restated balance at start of period	10,362	10,311
Expected credit losses expense	7,482	3,822
Amounts written off during the period	(3,370)	(3,771)
Balance at end of period	14,474	10,362

The maximum exposure to credit risk at the end of the reporting period for trade receivables is the carrying amount of the asset inclusive of any allowance for impairment as shown in the table at Note 8.1(c) 'Credit risk exposure'.

Other than loans to non-government schools and UNDA, for trade receivables, the Department does not hold any collateral as security or other credit enhancements.

6.2 Amounts receivable for services (Holding Account)

	2019-20 \$'000	2018-19 \$'000
Current	19,674	19,673
Non-current	3,119,560	2,921,922
	3,139,234	2,941,595

Amounts receivable for services represents the non-cash component of service appropriations. It is restricted in that it can only be used for asset replacement or payment of leave liability.

Amounts receivable for services are not considered to be impaired (i.e. there is no expected credit loss of the holding accounts).

6.3 Other assets

	2019-20 \$'000	2018-19 \$'000
<u>Current</u>		
Contract assets	2,352	-
Prepayments	8,411	19,578
	10,763	19,578

Contract assets

Where a Department performs by transferring either goods or services to a customer before the payment is due or before the customer pays for consideration, then these are to be classified as contract assets. Contract assets exclude any amounts presented as a receivable.

Prepayments

Represents payments in advance of receipt of goods or services or that part of expenditure made in one accounting period covering a term extending beyond that period.

NOTES TO THE FINANCIAL STATEMENTS For the year ended 30 June 2020

6.4 Inventories

	2019-20	2018-19
	\$'000	\$'000
Inventories held for resale:		
School canteens, publications and bookshops stocks (at cost)	2,380	2,650
Livestock and farm produce (at cost)	4,062	4,286
	6,442	6,936

Inventories are measured at the lower of cost and net realisable value. Costs are assigned by the method most appropriate to each particular class of inventory, with the majority being valued on a first in first out basis.

Inventories not held for resale are valued at cost unless they are no longer required, in which case they are valued at net realisable value.

6.5 Payables

	2019-20	2018-19
	\$'000	\$'000
<u>Current</u>		
Trade and other payables - central office	2,968	23,031
Trade and other payables - schools	11,831	11,861
Accrued expenses	62,649	36,456
Accrued salaries	57,082	17,029
	134,530	88,377
<u>Non-current</u>		
Trade and other payables - central office	1,004	173
	1,004	173

Payables

Payables are recognised at the amounts payable when the Department becomes obliged to make future payments as a result of a purchase of assets or services. The carrying amount is equivalent to fair value, as settlement is generally within 30 days.

Accrued salaries

Accrued salaries represent the amount due to staff but unpaid at the end of the reporting period. Accrued salaries are settled within a fortnight of the reporting period end. The Department considers the carrying amount of accrued salaries to be equivalent to its fair value.

The accrued salaries suspense account (see Note 7.5.2 'Restricted cash and cash equivalents') consists of amounts paid annually, from Departmental appropriations for salaries expense, into a suspense account to meet the additional cash outflow for employee salary payments in reporting periods with 27 pay days instead of the normal 26. No interest is received on this account.

NOTES TO THE FINANCIAL STATEMENTS For the year ended 30 June 2020

6.6 Other provisions

	2019-20 \$'000	2018-19 \$'000
<u>Non-current</u>		
Make-good provisions	189	-
Balance at end of period	189	-

Make-good (restoration) provision

Some leased premises are required to be restored to their original condition at the end of their respective lease terms. A provision needs to be recognised for the present value of the estimated expenditure required to remove any leasehold improvements. These costs are capitalised as part of the cost of leasehold improvements or right-of-use assets and are amortised over the shorter of the lease term and the useful life of the assets.

The Department has a legal or constructive obligation to dismantle and restore some leased premises.

A restoration provision is recognised when:

- there is a present obligation;
- it is probable that an outflow of economic benefits will be required to settle the obligation; and
- the amount of the provision can be measured reliably.

The estimated future obligations include the costs of restoring the sites to their original condition.

The provision for future restoration cost is the best estimate of the expenditure required to settle the restoration obligation at the reporting date. Future restoration costs are reviewed every three years and any changes in the estimate are reflected in the restoration provision at each reporting date.

6.6.1 Movement in provisions

Movements in each class of provision during the period are set out below:

	2019-20 \$'000	2018-19 \$'000
<u>Make-good costs provisions</u>		
Carrying amount at start of period	-	-
Additional/(reversals of) provisions recognised	189	-
Payments	-	-
Carrying amount at end of period	189	-

6.7 Other liabilities

	2019-20 \$'000	2018-19 \$'000
<u>Current</u>		
Income received in advance	-	3,866
Amounts held in schools suspense accounts	6,601	5,855
Accrued interest expense	2,333	2,370
Other	171	162
Contract liabilities	2,376	-
	11,481	12,253

Contract liabilities

Contract liabilities, classified as amounts due to customers for services yet to be provided, primarily relate to when the Department has received consideration in advance of satisfying the performance obligation. Refer to Notes 4.2, 4.3 and 4.5 for details of the revenue recognition policy.

NOTES TO THE FINANCIAL STATEMENTS For the year ended 30 June 2020

6.7.1 Movement in contract liabilities

	2019-20	2018-19
	\$'000	\$'000
<u>Reconciliation of changes in contract liabilities</u>		
Opening balance	597	-
Additions	3,597	-
Revenue recognised in the reporting period	(1,818)	-
Balance at end of period	2,376	-

The Department expects to satisfy the performance obligations unsatisfied at the end of the reporting period within the next 12 months.

NOTES TO THE FINANCIAL STATEMENTS For the year ended 30 June 2020

NOTE 7. FINANCING

This section sets out the material balances and disclosures associated with the financing and cash flows of the Department.

	Notes
Borrowings	7.1
Leases	7.2
Assets pledge as security	7.3
Finance costs	7.4
Cash and cash equivalents	7.5
Reconciliation of cash	7.5.1
Restricted cash and cash equivalents	7.5.2
Reconciliation of operating activities	7.5.3
Commitments	7.6
Capital commitments	7.6.1

7.1 Borrowings

	2019-20 \$'000	2018-19 \$'000
<u>Current</u>		
WATC loans ^(a)	34,876	31,980
Finance lease liabilities (secured) ^(b)	-	15,723
Finance lease liabilities PPP ^(b)	-	2,556
Total current	34,876	50,259
<u>Non-current</u>		
WATC loans ^(a)	328,740	317,546
Other loans	109	494
Finance lease liabilities (secured) ^(b)	-	18,975
Finance lease liabilities PPP ^(b)	-	203,144
Total non-current	328,849	540,159
Total borrowings	363,725	590,418

- (a) Western Australian Treasury Corporation (WATC) Low Interest Loans. The Department borrows from the WATC to finance loans provided under the LILS (See also Note 6.1 Receivables). Loans are borrowed at an average rate of interest of 2.86% per annum. The carrying amounts are equivalent to their net fair values.

The current WATC Low Interest Loans relates to the portion of the principal repayments payable to WATC within the next 12 months. The amount is derived from estimates provided through the low interest loans system and the repayment schedule provided by WATC.

- (b) Lease Liabilities are effectively secured as the rights to the leased assets revert to the lessor in the event of default. The application of AASB 16 has resulted in the reclassification of finance leased liabilities to right-of-use lease liabilities. Refer to Note 7.2 Leases.

NOTES TO THE FINANCIAL STATEMENTS For the year ended 30 June 2020

7.2 Leases

	2019-20	2018-19
	\$'000	\$'000
Current	32,668	-
Non-current	305,151	-
	337,819	-

The Department measures a lease liability, at the commencement date, at the present value of the lease payments that are not paid at that date. The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, the Department uses the incremental borrowing rate provided by Western Australia Treasury Corporation.

Lease payments included by the Department as part of the present value calculation of lease liability include:

- Fixed payments (including in-substance fixed payments), less any lease incentives receivable;
- Amounts expected to be payable by the lessee under residual value guarantees;
- The exercise price of purchase options (where these are reasonably certain to be exercised);
- Payments for penalties for terminating a lease, where the lease term reflects the Department exercising an option to terminate the lease.

The interest on the lease liability is recognised in profit or loss over the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. Lease liabilities do not include any future changes in variable lease payments (that depend on an index or rate) until they take effect, in which case the lease liability is reassessed and adjusted against the right-of-use asset.

Periods covered by extension or termination options are only included in the lease term by the Department if the lease is reasonably certain to be extended (or not terminated).

This section should be read in conjunction with Note 5.2.

Subsequent measurement

Lease liabilities are measured by increasing the carrying amount to reflect interest on the lease liabilities; reducing the carrying amount to reflect the lease payments made; and remeasuring the carrying amount at amortised cost, subject to adjustments to reflect any reassessment or lease modifications.

Public Private Partnerships

The State Government partnered with a single Project Company to design, build, finance and maintain four new primary schools and four secondary schools to open progressively from 2017 to 2020, with a subsequent maintenance period ending in December 2047.

Schools are designed, constructed and made available to the Department, upon commercial acceptance (CA). The Project Company is to provide, over the duration of the term, agreed facilities management services, maintenance and refurbishment of the schools. At the end of the term, the Project Company is to hand over the schools to the Department in a well maintained condition, for nil consideration.

These Public Private Partnership (PPP) schools are recognised by the Department as a right of use asset with a right of use liability on achievement of CA of each phase of each school. The Department takes control of the school upon CA and provides school activities, including educational services and administration. The Department makes Quarterly Service Payments (QSP) over the term comprising repayment of design and construction costs and maintenance and service payments. The payment of the QSP will result in a reduction of the lease liability over time.

NOTES TO THE FINANCIAL STATEMENTS For the year ended 30 June 2020

7.3 Assets pledged as security

	2019-20	2018-19
	\$'000	\$'000
<u>Assets pledged as security</u>		
The carrying amounts of non-current assets pledged as security are:		
Right-of-use asset - Land	2,482	-
Right-of-use asset - Buildings	15,144	-
Right-of-use asset - Buildings PPP	248,579	-
Right-of-use asset - Motor vehicles	5,441	-
Right-of-use asset - Other	21,579	-
Leased buildings PPP	-	161,737
Leased plant and equipment	-	64
Leased office equipment	-	32,786
Leased motor vehicles	-	310
	293,225	194,897

The Department has secured the right-of-use assets against the related lease liabilities. In the event of default, the rights to the leased assets will revert to the lessor.

7.4 Finance costs

	2019-20	2018-19
	\$'000	\$'000
Lease interest expense ^(a)	18,646	12,914
Loan fair value expense ^(b)	1,408	6,772
Interest expensed ^(c)	11,171	11,195
Total finance costs expensed	31,225	30,881

- (a) Lease interest expense (2018-19: \$0.78 million) has been reclassified to include lease interest expenses for PPP (2018-19: \$12.13 million) due to the application of AASB 16 which has resulted in the reclassification of finance lease liabilities to right-of-use lease liabilities.
- (b) Represents the write down to fair value of low interest loans provided to non-government schools. The amount of loans provided during 2019-20 was \$51.40 million (2018-19: \$46.26 million).
- (c) Represents the amounts charged for loans provided to the Department by the WATC for the operation of the LILS and special loan to the UNDA. Refer to Note 4.4 Interest Revenue and Note 6.1 Receivables for further details.

NOTES TO THE FINANCIAL STATEMENTS For the year ended 30 June 2020

7.5 Cash and cash equivalents

7.5.1 Reconciliation of cash

	2019-20 \$'000	2018-19 \$'000
<u>Schools</u>		
Bank accounts	359,575	361,170
Cash on hand	132	159
	359,707	361,329
<u>Central office</u>		
Operating bank account	199,245	237,984
	199,245	237,984
Total cash and cash equivalents	558,952	599,313

For the purpose of the Statement of Cash flows, cash and cash equivalent (and restricted cash and cash equivalent) assets comprise cash on hand and short-term deposits with original maturities of three months or less that are readily convertible to a known amount of cash, and which are subject to insignificant risk of changes in value.

7.5.2 Restricted cash and cash equivalents

	2019-20 \$'000	2018-19 \$'000
<u>Current</u>		
Grants accounts ^(a)	11,824	14,514
Royalties for Regions Fund	8,481	12,546
Paid Parental Leave	395	363
Special purpose account - TRBWA ^(b)	9,547	10,261
Special purpose account - Student Residential Colleges Fund ^(b)	-	5,353
	30,247	43,037
<u>Non-current</u>		
Accrued salaries suspense account (27th pay) ^(c)	61,323	41,188
	61,323	41,188
Total restricted cash and cash equivalents	91,570	84,225

- (a) Unspent cash balances relating to Australian Government grants and state funding, which can only be used for the purpose stipulated by the grant or funding arrangement.
- (b) Refer to Note 9.7 for further details.
- (c) Funds held in the suspense account for the purpose of meeting the 27th pay in a reporting period that occurs every 11th year.

NOTES TO THE FINANCIAL STATEMENTS For the year ended 30 June 2020

7.5.3 Reconciliation of net cost of services to net cash flows provided by/(used in) operating activities

	2019-20	2018-19
	\$'000	\$'000
Cash and cash equivalents (note 7.5.1)	558,952	599,313
Restricted cash and cash equivalents (note 7.5.2)	91,570	84,225
	650,522	683,538
Reconciliation of net cost of services to net cash flows used in operating activities		
Net cost of services	(4,204,573)	(4,411,809)
<u>Non-cash Items</u>		
Depreciation expense (note 5.1.1 and note 5.2)	233,416	186,796
Amortisation expense (note 5.3.1)	1,093	1,264
Impairment expense (note 5.1.1)	18,282	-
Resources received free of charge (note 4.1)	19,078	14,170
Expected credit losses expense (note 6.1)	7,447	3,822
Loss on disposal of non-current assets (note 3.3)	1,087	3,419
Write-off of intangible (work in progress) (note 3.3)	13,100	-
Asset revaluation decrement (note 3.3)	-	468,447
Adjustment for other non-cash items	(1,080)	(6,406)
<u>(Increase)/decrease in assets</u>		
Current receivables ^(a)	(13,680)	4,119
Current inventories	494	(852)
Other current assets	8,815	(9,994)
Non-current receivables	(18,779)	(11,273)
<u>Increase/(decrease) in liabilities</u>		
Provisions	46,326	1,207
Current payables and other liabilities ^(a)	45,381	(10,351)
Non-current payables	831	(69)
Net GST receipts/(payments) ^(b)	1,456	(4,205)
Change in GST in receivables and payables ^(c)	1,315	(3,021)
Net cash used in operating activities	(3,839,991)	(3,774,736)

(a) Note that the Australian Taxation Office (ATO) receivable/payable in respect of GST and the receivable/payable in respect of the sale/purchase of non-current assets are not included in these items as they do not form part of the reconciling items.

(b) This is the net GST paid/received, i.e. cash transactions.

(c) This reverses out the GST in receivables and payables.

NOTES TO THE FINANCIAL STATEMENTS For the year ended 30 June 2020

7.6 Commitments

7.6.1 Capital commitments

	2019-20	2018-19
	\$'000	\$'000
Capital expenditure commitments		
<u>Capital expenditure commitments, being contracted capital expenditure additional to the amounts reported in the financial statements, are payable as follows:</u>		
Within 1 year	262,665	287,018
Later than 1 year and not later than 5 years	170,652	171,258
Later than 5 years	-	-
	433,317	458,276
<u>The capital commitments include amounts for:</u>		
Additional stages at secondary schools	55,926	6,681
Additions and improvements to secondary schools	123,381	207,650
Additions and improvements at primary schools	34,053	36,108
Additions and Improvements Residential Colleges	3,346	8,012
Miscellaneous	16,063	6,780
New secondary schools	2,802	51,293
New primary schools	145,330	113,337
Other school facilities	2,530	7,412
Other works	12,118	8,690
Universal Access Program	1,369	7,034
Stimulus Package	28,322	-
School funded projects	8,078	5,279
	433,317	458,276

NOTES TO THE FINANCIAL STATEMENTS For the year ended 30 June 2020

NOTE 8. RISKS AND CONTINGENCIES

This section sets out the key risk management policies and measurements techniques of the Department.

	Notes
Financial risk management	8.1
Contingent liabilities	8.2.1
Fair value measurements	8.3

8.1 Financial risk management

Financial instruments held by the Department are cash and cash equivalents, restricted cash and cash equivalents, receivables, payables, Western Australian Treasury Corporation (WATC) borrowings and finance leases. The Department has limited exposure to financial risks. The Department's overall risk management program focuses on managing the risks identified below.

(a) Summary of risks and risk management

Credit risk

Credit risk arises when there is a possibility of the Department's receivables defaulting on their contractual obligations resulting in a financial loss to the Department.

Credit risk associated with the Department's financial assets is minimal because the main receivable is the amounts receivable for services (holding account). Policies are in place to minimise exposure to credit risk associated with loans to non-government schools and UNDA, students and other debtors. In addition, receivable balances are monitored on an ongoing basis with the result that the Department's exposure to bad debts is minimal. Debt will be written-off against the allowance account when it is improbable or uneconomical to recover the debt. At the end of the reporting period there were no significant concentrations of credit risk.

Liquidity risk

Liquidity risk arises when the Department is unable to meet its financial obligations as they fall due.

The Department is exposed to liquidity risk through its trading in the normal course of business. The Department has appropriate procedures to manage cash flows including drawdowns of appropriations by monitoring forecast cash flows to ensure that sufficient funds are available to meet its commitments.

Market risk

Market risk is the risk that changes in market prices such as foreign exchange rates and interest rates will affect the Department's income or the value of its holdings of financial instruments. The Department does not trade in foreign currency and is not materially exposed to other price risks. The Department's exposure to market risk for changes in interest rates relate primarily to the long-term debt obligations.

All borrowings are due to the WATC and are repayable at fixed rates with varying maturities. Other than as detailed in the interest rate sensitivity analysis table at Note 8.1(e), the Department is not exposed to interest rate risk because the majority of cash and cash equivalents and restricted cash are non-interest bearing, and it has no borrowings other than the WATC borrowings and lease liabilities (fixed interest rate).

NOTES TO THE FINANCIAL STATEMENTS For the year ended 30 June 2020

8.1 Financial risk management (continued)

(b) Categories of financial instruments

The carrying amounts of each of the following categories of financial assets and financial liabilities at the end of the reporting period are as follows:

	2019-20	2018-19
	\$'000	\$'000
<u>Financial assets</u>		
Cash and cash equivalents	558,952	599,313
Restricted cash and cash equivalents	91,570	84,225
Financial assets at amortised cost ^(a)	3,502,349	3,276,363
Total financial assets	4,152,871	3,959,901
<u>Financial liabilities</u>		
Financial liabilities measured at amortised cost	848,559	691,221
Total financial liability	848,559	691,221

(a) The amount of receivables/Financial assets at amortised cost excludes GST recoverable from the ATO (statutory receivable).

NOTES TO THE FINANCIAL STATEMENTS For the year ended 30 June 2020

8.1 Financial risk management (continued)

(c) Credit risk exposure

The following table details the credit risk exposure on the Department's trade receivables using a provision matrix.

	Total \$000	Days past due			
		Current \$000	<30 Days \$000	31-60 days \$000	>60 days \$000
30 June 2020					
Central Office					
Expected credit loss rate		1.00%	2.00%	5.00%	20.00%
Estimated total gross carrying amount at default	1,523	482	67	72	902
Expected credit losses	(190)	(5)	(1)	(4)	(180)
Loans to non-government schools and University ^(a)					
Expected credit loss rate		0.27%			
Estimated total gross carrying amount at default	324,979	324,979			
Expected credit losses	(877)	(877)			
Schools, Residential Colleges and other debtors ^(a)					
Estimated total gross carrying amount at default	51,087				
Expected credit losses	(13,407)				
Total					
Estimated total gross carrying amount at default ^(b)	377,589				
Expected credit losses	(14,474)				
30 June 2019					
Central Office					
Expected credit loss rate		1.00%	2.00%	5.00%	20.00%
Estimated total gross carrying amount at default	2,826	1,734	102	54	936
Expected credit losses	(209)	(17)	(2)	(3)	(187)
Loans to non-government schools and University ^(a)					
Expected credit loss rate		0.10%			
Estimated total gross carrying amount at default	311,398	311,398			
Expected credit losses	(311)	(311)			
Schools, Residential Colleges and other debtors ^(a)					
Estimated total gross carrying amount at default	30,906				
Expected credit losses	(9,841)				
Total					
Estimated total gross carrying amount at default ^(b)	345,130				
Expected credit losses	(10,362)				

(a) The calculation of past due aged analysis is not available for \$28.7 million of this class of debtor (\$25.3 million 2018–19), the residual \$22.4 million (\$5.6 million 2018–19) comprise state government agency debtors and not considered to be impaired.

(b) The estimated total gross amount and expected credit losses includes all debtors except for the GST recoverable from the ATO (statutory receivable).

(c) The provision is based on estimated credit losses on outstanding loan balances.

NOTES TO THE FINANCIAL STATEMENTS For the year ended 30 June 2020

8.1 Financial risk management (continued)

(d) Liquidity risk and interest rate exposure

The following table details the Department's interest rate exposure and the contractual maturity analysis of financial assets and financial liabilities. The maturity analysis section includes interest and principal cash flows. The interest rate exposure section analyses only the carrying amount of each item.

Interest rate exposure and maturity analysis of financial assets and financial liabilities

	Weighted Average Effective Interest Rate	Interest rate exposure				Nominal Amount	Maturity dates				
		Carrying Amount	Fixed Interest rate	Variable Interest rate	Non-Interest bearing		Up to 1 month	1 - 3 months	3 months to 1 year	1 - 5 years	More than 5 years
		\$000	\$000	\$000	\$000		\$000	\$000	\$000	\$000	\$000
2018-19											
<u>Financial Assets</u>											
Schools cash balances	0.91	226,070	-	225,911	159	226,070	226,070	-	-	-	-
Central office cash balances		237,984	-	-	237,984	237,984	237,984	-	-	-	-
Restricted cash - TRBWA	1.93	10,261	-	10,261	-	10,261	10,261	-	-	-	-
Restricted cash - Residential Colleges Fund	1.53	5,353	-	2,244	3,194	5,438	5,438	-	-	-	-
Restricted cash balances - other		68,611	-	-	68,611	68,611	68,611	-	-	-	-
Trade receivables ^(b)		23,370	-	-	23,370	23,370	23,370	-	-	-	-
Term deposits	1.67	135,259	135,259	-	-	135,259	91,637	-	19,055	24,567	-
Loans to non-government schools and UNDA	5.26	311,398	311,398	-	-	311,398	-	7,788	24,192	131,122	148,296
Amounts receivable for services		2,941,595	-	-	2,941,595	2,941,595	2,232	2,976	14,465	78,692	2,843,230
		3,959,901	446,657	238,416	3,274,913	3,959,986	665,603	10,764	57,712	234,381	2,991,526
<u>Financial Liabilities</u> ^(a)											
Payables ^(b)		88,550	-	-	88,550	88,550	88,550	-	-	-	-
Finance lease liabilities	6.10*	240,398	240,398	-	-	240,398	1,087	3,498	13,694	30,960	191,159
WATC loans	3.07	349,526	349,526	-	-	349,526	-	7,788	24,192	127,134	190,412
Other loans	0.83	494	494	-	-	494	97	97	300	-	-
Other liabilities		12,253	-	-	12,253	12,253	12,253	-	-	-	-
		691,221	590,418	-	100,803	691,221	101,987	11,383	38,186	158,094	381,571

* 2018-19 has been restated (previously 1.78%) to include the interest rate for PPP finance lease liabilities.

NOTES TO THE FINANCIAL STATEMENTS For the year ended 30 June 2020

8.1 Financial risk management (continued)

(d) Liquidity risk and interest rate exposure (continued)

Interest rate exposure and maturity analysis of financial assets and financial liabilities

	Weighted Average Effective Interest Rate	Interest rate exposure				Nominal Amount	Maturity dates				
		Carrying Amount	Fixed Interest rate	Variable Interest rate	Non-Interest bearing		Up to 1 month	1 - 3 months	3 months to 1 year	1 - 5 years	More than 5 years
		\$'000	\$'000	\$'000	\$'000		\$'000	\$'000	\$'000	\$'000	\$'000
2019-20											
<u>Financial Assets</u>											
Schools cash balances	0.19	232,537	-	232,405	132	232,537	232,537	-	-	-	-
Central office cash balances		199,245	-	-	199,245	199,245	199,245	-	-	-	-
Restricted cash - TRBWA	0.52	9,547	-	9,547	-	9,547	9,547	-	-	-	-
Restricted cash - Residential Colleges Fund	0.53	-	-	3,490	(3,490)	-	-	-	-	-	-
Restricted cash balances - other		82,023	-	-	82,023	82,023	82,023	-	-	-	-
Trade receivables ^(b)		30,042	-	-	30,042	30,042	30,042	-	-	-	-
Term deposits	0.76	127,170	127,170	-	-	127,170	89,646	-	20,793	16,731	-
Loans to non-government schools and UNDA	4.85	333,073	333,073	-	-	333,073	-	8,638	26,238	138,549	159,648
Amounts receivable for services		3,139,234	-	-	3,139,234	3,139,234	2,232	2,976	14,430	78,552	3,041,044
		4,152,871	460,243	245,442	3,447,186	4,152,871	645,272	11,614	61,461	233,832	3,200,692
<u>Financial Liabilities</u> ^(a)											
Payables ^(b)		135,534	-	-	135,534	135,534	135,534	-	-	-	-
Lease liabilities	5.26	337,819	337,819	-	-	337,819	2,772	6,403	18,725	39,070	270,849
WATC loans	2.86	363,616	363,616	-	-	363,616	-	8,638	26,238	143,415	185,325
Other loans	0.83	109	109	-	-	109	-	109	-	-	-
Other liabilities		11,481	-	-	11,481	11,481	11,481	-	-	-	-
		848,559	701,544	-	147,015	848,559	149,787	15,150	44,963	182,485	456,174

(a) The amounts disclosed are the calculated undiscounted cash flow of each class of financial liabilities.

(b) The amount of loans and receivables excludes GST recoverable from the ATO (statutory receivable).

NOTES TO THE FINANCIAL STATEMENTS For the year ended 30 June 2020

8.1 Financial risk management (continued)

(e) Interest rate sensitivity analysis

The following table represents a summary of the interest rate sensitivity of the Department's financial assets and liabilities at the end of the reporting period on the surplus for the period and equity for a 1% change in interest rates. It is assumed that the change in interest rates is held constant throughout the reporting period.

	Carrying amount \$'000	-100 basis points		+100 basis points	
		Surplus \$'000	Equity \$'000	Surplus \$'000	Equity \$'000
2018-19					
<u>Financial assets</u>					
Schools cash balances	226,070	(2,261)	(2,261)	2,261	2,261
Special purpose account - TRBWA	10,261	(103)	(103)	103	103
Special purpose account - Residential Colleges Fund	5,353	(54)	(54)	54	54
Total increase/(decrease)		(2,417)	(2,417)	2,417	2,417
2019-20					
<u>Financial assets</u>					
Schools cash balances	232,537	(2,325)	(2,325)	2,325	2,325
Special purpose account - TRBWA	9,547	(95)	(95)	95	95
Special purpose account - Residential Colleges Fund	-	-	-	-	-
Total increase/(decrease)		(2,421)	(2,421)	2,421	2,421

NOTES TO THE FINANCIAL STATEMENTS For the year ended 30 June 2020

8.2 Contingent assets and liabilities

Contingent assets and contingent liabilities are not recognised in the statement of financial position but are disclosed and, if quantifiable, are measured at the best estimate.

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

The Department had no contingent assets as at 30 June 2020.

8.2.1 Contingent liabilities

The following contingent liabilities are additional to the liabilities included in the financial statements:

Litigation in progress

The Department is involved in a number of litigation proceedings that are either covered by RiskCover or of a nature that will not have a significant impact on the Department's financial position.

Contaminated sites

The Department currently has 61 sites that are owned by the Department and registered with Department of Water and Environmental Regulation under the *Contaminated Sites Act 2003*. Of these, 29 do not require any further action and 32 are still subject to investigation or require on-going management. Where a school or school site is identified as possibly contaminated, an investigation is carried out by a qualified environmental health consultant. In addition to a visual inspection, analytical techniques, such as material, water and soil testing are used to confirm the nature and extent of the contamination. Upon completion of their investigation, the consultant submits a report to the Department of Education, which is then forwarded to the Department of Water and Environmental Regulation for classification according to the Contaminated Sites Act.

Cladding Rectification

Following a fire involving aluminium composite panels, the Building Commission requested agencies assess their facilities. Noting that the Department of Education has no sites that fall within the minimum scope set by the Department of Mines, Industry Regulation and Safety, a more robust standard for the audit of its facilities was adopted and a review of 138 projects completed since 2000 was undertaken. Of these 28 school sites were investigated. This has resulted in the identification of 15 school sites that require either a performance solution or some form of remediation. The Department and Department of Finance have reviewed all documentation received from fire engineer's reports. Given the more robust criteria selected by the Department, the Fire Engineering Report risk classifications are to be understood within this context. There is considered to be minimal risk to school communities. The next stage is to engage architects and fire engineers to: enable more detailed scoping of each school's requirements, thereby clarifying the scope of any major remediation works; enable the preparation of performance solutions where appropriate; and cover the costs of minor works where an architectural solution is identified.

NOTES TO THE FINANCIAL STATEMENTS For the year ended 30 June 2020

8.3 Fair value measurements

	Level 1	Level 2	Level 3	Fair value at end of period
Assets measured at fair value				
2019–20	\$'000	\$'000	\$'000	\$'000
Non-current assets classified as held for distribution to owner (Note 9.10)	-	-	3,499	3,499
Land (Note 5.1.1)	-	-	3,703,449	3,703,449
Buildings (Note 5.1.1) ^(a)	-	-	7,165,430	7,165,430
	-	-	10,872,378	10,872,378

	Level 1	Level 2	Level 3	Fair value at end of period
Assets measured at fair value				
2018–19	\$'000	\$'000	\$'000	\$'000
Non-current assets classified as held for distribution to owner (Note 9.10)	-	-	3,547	3,547
Land (Note 5.1.1)	-	-	3,673,952	3,673,952
Buildings (Note 5.1.1) ^(a)	-	-	7,092,006	7,092,006
	-	-	10,769,505	10,769,505

- (a) Included within buildings is school infrastructure totalling \$1.51 billion (2018–19: \$1.55 billion). Also, within buildings, leased buildings PPP (\$161.74 million) was included in 2018–19 however excluded in 2019–20 due to the application of AASB 16 as at 1 July 2019, which has resulted in the reclassification of finance leased assets to right-of-use assets. There were no transfers between Levels 1, 2 or 3 during the period.

NOTES TO THE FINANCIAL STATEMENTS For the year ended 30 June 2020

8.3 Fair value measurements (continued)

Fair value measurements using significant unobservable inputs (Level 3)	Land	Buildings ^(a)
2019–20	\$'000	\$'000
Fair Value at start of period	3,673,952	7,092,006
Adjustment for change in accounting policy - AASB 16	-	(161,737)
Restated fair value at start of period	3,673,952	6,930,269
Contribution to owner	-	-
Additions	-	48,749
Transfer from Work in Progress	29,572	373,862
Transfers to/from held for distribution (within Level 3)	48	-
Disposals	(110)	(392)
Depreciation expense	-	(168,882)
Impairment loss	-	(18,282)
Adjustments/Revaluation transferred to Income Statement	(13)	106
Fair Value at end of period	<u>3,703,449</u>	<u>7,165,430</u>
Net loss on disposal of non-current assets under 'Costs of disposal of non-current assets' in Note 3.4	-	<u>392</u>

Fair value measurements using significant unobservable inputs (Level 3)	Land	Buildings ^(a)
2018–19	\$'000	\$'000
Fair Value at start of period	3,750,637	7,258,956
Contribution to owner	-	-
Additions	3,975	110,853
Transfer from Work in Progress	21,132	251,374
Transfers to/from held for distribution (within Level 3)	(96)	-
Disposals	(220)	(1,189)
Depreciation expense	-	(147,179)
Adjustments/Revaluation transferred to Income Statement	(101,476)	(380,809)
Fair Value at end of period	<u>3,673,952</u>	<u>7,092,006</u>
Net loss on disposal of non-current assets under 'Costs of disposal of non-current assets' in Note 3.4	-	<u>1,189</u>

- (a) Within buildings, leased buildings PPP (\$161.74 million) was included in 2018–19 however excluded in 2019–20 due to the application of AASB 16 as at 1 July 2019, which has resulted in the reclassification of finance leased assets to right-of-use assets.

Valuation processes

Land and Buildings are measured at fair value on a cyclical basis, consistent with TI 954 Revaluation of Non-Current Physical Assets, issued by the Department of Treasury. The last revaluation for land, buildings and school infrastructure was effective for the year ended 30 June 2019, carried out by the Western Australian Land Information Authority (Landgate).

Effective 1 July 2019, the Department reviewed the frequency to revalue land, buildings and school infrastructure annually to every three years. Any interim revaluations are determined by applying relevant industry indices to determine if fair values adjustments are required. Refer to Note 5.1 for further information.

Transfers in and out of a fair value level are recognised on the date of the event or change in circumstances that caused the transfer. Transfers are generally limited to assets newly classified as non-current assets held for distribution as Treasurer's Instructions require valuations of land, buildings and infrastructure to be categorised within Level 3 where the valuations will utilise significant Level 3 inputs on a recurring basis.

NOTES TO THE FINANCIAL STATEMENTS For the year ended 30 June 2020

8.3 Fair value measurements (continued)

Fair value for existing use specialised buildings including building sub classes

Fair value for existing use specialised buildings is determined by reference to the cost of replacing the remaining future economic benefits embodied in the asset, i.e. the depreciated replacement cost. Depreciated replacement cost is the current replacement cost of an asset less accumulated depreciation calculated on the basis of such cost to reflect the already consumed or expired economic benefit, or obsolescence, and optimisation (where applicable) of the asset. Current replacement cost is generally determined by reference to the market-observable replacement cost of a substitute asset of comparable utility and the gross project size specifications.

Fair value for restricted use land

Fair value for restricted use land is based on comparison with market evidence for land with low level utility (high restricted use land). The relevant comparators of land with low level utility is selected by the Western Australian Land Information Authority (Valuation Services) and represents the application of a significant Level 3 input in this valuation methodology. The fair value measurement is sensitive to values of comparator land, with higher values of comparator land correlating with higher estimated fair values of land.

Significant Level 3 inputs used by the Department are derived and evaluated as follows:

Effective age

The effective age is determined by the Valuation Services for buildings and by the Department's valuer for the building sub classes, after taking into account factors such as planned routine maintenance, building improvements and upgrades.

Selection of land with restricted utility

Fair value for restricted use land is determined by comparison with market evidence for land with low level utility. Relevant comparators of land with low level utility are selected by Valuation Services.

Percentage rate of add-on cost - buildings and building sub-classes

Valuation Services has determined that the costs relating to contingencies, headworks, demolitions costs, professional and project fees are inherent in the building valuations and therefore should not be added to its valuations. This also applies to the building sub-classes.

Average installation costs - transportables

The cost of transportation and connection of services determined by the Quantity Surveyor.

NOTES TO THE FINANCIAL STATEMENTS For the year ended 30 June 2020

NOTE 9. OTHER DISCLOSURES

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

	Notes
Events occurring after the end of the reporting period	9.1
Initial application of Australian Accounting Standards	9.2
Future impact of Australian standards not yet operative	9.3
Key management personnel	9.4
Related party transactions	9.5
Affiliated and related bodies	9.6
Special purpose accounts	9.7
Remuneration of auditors	9.8
Services provided free of charge	9.9
Non-current assets classified as held for sale	9.10
Equity	9.11
Supplementary financial information	9.12
Explanatory statement	9.13
Indian Ocean Territories	9.14
Disclosure of administered income and expenses	9.15
Explanatory statement for administered items	9.16
Administered assets and liabilities	9.17

9.1 Events occurring after the end of the reporting period

There have been no material events occurring after 30 June 2020.

9.2 Initial application of Australian Accounting Standards

a. AASB 15 Revenue from Contracts with Customers and AASB 1058 Income of Not-for-Profit Entities

AASB 15 Revenue from Contracts with Customers replaces AASB 118 Revenue and AASB 111 Construction Contracts for annual reporting periods on or after 1 January 2019. Under the new model, an entity shall recognise revenue when (or as) the entity satisfies a performance obligation by transferring a promised good or service to a customer and is based upon the transfer of control rather than transfer of risks and rewards.

AASB 15 focuses on providing sufficient information to the users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flows arising from the contracts with customers. Revenue is recognised by applying the following five steps:

- Identifying contracts with customers
- Identifying separate performance obligations
- Determining the transaction price of the contract
- Allocating the transaction price to each of the performance obligations
- Recognising revenue as each performance obligation is satisfied.

Revenue is recognised either over time or at a point in time. Any distinct goods or services are separately identified and any discounts or rebates in the contract price are allocated to the separate elements.

In addition, income other than from contracts with customers are subject to AASB 1058 Income of Not-for-Profit Entities. Income recognition under AASB 1058 depends on whether such a transaction gives rise to liabilities or a contribution by owners related to an asset (such as cash or another asset) recognised by the Department.

The Department adopted the modified retrospective approach on transition to AASB 15 and AASB 1058. No comparative information is restated under this approach, and the Department recognised the cumulative effect of initially applying the Standard as an adjustment to the opening balance of accumulated surplus/(deficit) at the date of initial application (1 July 2019).

NOTES TO THE FINANCIAL STATEMENTS For the year ended 30 June 2020

9.2 Initial application of Australian Accounting Standards (continued)

Under this transition method, the Agency elects not to apply the standards retrospectively to non-completed contracts at the date of initial application.

Refer to Note 4.2, 4.3 and 4.5 for the revenue and income accounting policies adopted from 1 July 2019.

The effect of adopting AASB 15 and AASB 1058 are as follows:

	2019–20	Adjustments	2019–20 under AASB 118 and 1004
	\$'000	\$'000	\$'000
User contributions, charges and fees	115,927	-	115,927
Australian Government grants and contributions	904,957	(1,185)	903,772
Other revenue	110,763	-	110,763
Net result	1,131,647	(1,185)	1,130,462

b. AASB 16 Leases

AASB 16 Leases superseded AASB 117 Leases and related Interpretations. AASB 16 primarily affects lessee accounting and provides a comprehensive model for the identification of lease arrangements and their treatment in the financial statements of both lessees and lessors. The Department applies AASB 16 Leases from 1 July 2019 using the modified retrospective approach. As permitted under the specific transition provisions, comparatives are not restated. The cumulative effect of initially applying this Standard is recognised as an adjustment to the opening balance of accumulated surplus/(deficit).

The main changes introduced by this Standard include identification of lease within a contract and a new lease accounting model for lessees that require lessees to recognise all leases (operating and finance leases) on the Statement of Financial Position as right-of-use assets and lease liabilities, except for short term leases (lease terms of 12 months or less at commencement date) and low-value assets (where the underlying asset is valued less than \$5,000 when new). The operating lease and finance lease distinction for lessees no longer exists.

Under AASB 16, the Department takes into consideration all operating leases that were off balance sheet under AASB 117 and recognises:

- right of use assets and lease liabilities in the Statement of Financial Position, initially measured at the present value of future lease payments, discounted using the incremental borrowing rate on 1 July 2019;
- depreciation of right-of-use assets and interest on lease liabilities in the Statement of Comprehensive Income; and
- the total amount of cash paid as principal amount, which is presented in the cash flows from financing activities, and interest paid, which is presented in the cash flows from operating activities, in the Statement of Cash Flows.

In relation to leased vehicles that were previously classified as finance leases, their carrying amount before transition is used as the carrying amount of the right-of-use assets and the lease liabilities as of 1 July 2019.

The Department measures concessionary leases that are of low value terms and conditions at cost at inception. There is no financial impact as the Department is not in possession of any concessionary leases at the date of transition. The right-of-use assets are assessed for impairment at the date of transition and has not identified any impairments to its right-of-use assets.

On transition, the Department has elected to apply the following practical expedients in the assessment of their leases that were previously classified as operating leases under AASB 117:

- A single discount rate has been applied to a portfolio of leases with reasonably similar characteristics;
- The Department has relied on its assessment of whether existing leases were onerous in applying AASB 137 Provisions, Contingent Liabilities and Contingent Assets immediately before the date of initial application as an alternative to performing an impairment review. The Department adjusts the ROU asset at 1 July 2019 by the amount of any provisions included for onerous leases recognised in the statement of financial position at 30 June 2019;
- Where the lease term at initial application ended within 12 months, the Department has accounted for these as short-term leases;
- Initial direct costs have been excluded from the measurement of the right-of-use asset;
- Hindsight has been used to determine if the contracts contained options to extend or terminate the lease.

NOTES TO THE FINANCIAL STATEMENTS For the year ended 30 June 2020

9.2 Initial application of Australian Accounting Standards (continued)

The Department has not reassessed whether existing contracts are, or contained a lease at 1 July 2019. The requirements of paragraphs 9-11 of AASB 16 are applied to contracts that came into existence post 1 July 2019.

a. Measurement of lease liabilities	\$'000
Operating lease commitments disclosed as at 30 June 2019	147,274
(Less): leasing of office accommodation ^(a)	117,891
Revised operating lease commitments (30 June 2019)	<u>29,383</u>
Discounted using incremental borrowing rate at date of initial application ^(b)	6,741
Finance lease liabilities recognised as at 30 June 2019	240,398
(Less): Short-term leases not recognised as liability	(131)
(Less): Low value leases not recognised as liability	(5)
Lease liability recognised at 1 July 2019	<u>276,386</u>
Current lease liabilities	39,279
Non-current lease liabilities	237,107

- (a) The leasing of office accommodation with the Department of Finance was classified as an operating lease as at 30 June 2019 however not recognised as a lease liability under AASB 16. Refer to Note 5.2.
- (b) The WATC incremental borrowing rate was used for the purposes of calculating the lease transition opening balance.

NOTES TO THE FINANCIAL STATEMENTS For the year ended 30 June 2020

9.3 Future impact of Australian Accounting Standards not yet operative

The Department cannot early adopt an Australian Accounting Standard unless specifically permitted by TI 1101 Application of Australian Accounting Standards and Other Pronouncements or by an exemption from TI 1101. Where applicable, the Department plans to apply the following Australian Accounting Standards from their application date.

		Operative for reporting periods beginning on/after
AASB 1059	<i>Service Concession Arrangements: Grantors</i> This Standard addresses the accounting for a service concession arrangement (a type of public private partnership) by a grantor that is a public sector agency by prescribing the accounting for the arrangement from the grantor's perspective. Timing and measurement for the recognition of a specific asset class occurs on commencement of the arrangement and the accounting for associated liabilities is determined by whether the grantee is paid by the grantor or users of the public service provided. The Department does not manage any public private partnership that is within the scope of the Standard.	1 Jan 2020
AASB 2018-6	<i>Amendments to Australian Accounting Standards – Definition of a Business</i> The Standard amends AASB 3 to clarify the definition of a business, assisting entities to determine whether a transaction should be accounted for as a business combination or as an asset acquisition. There is no financial impact.	
AASB 2018-7	<i>Amendments to Australian Accounting Standards – Definition of Material</i> The Standard principally amends AASB 101 and AASB 108. The amendments refine the definition of material in AASB 101. The amendments clarify the definition of material and its application by improving the wording and aligning the definition across AASB Standards and other publications. The amendment also includes some supporting requirements in AASB 101 in the definition to give it more prominence and clarifies the explanation accompanying the definition of material. There is no financial impact.	
AASB 2019-1	<i>Amendments to Australian Accounting Standards – References to the Conceptual Framework</i> This Standard sets out amendments to Australian Accounting Standards, Interpretations and other pronouncements to reflect the issuance of the Conceptual Framework for Financial Reporting (Conceptual Framework) by the AASB. There is no financial impact.	1 Jan 2020
AASB 2019-2	<i>Amendments to Australian Accounting Standards – Implementation of AASB 1059</i> This Standard makes amendments to AASB 16 and AASB 1059 to: (a) amend the modified retrospective method set out in paragraph C4 of AASB 1059; (b) modify AASB 16 to provide a practical expedient to grantors of service concession arrangements so that AASB 16 would not need to be applied to assets that would be recognised as service concession assets under AASB 1059; and (c) include editorial amendments to the application guidance and implementation guidance accompanying AASB 1059. The Department does not maintain any public private partnership that is within the scope of the Standard.	
AASB 2020-1	<i>Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-current</i> This Standard amends AASB 101 to clarify requirements for the presentation of liabilities in the statement of financial position as current or non-current. There is no financial impact.	1 Jan 2022

NOTES TO THE FINANCIAL STATEMENTS For the year ended 30 June 2020

9.4 Key management personnel

The Department has determined that key management personnel include Ministers and senior officers of the Department. However, the Department is not obligated to compensate Ministers and therefore disclosures in relation to Ministers' compensation may be found in the Annual Report on State Finances.

Total compensation (total fees, salaries, superannuation, non-monetary and other benefits) for senior officers of the Department for the reporting period are presented within the following bands:

	2019-20	2018-19
Compensation band (\$)		
\$550,001 - \$560,000	1	-
\$360,001 - \$370,000	1	1 ^(a)
\$300,001 - \$310,000	1	-
\$290,001 - \$300,000	-	1
\$280,001 - \$290,000	-	1
\$260,001 - \$270,000	2 ^(a)	-
\$250,001 - \$260,000	1	-
\$240,001 - \$250,000	4	2
\$230,001 - \$240,000	1	2
\$220,001 - \$230,000	2	3 ^(a)
\$210,001 - \$220,000	2	2
\$200,001 - \$210,000	1	2
\$190,001 - \$200,000	1	1 ^(a)
\$180,001 - \$190,000	1 ^(a)	-
\$170,001 - \$180,000	-	2 ^(a)
\$160,001 - \$170,000	1 ^(a)	-
\$130,001 - \$140,000	1 ^(a)	-
\$120,001 - \$130,000	-	1 ^(a)
\$110,001 - \$120,000	-	1 ^(a)
\$100,001 - \$110,000	-	2 ^(a)
\$90,001 - \$100,000	1 ^(a)	-
\$70,001 - \$80,000	-	2 ^(a)
\$60,001 - \$70,000	-	1 ^(a)
\$50,001 - \$60,000	1 ^(a)	-
\$20,001 - \$30,000	1 ^(a)	-
\$0 - \$10,000	1 ^(a)	2 ^{(a)(b)}

	2019-20	2018-19
	\$'000	\$'000
Short term employee benefits	4,507	4,368
Post employment benefits	529	449
Other long term benefits	126	(339)
Total compensation of senior officers	5,162	4,478

(a) Includes senior officers where period of service is less than 12 months.

(b) Two senior officers left the Department early in 2018-19.

Total compensation includes the superannuation expense incurred by the Department in respect of senior officers.

NOTES TO THE FINANCIAL STATEMENTS For the year ended 30 June 2020

9.5 Related party transactions

The Department is a wholly owned and controlled entity of the State of Western Australia. In conducting its activities, the Department is required to pay various taxes and levies based on the standard terms and conditions that apply to all tax and levy payers to the State and entities related to State.

Related parties of the Department include:

- all Ministers and their close family members, and their controlled or jointly controlled entities;
- all senior officers and their close family members, and their controlled or jointly controlled entities;
- other departments and public sector entities, including related bodies included in the whole of government consolidated financial statements; and
- associates and joint ventures, that are included in the whole of government consolidated financial statements.

Significant transactions with government related entities

In conducting its activities, the Department is required to transact with the State and entities related to the State. These transactions are generally based on the standard terms and conditions that apply to all agencies. Such transactions include:

- income from State Government (note 4.1);
- equity contributions (note 9.1.1);
- insurance payments to the Insurance Commission and RiskCover fund (note 3.3);
- GROH payments to the Department of Communities (note 3.1.1);
- borrowings and repayments from/to Western Australian Treasury Corporation (WATC) (note 7.1);
- lease rentals payments to the Department of Finance (note 5.2);
- land acquisition payments to the Department of Justice and the Western Australian Planning Commission (note 5.1);
- services provided free of charge to other State government agencies (note 9.9);
- services received free of charge from other State government agencies (note 4.1);
- student health services payments to the Department of Health (note 3.1.1);
- student transportation service payments to the Public Transport Authority (note 3.3);
- remuneration for services provided by the Auditor General (note 9.8); and
- other payments to Water Corporation, Department of Planning, Lands and Heritage, Western Australia Police Force, Synergy, Department of Fire and Emergency Services and Mental Health Commission (note 3.1.1, 3.2 and 3.3).

Material transactions with related parties

During the reporting period, other than superannuation payments to GESB and general citizen transactions, there was one related party of a Minister that has provided consulting services to a range of schools to a total value of \$75,000 of which \$20,000 was outstanding at the end of the reporting period.

NOTES TO THE FINANCIAL STATEMENTS For the year ended 30 June 2020

9.6 Affiliated and related bodies

The following are affiliated bodies that received operational support from the Department. They are not subject to operational control by the Department.

	2019-20 \$'000	2018-19 \$'000
Community Kindergartens	4,151	3,628
Non-Government Schools Planning Advisory Panel	3	198
Rural and Regional Education Advisory Council	157	210
School Curriculum and Standards Authority	30,935	30,463
Training Accreditation Council	-	1,053
Western Australian Higher Education Council	15	14
Total Affiliated bodies	35,261	35,566

The Department had nil related bodies during the financial year.

9.7 Special purpose accounts

Teacher Registration Board of Western Australia Account

The purpose of this account is to hold funds received under section 115(3) of the *Teacher Registration Act 2012* for the payment of costs and expenses incurred in the performance of the functions of the Teacher Registration Board of Western Australia (TRBWA).

The special purpose account was established pursuant to section 16(1)(b) of the *Financial Management Act 2006*.

	2019-20 \$'000	2018-19 \$'000
Balance at start of period	10,261	9,137
Receipts	5,995	6,115
Payments	(6,709)	(4,991)
Balance at end of period	9,547	10,261

Student Residential Colleges Fund

The Student Residential Colleges Fund is a Department special purpose account under the *Financial Management Act 2006* section 16 (1)(b).

	2019-20 \$'000	2018-19 \$'000
Balance at start of period	5,353	5,830
Receipts	15,386	17,872
Payments	(23,029)	(18,349)
Balance at end of period*	(2,290)	5,353

* The shortfall as at 30 June 2020 reflects an outstanding receipt from the Australian Government for capital improvements at Moora Residential College of \$3.48 million which were paid from the central office operating bank account.

Student scholarship accounts

The Department manages the following special purpose accounts in a trustee capacity. The funds are restricted in that they can only be used in accordance with the conditions of the accounts. These are not included in the Financial Statements.

NOTES TO THE FINANCIAL STATEMENTS For the year ended 30 June 2020

9.7 Special purpose accounts (continued)

Special Purpose Account	2019-20				2018-19			
	Balance at start of period	Receipts	Payments	Balance at end of period	Balance at start of period	Receipts	Payments	Balance at end of period
	\$	\$	\$	\$	\$	\$	\$	\$
1 Olive A. Lewis Scholarship	4,736	25,000	25,000	4,736	4,736	25,000	25,000	4,736
2 Scholarship - Council of War Service Land Settlers Association	1,051	13	-	1,064	1,028	23	-	1,051
3 John Henry Kendall	1,168	15	-	1,183	1,143	25	-	1,168
4 Margueretta Wilson Scholarship	3,272	42	-	3,314	3,203	69	-	3,272
5 Perth Girls' Memorial Scholarship	91,660	1,654	7,000	86,314	99,219	2,441	10,000	91,660
6 Sir Thomas Coombe Scholarship	125,613	1,120	-	126,733	123,205	2,408	-	125,613
7 Margery Bennett Prize	1,407	18	-	1,425	1,377	30	-	1,407
8 W.J. Reid Memorial Prize	8,577	110	-	8,687	8,394	183	-	8,577
9 James and Rose Coombe Scholarships	1,250	30,000	31,000	250	500	28,000	27,250	1,250
10 Perth Boys' Memorial Scholarship	15,722	201	5,000	10,923	20,279	443	5,000	15,722
11 Roy Grace English Scholarship	-	-	-	-	-	-	-	-
12 James A. Heron Memorial Prize	14,181	181	2,000	12,362	13,879	302	-	14,181
13 Ernest Smith Memorial Prize for English	2,813	36	-	2,849	2,753	60	-	2,813
14 Bentley Senior High School Memorial Scholarship	20,122	257	4,000	16,379	22,628	494	3,000	20,122
15 Elaine Nora Walker Scholarships	101,219	1,292	3,000	99,511	101,994	2,225	3,000	101,219
16 William Samuel Bequest	1,796	22	100	1,718	1,856	40	100	1,796
17 Howard Porter Memorial Prize for Good Citizenship	2,514	32	100	2,446	2,560	54	100	2,514
18 Ian Bremner Memorial Scholarship	44,979	565	2,000	43,544	45,997	982	2,000	44,979
19 Catherine and Ernest Bennett Memorial Scholarship	29,806	381	-	30,187	29,661	645	500	29,806
20 Laurence Armstrong Scholarship	351,312	24,059	-	375,371	323,217	28,095	-	351,312
21 Rural Boarding Scholarship	23,752	303	-	24,055	-	23,752	-	23,752
Totals	846,950	85,301	79,200	853,051	807,629	115,271	75,950	846,950

NOTES TO THE FINANCIAL STATEMENTS For the year ended 30 June 2020

9.7 Special purpose accounts (continued)

PURPOSE OF SPECIAL PURPOSE ACCOUNTS

1. Olive A. Lewis Scholarship Trust Account

To hold funds received from the Trustees of the Olive A. Lewis Scholarship Trust pending payment of scholarships to students of ability whose further education might otherwise be restricted by virtue of financial need.

2. Scholarship - Council of War Service Land Settlers Association Trust Account

To hold funds for the purpose of providing an annual prize and runner-up award for the students of residential agricultural schools.

3. John Henry Kendall Trust Account

To hold and invest moneys bequeathed for the purpose of providing funds for the purchase and supply of books to the North Merredin Primary School library.

4. Margueretta Wilson Scholarship Trust Account

To hold the foundation money for the purpose of making available an annual scholarship to a Year 9 student at Collie Senior High School.

5. Perth Girls' Memorial Scholarship Trust Account

To hold moneys for the purpose of awarding scholarships to a girl or girls attending a public secondary school in the metropolitan area.

6. Sir Thomas Coombe Scholarship Trust Account

To hold the money bequeathed for the purpose of awarding scholarships to male students of ability who for financial reasons would otherwise be unable to carry on to the Western Australian Certificate of Secondary Education.

7. Margery Bennett Prize Trust Account

To hold moneys for the purpose of awarding a cash prize on a biennial rotation basis to an Aboriginal tertiary student in a teacher education program or an Aboriginal Education Worker in Western Australia.

8. W. J. Reid Memorial Prize Trust Account

To hold and invest moneys donated for the purpose of awarding an annual prize to a student from Carine Senior High School who displays social maturity, confidence, poise, involvement in student and/or community affairs, and above average scholastic development.

9. James and Rose Coombe Scholarship Trust Account

To hold and invest money bequeathed for the purpose of awarding cash prizes for public country school students who are in need of financial assistance to complete a high school education.

10. Perth Boys' Memorial Scholarship Trust Account

To hold moneys for the purpose of awarding scholarships to a boy or boys attending a public secondary school in the metropolitan area.

11. Roy Grace English Scholarship Trust Account

To hold the foundation money for the purpose of making an annual cash award available to a student at the end of both Years 10 and 11 who is attending a public secondary school and who demonstrates exceptional ability in the area of English.

12. James A. Heron Memorial Prize Trust Account

To hold the foundation money for the purpose of awarding a cash prize to a student residing in the Fremantle district who is proceeding to take a Western Australian Certificate of Secondary Education course at any recognised high school.

13. Ernest Smith Memorial Prize for English Trust Account

To hold and invest moneys donated for the purpose of awarding an annual prize to the best student in English at North Perth Primary School.

NOTES TO THE FINANCIAL STATEMENTS For the year ended 30 June 2020

9.7 Special purpose accounts (continued)

14. Bentley Senior High School Memorial Scholarship

To hold and invest moneys for the purpose of awarding scholarships based on academic merit to students of Kent Street Senior High School, Como Secondary College or Cannington Community College.

15. Elaine Nora Walker Scholarship Trust Fund

To hold and invest moneys bequeathed for the purpose of providing annual scholarships to assist one male and one female student to continue their education in an institution governed by the Department of Education.

16. William Samuel Bequest Trust Account

To hold and invest the bequest money for the purpose of awarding a boy from White Gum Valley Primary School a cash prize based on all-round efficiency in sport and school work.

17. Howard Porter Memorial Prize for Good Citizenship Trust Account

To hold the bequest money for the purpose of awarding an annual prize for “good citizenship” to a female student at White Gum Valley Primary School.

18. Ian Bremner Memorial Scholarship Trust Account

To hold moneys for the purpose of providing an annual scholarship to the most successful student at Cowaramup Primary School.

19. Catherine and Ernest Bennett Memorial Scholarship Trust Account

To hold moneys for the purpose of providing an annual scholarship to the successful Year 10 student who is continuing on with Year 11 studies at Lake Grace District High School.

20. Laurence Armstrong Scholarship Trust Account

To hold and manage funds for the purpose of funding scholarships for students of the Northam Senior High School in accordance with terms and conditions of the Laurence Armstrong Will.

21. Rural Boarding Scholarship

To hold security monies deposited by scholarship holders. On completion of a teaching qualification, the funds in the trust account will be refunded to the successful scholarship recipient.

9.8 Remuneration of auditors

Remuneration paid or payable to the Auditor General in respect of the audit for the current financial year is as follows:

	2019–20	2018–19
	\$'000	\$'000
Remuneration payable to the Auditor General in respect of the audit for the current financial year is as follows:		
Auditing the accounts, financial statements and key performance indicators	500	500

These amounts are due and payable in the next financial year.

The expenses for the 2019–20 audit of the financial statements is included in note 3.3 ‘Other Expenses’.

NOTES TO THE FINANCIAL STATEMENTS For the year ended 30 June 2020

9.9 Services provided free of charge

During the period the following services were provided to other agencies free of charge for functions outside the normal operations of the Department:

- Marketing and publications
- Delivery support systems - wide area network
- College management information systems support
- Accounting services
- Asset and building management services
- Industrial relations support
- Lease costs
- Outgoings
- School census information
- Administration support

	2019-20	2018-19
	\$'000	\$'000
Department of Finance	23	-
Department of Health	998	976
South Regional TAFE	140	-
Department of Premier and Cabinet	31	-
Department of Communities	15	2
Department of Justice	1	2
Public Sector Commission	1	1
Commissioner for Children & Young People	1	2
Trustees of the Public Education Endowment	16	15
School Curriculum & Standards Authority	30,935	30,463
	32,161	31,461

NOTES TO THE FINANCIAL STATEMENTS For the year ended 30 June 2020

9.10 Non-current assets classified as held for sale

The following table represents a summary of assets held for sale:

	2019-20 \$'000	2018-19 \$'000
<u>Opening balance</u>		
Land and buildings	3,547	4,219
Write-down from cost to fair value less selling costs	-	-
	3,547	4,219
<u>Add: Assets reclassified as held for distribution</u>		
Land and buildings ^(a)	7	97
Write-down from cost to fair value less selling costs	-	-
	7	97
<u>Total assets classified as held for distribution</u>		
Land and buildings	3,554	4,316
Write-down from cost to fair value less selling costs	-	-
	3,554	4,316
<u>Less: Assets sold or distributed to owner</u>		
Land and buildings	55	370
Write-down from cost to fair value less selling costs	-	399
	55	769
<u>Closing balance</u>		
Land and buildings	3,499	3,547
Write-down from cost to fair value less selling costs	-	-
	3,499	3,547

- (a) In 2019-20 the following listed land and buildings, surplus to the Department's requirements, and with a fair value of \$7,000 were transferred from land and buildings held for distribution to owner:
5 Gordon Street, Kulin \$7,000.

Non-current assets (or disposal groups) held for sale/ distribution to owner are recognised at the lower of carrying amount and fair value less costs to sell, and are disclosed separately from other assets in the Statement of Financial Position. Assets classified as held for distribution are not depreciated or amortised.

Non-current assets held for distribution comprise surplus Crown and freehold land 'held for sale' and buildings to be disposed of by the Department as a distribution to owner. All Crown land holdings are vested in the Department by the Government. The Department of Planning, Lands and Heritage (DPLH) is the only agency with the power to sell Crown land. The Department transfers the Crown land and any attached buildings to DPLH when the land becomes available for sale.

The Department has the power to sell freehold land, however cannot retain revenues derived from the sale unless specifically approved for retention by the Treasurer.

NOTES TO THE FINANCIAL STATEMENTS For the year ended 30 June 2020

9.11 Equity

	2019-20	2018-19
	\$'000	\$'000
Contributed equity		
Balance at start of period	14,196,703	13,851,064
<u>Contributions by owners</u>		
Capital appropriation	316,737	275,880
Transfer of net assets from other agencies:		
Pilbara TAFE to Karratha Senior High School	174	-
Department of Communities	1,235	-
	<u>1,409</u>	<u>-</u>
<u>Other contributions by owners</u>		
Royalties for Regions Fund	42,917	84,487
Total contributions by owners	<u>14,557,766</u>	<u>14,211,431</u>
<u>Distributions to owners</u>		
Transfer of net assets to Government:		
Crown land transferred to Department of Planning, Lands and Heritage	(110)	(14,608)
Office equipment transferred to Public Sector Commission	-	(3)
Training Accreditation Council debtors transferred to Department of Training and Workforce Development	-	(117)
	<u>(110)</u>	<u>(14,728)</u>
Total distributions to owner	<u>(110)</u>	<u>(14,728)</u>
Balance at end of period	<u>14,557,656</u>	<u>14,196,703</u>
Accumulated surplus		
Balance at start of the year	(548,525)	(238,044)
Change in accounting policy ^(a)	8,993	(9,392)
Result for the period	(82,904)	(301,089)
	<u>(622,436)</u>	<u>(548,525)</u>
Balance at the end of the year	<u>(622,436)</u>	<u>(548,525)</u>
Total equity at end of the period	<u>13,935,220</u>	<u>13,648,178</u>

(a) Initial application of adopting AASB 15, AASB 16 and AASB 1058.

NOTES TO THE FINANCIAL STATEMENTS For the year ended 30 June 2020

9.12 Supplementary financial information

	2019-20 \$'000	2018-19 \$'000
Write-offs		
<u>Accounts Receivable</u>		
During the financial year, \$3,370,834 (2018-19: \$2,971,484) of Accounts Receivable was written off under the authority of:		
Accountable Authority	3,371	2,971
The Minister	-	-
Executive Council	-	-
	3,371	2,971
<u>Asset Register</u>		
During the financial year, \$87,819 (2018-19: \$39,688) was written off the Department's asset register under the authority of:		
The Accountable Authority	88	40
The Minister	-	-
Executive Council	-	-
	88	40
Losses through theft, defaults and other causes		
Losses of public money and other property through theft or default	17	1
Amounts recovered	-	1
	17	2
The dollar amount allocated to "Losses of public money and other property through theft or default" is an estimate as some of the cases are still under investigation and/or the actual loss incurred is not able to be quantified.		
Gifts of public property		
Gifts of public property provided by the Department	-	-
	-	-

During the year no gifts of public property were made.

9.13 Explanatory statement

All variances between annual estimates (original budget) and actual results for 2020, and between the actual results for 2020 and 2019 are shown below. Narratives are provided for key major variances, which are greater than 10% and \$1 million for the Statements of Comprehensive Income, Cash Flows, and the Statement of Financial Position.

NOTES TO THE FINANCIAL STATEMENTS For the year ended 30 June 2020

9.13 Explanatory statement (continued)

Statement of Comprehensive Income

	Estimate 2019–20	Actual 2019–20	Actual 2018–19	Variance							
				Variance between estimate and actual			Variance between actual results for 2020 and 2019				
				\$'000	\$'000	\$'000	\$'000	%	Note	\$'000	%
COST OF SERVICES											
Expenses											
Employee benefits expense	3,899,926	4,060,139	3,864,805	160,213	4%		195,334	5%			
Supplies and services	957,671	961,522	901,290	3,851	0%		60,232	7%			
Depreciation and amortisation expense	271,798	252,791	188,060	(19,007)	(7%)		64,731	34%			A
Grants and subsidies	28,875	31,545	33,177	2,670	9%		(1,632)	(5%)			
Finance costs	78,804	31,225	30,881	(47,579)	(60%)	1	344	1%			
Other expenses	4,012	21,895	476,272	17,883	446%	2	(454,377)	(95%)			B
Total cost of services	5,241,086	5,359,117	5,494,485	118,031	2%		(135,368)	(2%)			
Income											
Revenue											
User contributions, charges and fees	148,457	115,927	135,423	(32,530)	(22%)	3	(19,496)	(14%)			C
Other revenue	83,141	110,763	114,467	27,622	33%	4	(3,704)	(3%)			
Australian Government grants and contributions	904,018	904,957	813,495	939	0%		91,462	11%			D
Interest revenue	22,461	22,897	19,291	436	2%		3,606	19%			E
Total Revenue	1,158,077	1,154,544	1,082,676	(3,533)	(0%)		71,868	7%			
Total income other than income from State Government	1,158,077	1,154,544	1,082,676	(3,533)	(0%)		71,868	7%			
NET COST OF SERVICES	4,083,009	4,204,573	4,411,809	121,564	3%		(207,236)	(5%)			
Income from State Government											
Service appropriation	4,068,147	4,066,784	4,064,460	(1,363)	(0%)		2,324	0%			
Grants from State Government Agencies	6,246	9,415	13,020	3,169	51%	5	(3,605)	(28%)			F
Services received free of charge	15,020	19,078	14,170	4,058	27%	6	4,908	35%			G
Royalties for Regions Fund	28,658	26,392	19,070	(2,266)	(8%)		7,322	38%			H
Total income from State Government	4,118,071	4,121,669	4,110,720	3,598	0%		10,949	0%			
SURPLUS/(DEFICIT) FOR THE PERIOD	35,062	(82,904)	(301,089)	(117,966)	(336%)		218,185	(72%)			
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	35,062	(82,904)	(301,089)	(117,966)	(336%)		218,185	(72%)			

NOTES TO THE FINANCIAL STATEMENTS For the year ended 30 June 2020

9.13 Explanatory statement (continued)

Statement of Financial Position

	Estimate 2019-20	Actual 2019-20	Actual 2018-19	Variance						
				Variance between estimate and actual			Variance between actual results for 2020 and 2019			
				\$'000	%	Note	\$'000	%	Note	
ASSETS										
Current Assets										
Cash and cash equivalents	491,807	558,952	599,313	67,145	14%		(40,361)	(7%)		
Restricted cash and cash equivalents	14,076	30,247	43,037	16,171	115%		(12,790)	(30%)		
Amounts receivable for services	19,673	19,674	19,673	1	0%		1	0%		
Inventories	-	6,442	6,936	6,442	100%	7	(494)	(7%)		
Receivables	97,246	81,558	73,305	(15,688)	(16%)		8,253	11%		
Other current assets	16,055	10,763	19,578	(5,292)	(33%)	8	(8,815)	(45%)		I
Non-current assets held for distribution to owner	4,219	3,499	3,547	(720)	(17%)		(48)	(1%)		
Total Current Assets	643,076	711,135	765,389	68,059	11%		(54,254)	(7%)		
Non-Current Assets										
Restricted cash and cash equivalents	53,598	61,323	41,188	7,725	14%		20,135	49%		
Receivables	311,800	298,197	279,418	(13,603)	(4%)		18,779	7%		
Amounts receivable for services	3,173,969	3,119,560	2,921,922	(54,409)	(2%)		197,638	7%		
Property, plant and equipment	11,656,050	11,117,503	11,090,687	(538,547)	(5%)		26,816	0%		
Right-of-use assets	1,053,152	293,225	-	(759,927)	(72%)	9	293,225	100%		J
Intangible assets	20,075	4,733	16,366	(15,342)	(76%)	10	(11,633)	(71%)		K
Total Non-Current Assets	16,268,644	14,894,541	14,349,581	(1,374,103)	(8%)		544,960	4%		
TOTAL ASSETS	16,911,720	15,605,676	15,114,970	(1,306,044)	(8%)		490,706	3%		
LIABILITIES										
Current Liabilities										
Payables	128,843	134,530	88,377	5,687	4%		46,153	52%		
Borrowings	32,520	34,876	50,259	2,356	7%		(15,383)	(31%)		L
Lease liabilities	65,503	32,668	-	(32,835)	(50%)	11	32,668	100%		M
Employee related provisions	609,359	589,440	569,568	(19,919)	(3%)		19,872	3%		
Other current liabilities	14,135	11,481	12,253	(2,654)	(19%)	12	(772)	(6%)		
Total Current Liabilities	850,360	802,995	720,457	(47,365)	(6%)		82,538	11%		
Non-Current Liabilities										
Payables	-	1,004	173	1,004	100%		831	480%		
Borrowings	350,330	328,849	540,159	(21,481)	(6%)		(211,310)	(39%)		N
Lease liabilities	1,028,227	305,151	-	(723,076)	(70%)	13	305,151	100%		O
Employee related provisions	191,846	232,268	206,003	40,422	21%	14	26,265	13%		P
Other provisions	-	189	-	189	0%		189	100%		
Other current liabilities	242	-	-	(242)	(100%)		-	0%		
Total Non-Current Liabilities	1,570,645	867,461	746,335	(703,184)	(45%)		121,126	16%		
TOTAL LIABILITIES	2,421,005	1,670,456	1,466,792	(750,549)	(31%)		203,664	14%		
NET ASSETS	14,490,715	13,935,220	13,648,178	(555,495)	(4%)		287,042	2%		
EQUITY										
Contributed equity	14,628,124	14,557,656	14,196,703	(70,468)	(0%)		360,953	3%		
Reserves	-	-	-	-	0%		-	0%		
Accumulated surplus/(deficit)	(137,409)	(622,436)	(548,525)	(485,027)	353%		(73,911)	13%		
TOTAL EQUITY	14,490,715	13,935,220	13,648,178	(555,495)	(4%)		287,042	2%		

NOTES TO THE FINANCIAL STATEMENTS For the year ended 30 June 2020

9.13 Explanatory statement (continued)

Statement of Cash Flows

	Estimate 2019–20	Actual 2019–20	Actual 2018–19	Variance							
				Variance between estimate and actual			Variance between actual results for 2020 and 2019				
				\$'000	\$'000	\$'000	\$'000	%	Note	\$'000	%
CASH FLOWS FROM STATE GOVERNMENT											
Service appropriation	3,796,427	3,849,508	3,824,094	53,081	1%		25,414	1%			
Capital contributions	365,494	316,737	275,880	(48,757)	(13%)	15	40,857	15%			Q
Holding account drawdown	19,673	19,637	19,842	(36)	(0%)		(205)	(1%)			
Royalties for Regions Fund	75,708	69,309	103,557	(6,399)	(8%)		(34,248)	(33%)			R
Grants and subsidies	6,246	9,600	12,909	3,354	54%	16	(3,309)	(26%)			S
Net cash provided by State Government	4,263,548	4,264,791	4,236,282	1,243	0%		28,509	1%			
Utilised as follows:											
CASH FLOWS FROM OPERATING ACTIVITIES											
Payments											
Employees benefits	(3,874,826)	(3,952,490)	(3,842,592)	(77,664)	2%		(109,898)	3%			
Supplies and services	(942,571)	(937,350)	(910,629)	5,221	(1%)		(26,721)	3%			
Grants and subsidies	(28,875)	(31,732)	(32,276)	(2,857)	10%	17	544	(2%)			
Finance costs	(70,636)	(24,882)	(22,948)	45,754	(65%)	18	(1,934)	8%			
GST payments on purchases	(108,241)	(134,857)	(132,130)	(26,616)	25%	19	(2,727)	2%			
Loans advanced to non-government schools	(57,100)	(51,406)	(46,264)	5,694	(10%)	20	(5,142)	11%			T
Other payments	-	(261)	(592)	(261)	(100%)		331	(56%)			
Receipts											
User contributions, charges and fees	148,417	109,066	125,249	(39,351)	(27%)	21	(16,183)	(13%)			U
Australian Governments grants and contributions	906,106	906,521	813,495	415	0%		93,026	11%			V
Interest received	17,519	13,586	15,798	(3,933)	(22%)	22	(2,212)	(14%)			W
GST receipts on revenue	7,001	4,204	5,790	(2,797)	(40%)	23	(1,586)	(27%)			X
GST receipts from taxation authority	101,141	132,110	122,135	30,969	31%	24	9,975	8%			
Repayments of loans by non-government schools	34,101	37,318	31,324	3,217	9%		5,994	19%			Y
Other receipts	83,041	90,182	98,904	7,141	9%		(8,722)	(9%)			
Net cash used in operating activities	(3,784,923)	(3,839,991)	(3,774,736)	(55,068)	1%		(65,255)	2%			
CASH FLOW FROM INVESTING ACTIVITIES											
Payments											
Purchase of non-current assets	(452,810)	(428,202)	(416,991)	24,608	(5%)		(11,211)	3%			
Receipts											
Receipts from sale of non-current physical assets	-	211	517	211	100%		(306)	(59%)			
Net cash used in investing activities	(452,810)	(427,991)	(416,474)	24,819	(5%)		(11,517)	3%			
CASH FLOW FROM FINANCING ACTIVITIES											
Payments											
Payment lease liabilities	(65,132)	(43,529)	(18,986)	21,603	(33%)	25	(24,543)	129%			Z
Repayment of borrowings	(69,183)	(37,702)	(31,420)	31,481	(46%)	26	(6,282)	20%			A1
Receipts											
Proceeds from borrowings	92,182	51,406	46,264	(40,776)	(44%)	27	5,142	11%			A2
Net cash used in financing activities	(42,133)	(29,825)	(4,142)	12,308	(29%)		(25,683)	620%			
Net increase/(decrease) in cash and cash equivalents	(16,318)	(33,016)	40,930	(16,698)	102%		(73,946)	(181%)			
Cash and cash equivalents at the beginning of the period	575,799	683,538	642,608	107,739	19%		40,930	6%			
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	559,481	650,522	683,538	91,041	16%		(33,016)	(5%)			

NOTES TO THE FINANCIAL STATEMENTS For the year ended 30 June 2020

9.13 Explanatory statement (continued)

Major Variance Narratives

Variations between estimate and actual

Statement of Comprehensive Income

- 1 The State's accounting position on specific inter-agency agreements in the context of AASB 16 - Leases was revised during 2019–20. This change has resulted in a \$47.6 million (60%) variance between the Estimate, which reflected the previous accounting position and the Actual.
- 2 Other Expenses were \$17.9 million (446%) higher than the 2019–20 Estimate. This is mainly due to the accounting write-off of intangible work in progress associated with the development of computer software (\$13.1 million) and an increase in Doubtful and Bad Debts (\$3.6 million) due to the financial impact of COVID-19 on the State's economy.
- 3 User contributions, charges and fees was \$32.5 million (22%) lower than the 2019–20 Estimate primarily due to the COVID-19 pandemic with school's providing rent waivers for not for profit organisations and small businesses, a reduction in the number of excursion and other extra cost options as well as the suspension of follow up activities for outstanding school charges and fees during Term 2, 2020.
- 4 Other revenue was \$27.6 million (33%) higher than the 2019–20 Estimate. This reflects a change in the classification of employee contributions for Government Regional Officers Housing which were previously offsetting Employee benefits expense (\$16.8 million); and a higher than anticipated RiskCover Workers' Compensation performance adjustment for 2015–16 (\$10.3 million).
- 5 Grants from Other State Government Agencies was \$3.2 million (51%) higher than the 2019–20 Estimate. This variance is due the schools receiving additional grant funding from other State Government agencies (\$3.1 million) during 2019–20 than had been expected in the Estimate.
- 6 Services received free of charge is \$4.1 million (27%) higher than the 2019–20 Estimate due to the increased value of services received from WA Child and Adolescent Health Service (\$4.0 million).

Statement of Financial Position

- 7 The variance is due to a revision in the State's accounting position in 2019–20 which resulted in the actuals for Inventories being classified separately whereas they were included under the heading of Other current asset for the 2019–20 Budget.
- 8 Other current assets was \$5.3 million (33%) lower than the 2019–20 Estimate due to different classification of inventories (see note 7 above) which was partly offset by the early prepayment for software licences.
- 9 Right-of-use assets were \$759.9 million (72%) under the 2019–20 Estimate mainly reflecting a change in the State's accounting position on specific inter-agency agreements in the context of AASB 16 Leases during 2019–20.
- 10 Intangible assets were \$15.3 million (76%) lower than the 2019–20 Estimate mainly due to the accounting write-off of intangible work in progress associated with the development of computer software.
- 11 Lease liabilities were \$32.8 million (50%) lower than the 2019–20 Estimate mainly due to a revision in the State's accounting position on specific inter-agency agreement in the context of AASB 16 Leases during 2019–20. In the 2019–20 Estimate, open ended leases were treated as Right of Use assets whereas these were reclassified as ongoing expenses in the Actuals.
- 12 The variance of \$2.7 million (19%) in Other current liabilities is mainly due to funding provided to schools by the Australian Government for the Local Schools Community Fund. While schools received \$2.3 million for approved small scale projects in January 2020, due to the impact of COVID-19, \$1.7 million of this funding had not been spent as at 30 June 2020.
- 13 Lease liabilities (non-current) was \$723.1 million (70%) lower than the 2019–20 Estimate mainly due to a change in the accounting treatment of open ended leases and the assumptions regarding the term of Right of Use assets.
- 14 Employee related provisions were \$40.4 million (21%) higher than 2019–20 Estimate due to a 0.7% decrease in the discount rate for long service leave liabilities (\$12.5 million) and the combined impact of an increase in leave accruing over the year and less leave being taken during the year due to employee's deferring their leave in light of the COVID-19 travel restrictions.

NOTES TO THE FINANCIAL STATEMENTS For the year ended 30 June 2020

9.13 Explanatory statement (continued)

Statement of Cash Flows

- 15** Capital contributions were \$48.8 million (13%) lower than the 2019–20 Estimate due to changes in the timing of the commencement and progress of projects.
- 16** Grants and subsidies is \$3.4 million (54%) higher than the 2019–20 Estimate mainly due to schools receiving additional grants from other State Government agencies during 2019–20 (\$3.1 million).
- 17** Grants and subsidies payments is \$2.9 million (10%) higher than the 2019–20 Estimate mainly due to Western Australia's contribution to Education Council (\$1.7 million) and the Department's contribution towards the DETECT research study in public schools (\$0.9 million). The contributions were negotiated after the release of 2019–20 Budget.
- 18** Finance costs are \$45.8 million (65%) less than 2019–20 Estimate due to a change in the State's accounting position on specific inter-agency agreements in the context of AASB 16 Leases after the 2019–20 Estimate was finalised.
- 19** The variance of \$26.6 million (25%) in GST payments on purchases is mainly due to higher than expected purchases under Supplies and services and capital projects.
- 20** Loans advanced to non-government schools were \$5.7 million (10%) lower than the 2019–20 Estimate, reflecting slightly lower demand from non-government schools than expected at the time of finalising the 2019–20 Estimate.
- 21** User contributions, charges and fees were \$39.4 million (27%) lower than the 2019–20 Estimate primarily due to the COVID-19 pandemic with school's providing rent waivers for not for profit organisations and small businesses, a reduction in the number of excursion and other extra cost options as well as well as the suspension of follow up activities for outstanding school charges and fees during Term 2, 2020.
- 22** Interest received was \$3.9 million (22%) lower than the 2019–20 Estimate due to the current low interest rate environment.
- 23** GST receipts on revenue were \$2.8 million (40%) lower than the 2019–20 Estimate reflecting lower receipts in 2019–20.
- 24** GST receipts from taxation authority were \$31.0 million (31%) higher than the 2019–20 Estimate due to more purchases being made in 2019–20 compared to the Estimate.
- 25** Payment lease liabilities were \$21.6 million (33%) lower than the 2019–20 Estimate mainly due to a change in the State's accounting position on specific inter-agency agreements in the context of AASB 16 - Leases which occurred after the finalisation of the 2019–20 Estimate.
- 26** Repayment of borrowings were \$31.5 million (46%) lower than the 2019–20 Estimate mainly due to a change in the State's position on the treatment of long-term debt.
- 27** Proceeds from borrowings were \$40.8 million (44%) lower than the 2019–20 Estimate due to a change in the State's position on the treatment of long-term debt.

NOTES TO THE FINANCIAL STATEMENTS For the year ended 30 June 2020

9.13 Explanatory statement (continued)

Major Variance Narratives

Variances between actual results for 2020 and 2019

Statement of Comprehensive Income

- A** Depreciation and amortisation expenses was \$64.7 million (34%) higher than 2018–19 mainly as a result of the costs associated with Right-of-use Assets following the introduction of AASB 16 Leases (\$23.9 million); building impairment expense due to assets damaged by fire and a truck (\$18.3 million); and the accelerated depreciation for assets that were disposed of during the year (\$14.0 million).
- B** The decrease of \$454.4 million (95%) in Other Expenses mainly reflects the 2018–19 decrement to Land and Buildings (\$468.4 million).
- C** The decrease of \$19.5 million (14%) in User contributions, charges and fees compared with 2018–19 primarily due to the impact of the COVID-19 pandemic with school's providing rent waivers for not for profit organisations and small businesses, a reduction in the number of excursion and other extra cost options as well as the suspension of follow up activities for outstanding school charges and fees during Term 2, 2020.
- D** Australian Government grants and contributions were \$91.5 million (11%) higher than 2018–19, mainly due to additional Quality Schools funding of \$90.0 million under the National School Reform Agreement.
- E** Interest Revenue is \$3.6 million (19%) higher than the previous year due to an increase in notional interest revenue for the Low Interest Loan Scheme (\$5.3 million). This is partially offset by a decrease in Interest on bank accounts (\$2.5 million).
- F** Grants from State Government Agencies were \$3.6 million (28%) lower than 2018–19, mainly attributed to the Kimberley Schools Project which is included in the Royalties for Regions Fund for 2019–20.
- G** Services received free of charge is \$4.9 million (35%) higher than 2018–19 mainly due to the increased value of services received from the WA Child and Adolescent Health Service.
- H** The increase of \$7.3 million (38%) for Royalties for Regions Fund mainly reflects the Kimberley Schools Project (\$4.7 million) which was included in Grants from State Government Agencies last year, and an increase in funding for two other projects: Put Education Assistants back in the classroom (\$1.1 million); and Regional learning specialists for Mathematics, Science, Social Science and English (\$1.0 million).

Statement of Financial Position

- I** Other current assets as at 30 June 2020 were \$8.8 million (45%) lower than the previous year mainly due to a lower prepayment balance (\$11.2 million) in 2019–20 compared to 2018–19. This decrease was partially offset by the initial recognition of Contract assets under new accounting standard AASB 15 (\$2.4 million).
- J** Initial recognition of Right of Use assets occurred in 2019–20 as a result of the new accounting standard AASB 16 Leases.
- K** The decrease of \$11.6 million (71%) was predominately due to the accounting write-off of existing work in progress associated with the development of computer software.
- L** Borrowings (current) was \$15.4 million (31%) lower than the previous year mainly due to the implementation of AASB 16 Leases in 2019–20. Finance leases recognised in 2018–19 are now classified as Right-of-use assets in 2019–20. The associated liabilities are presented under 'Lease liabilities (current)'.
M Initial recognition of Lease Liabilities (current) occurred in 2019–20 due to the introduction of AASB 16 Leases. The associated liabilities was included under Borrowings in the previous year.
- N** Borrowings (non-current) were \$211.3 million (39%) lower than the previous year mainly due to the implementation of AASB 16 Leases in 2019–20. Finance leases recognised in 2018–19 are now classified as Right-of-use assets in 2019–20. The associated liabilities are presented under 'Lease liabilities - non-current'.
- O** Initial recognition of Lease Liabilities (non-current) due to the introduction of AASB 16 Leases in 2019–20. The associated liabilities was presented under Borrowings in the previous year.
- P** Employee related provisions (non-current) were \$26.3 million (13%) higher than the previous year mainly due to a 0.7% decrease in the discount rate for long service leave liabilities. The remaining increase is due to the combined impact of an increase in leave accruing over the year and less leave being taken during the year due to employee's deferring their leave in light of the COVID-19 travel restrictions.

NOTES TO THE FINANCIAL STATEMENTS For the year ended 30 June 2020

9.13 Explanatory statement (continued)

Statement of Cash Flows

- Q** Capital contributions were \$40.9 million (15%) higher than the previous year due to the increased investment in the Department's asset portfolio.
- R** Royalties for Regions funding was \$34.2 million (33%) lower than 2018–19 due to a reduced number of approved projects.
- S** Grants and subsidies were \$3.3 million (26%) lower than 2018–19 mainly reflecting a decrease in grants from other State Government agencies.
- T** Loans advanced to non-government schools were \$5.1 million (11%) higher than 2018–19 due to an increase in demand for loans in 2019–20.
- U** User contributions, charges and fees were \$16.2 million (13%) lower than 2018–19 primarily due to the COVID-19 pandemic with school's providing rent waivers for not for profit organisations and small businesses, a reduction in the number of excursion and other extra cost options as well as the suspension of follow up activities for outstanding school charges and fees during Term 2, 2020.
- V** Australian Government grants and contributions were \$93.0 million (11%) higher than 2018–19, mainly due to additional Quality Schools funding (\$90.0 million) under the National School Reform Agreement.
- W** Interest received was \$2.2 million (14%) lower than 2018–19 due to lower interest rates in 2019–20 compared to 2018–19.
- X** GST receipts on revenue were \$1.6 million (27%) lower than 2018–19 reflecting lower receipts in 2019–20.
- Y** The Repayment of loans by non-government schools was \$6.0 million (19%) higher than 2018–19 due to the higher loan portfolio and a few non-government schools taking the opportunity to pay off their loans ahead of schedule due to the low interest rate environment.
- Z** Payment lease liabilities were \$24.5 million (129%) higher than 2018–19 due to the application of AASB 16 Leases the first time in 2019–20.
- A1** Repayment of borrowings were \$6.3 million (20%) higher than 2018–19 due to the higher repayments of loans received from non-government schools.
- A2** Proceeds of borrowings were \$5.1 million (11%) higher than 2018–19 due to an increase in demand for loans in 2019–20.

9.14 Indian Ocean Territories

	2019–20	2018–19
	\$'000	\$'000
<u>Reconciliation of Australian Government funds received and expended for the Indian Ocean Territories</u>		
Balance at start of period	(68)	(553)
Receipts	15,812	14,974
Payments	(14,819)	(14,489)
Balance at end of period	925	(68)

NOTES TO THE FINANCIAL STATEMENTS For the year ended 30 June 2020

9.15 Disclosure of administered income and expenses

	2019-20	2018-19
	\$'000	\$'000
Income		
Transfer revenue	451,873	454,256
Total administered Income	451,873	454,256
Expenses		
Transfer payments	455,469	453,943
Total administered expenses	455,469	453,943

Notes to the schedule of administered items

(i) Transfer revenues

	2019-20	2018-19
	\$'000	\$'000
Financial assistance for non-government schools	442,590	444,342
Other grants and subsidies*	1,304	1,304
Other revenue*	5,009	5,412
Subsidies for unfunded superannuation liabilities of higher education institutions	2,970	3,198
Total	451,873	454,256

*Other grants and subsidies for 2018-19 has been restated (previously \$6.72 million) with \$5.41m now included within other revenue (previously \$0).

(ii) Transfer payments

The Department is responsible for transfers of appropriations to eligible beneficiaries consistent with the requirements of the *School Education Act 1999*, the *School Education Regulations 2000* and the applicable Government Gazettes. The Department does not control amounts for transfer but acts only as an agent. Except for the funding received for the unfunded superannuation liabilities of higher education institutions of \$2.97 million, other miscellaneous grants and subsidies of \$1.30 million, and other revenue of \$5.01 million, the remaining \$442.59 million relates primarily to per capita funding.

The Department of Treasury provides for per capita grants funding based on student growth, the Education Price Index and the movement in the Average Government School Recurrent Cost (AGSRC) index. The State Government's policy commitment to the non-government education sector, is that average per capita of total expenditure on non-government students, including payment of direct per capita grants to schools, should be 'no less than 25%' of the adjusted AGSRC.

	2019-20	2018-19
	\$'000	\$'000
Financial assistance for non-government schools	446,186	444,029
Other grants and subsidies*	1,304	1,304
Other expenses*	5,009	5,412
Subsidies for unfunded superannuation liabilities of higher education institutions	2,970	3,198
Total	455,469	453,943

*Other grants and subsidies for 2018-19 has been restated (previously \$6.72 million) with \$5.41m now included within other expenses (previously \$0).

NOTES TO THE FINANCIAL STATEMENTS For the year ended 30 June 2020

9.16 Explanatory statement for administered items

All variances between annual estimates and actual results for 2020, and between the actual results for 2020 and 2019 are shown below. Narratives are provided for key major variances, which are generally greater than 10% and \$1 million.

	Estimate 2019–20	Actual 2019–20	Actual 2018–19	Variance					
				Variance between estimate and actual			Variance between actual results for 2020 and 2019		
				\$'000	%	Note	\$'000	%	Note
Income									
Transfer revenue	451,873	451,873	454,256	-	0%		(2,383)	(1%)	
Total administered Income	451,873	451,873	454,256	-	0%		(2,383)	(1%)	
Expenses									
Transfer payments	451,873	455,469	453,943	3,596	1%		1,526	0%	
Total administered expenses	451,873	455,469	453,943	3,596	1%		1,526	0%	
Net income from administered items	-	(3,596)	313	(3,596)	100%		(3,909)	(1249%)	

9.17 Administered assets and liabilities

	2019–20 \$'000	2018–19 \$'000
Assets		
Cash and restricted cash assets		
Cash and cash equivalents	7,572	11,168
Total administered current assets	7,572	11,168
Net administered assets	7,572	11,168

Appendices

'Primary' denotes Kindergarten to Year 6 and 'Secondary' spans Years 7 to 12 unless specified otherwise.

1. Student enrolment

Table A1: Students at Western Australian schools by sector 2006 to 2020 ^{(a) (b)}

Year	Public schools	Non-government schools	Total
2006	252,061	119,896	371,957
2007	253,209	123,216	376,425
2008	253,838	127,248	381,086
2009	258,132	131,240	389,372
2010	258,115	134,335	392,450
2011	261,013	137,372	398,385
2012	268,129	140,006	408,135
2013	276,275	142,883	419,158
2014	283,739	144,877	428,616
2015	292,952	148,980	441,932
2016	296,377	148,545	444,922
2017	302,271	147,471	449,742
2018	307,520	147,813	455,333
2019	311,199	148,836	460,035
2020	317,368	149,949	467,317

Source: *System and School Performance*

(a) Semester 1 student census. Primary and full-time secondary students. Public schools include community kindergartens and non-government schools include Independent pre-schools.

(b) Half cohort progressed through school from 2001 to 2014 inclusive, entering secondary education in 2010.

Table A2: Schools and students in Western Australia by sector and subgroup 2020 ^{(a) (b)}

Sector	Schools	Students			
		All	Female	Male	Aboriginal
Public	818	317,368	153,184	164,150	26,688
Non-government	311	149,949	74,883	75,066	5,190
Total	1,129	467,317	228,067	239,216	31,878

Source: *System and School Performance*

(a) Semester 1 student census. Primary and full-time secondary students. Public schools include community kindergartens.

(b) All includes gender category Other.

Table A3: Students at Western Australian schools by year level and sector 2020 ^(a)

Year level	Public schools	Non-government schools	Total
Pre-kindergarten	–	1,628	1,628
Kindergarten	25,060	8,387	33,447
Pre-primary	25,785	8,627	34,412
Year 1	26,130	8,849	34,979
Year 2	26,197	8,953	35,150
Year 3	25,427	9,201	34,628
Year 4	25,288	9,486	34,774
Year 5	24,777	9,837	34,614
Year 6	24,227	10,074	34,301
Year 7	21,594	13,180	34,774
Year 8	20,854	13,566	34,420
Year 9	19,663	12,817	32,480
Year 10	18,760	12,300	31,060
Year 11	18,288	12,074	30,362
Year 12	15,235	10,904	26,139
Primary total	202,891	75,042	277,933
Secondary total	114,477	74,907	189,384
Grand total	317,368	149,949	467,317

Source: *System and School Performance*

(a) Semester 1 student census. Primary and full-time secondary students. Public schools include community kindergartens. Totals include ungraded students.

Table A4: Students at Western Australian public schools by level of education and subgroup 2020 ^{(a) (b)}

Level of education	All	Female	Male	Aboriginal
Primary	202,891	97,956	104,930	17,250
Secondary	114,477	55,228	59,220	9,438
Total	317,368	153,184	164,150	26,688

Source: *System and School Performance*

(a) Semester 1 student census. Primary and full-time secondary students. Includes community kindergartens.

(b) All includes gender category Other.

Table A5: Western Australian public schools and students by school type and level of education 2020^(a)

School type	Schools	Students		
		Primary	Secondary	Total
Community kindergarten	18	538	0	538
Primary ^(b)	563	189,670	516	190,186
District high	53	7,384	3,946	11,330
Kindergarten–Year 12 ^(c)	6	2,033	2,007	4,040
Secondary	112	0	106,313	106,313
Education support ^(d)	64	3,172	1,674	4,846
Specialist services ^(e)	2	94	21	115
Total	818	202,891	114,477	317,368

Source: *System and School Performance*

(a) Semester 1 student census. Primary and full-time secondary students.

(b) Includes schools of the air and remote community schools.

(c) Includes School of Isolated and Distance Education.

(d) Includes language development school/centres.

(e) Comprises School of Special Educational Needs: Behaviour and Engagement and School of Special Educational Needs: Sensory.

Table A6: Students at Western Australian public schools by year level 2016 to 2020^(a)

Year level	2016	2017	2018	2019	2020
Kindergarten	23,877	24,543	24,644	24,397	25,060
Pre-primary	25,171	25,174	25,953	25,839	25,785
Year 1	25,171	25,465	25,444	26,075	26,130
Year 2	24,859	25,102	25,425	25,417	26,197
Year 3	25,261	24,853	25,064	25,344	25,427
Year 4	24,647	25,172	24,708	24,985	25,288
Year 5	22,797	24,301	24,775	24,351	24,777
Year 6	21,639	22,737	24,132	24,644	24,227
Year 7	17,783	18,673	19,679	20,824	21,594
Year 8	17,469	17,970	18,762	19,612	20,854
Year 9	17,326	17,582	18,057	18,702	19,663
Year 10	17,451	17,462	17,576	17,923	18,760
Year 11	18,187	18,088	17,954	17,839	18,288
Year 12	14,660	15,075	15,278	15,159	15,235
Primary total	193,422	197,347	200,145	201,052	202,891
Secondary total	102,955	104,924	107,375	110,147	114,477
Grand total	296,377	302,271	307,520	311,199	317,368

Source: *System and School Performance*

(a) Semester 1 student census. Primary and full-time secondary students. Includes community kindergartens. Totals include ungraded students.

Table A7: Proportion (%) of students by geolocation of Western Australian public schools by level of education 2020 ^{(a) (b)}

Geolocation ^(c)	Primary	Secondary	All
Metropolitan	76.8	75.8	76.4
Inner regional	8.5	9.5	8.9
Outer regional	7.1	8.2	7.5
Remote	4.7	4.1	4.5
Very remote	2.9	2.4	2.7

Source: *System and School Performance*

(a) Semester 1 student census. Primary and full-time secondary students. Includes community kindergartens.

(b) Percentages may not add to 100% due to rounding.

(c) Australian Bureau of Statistics Australian Statistical Geography Standard, based on location of students' schools.

Table A8: Western Australian public schools and students by education region and level of education 2020 ^(a)

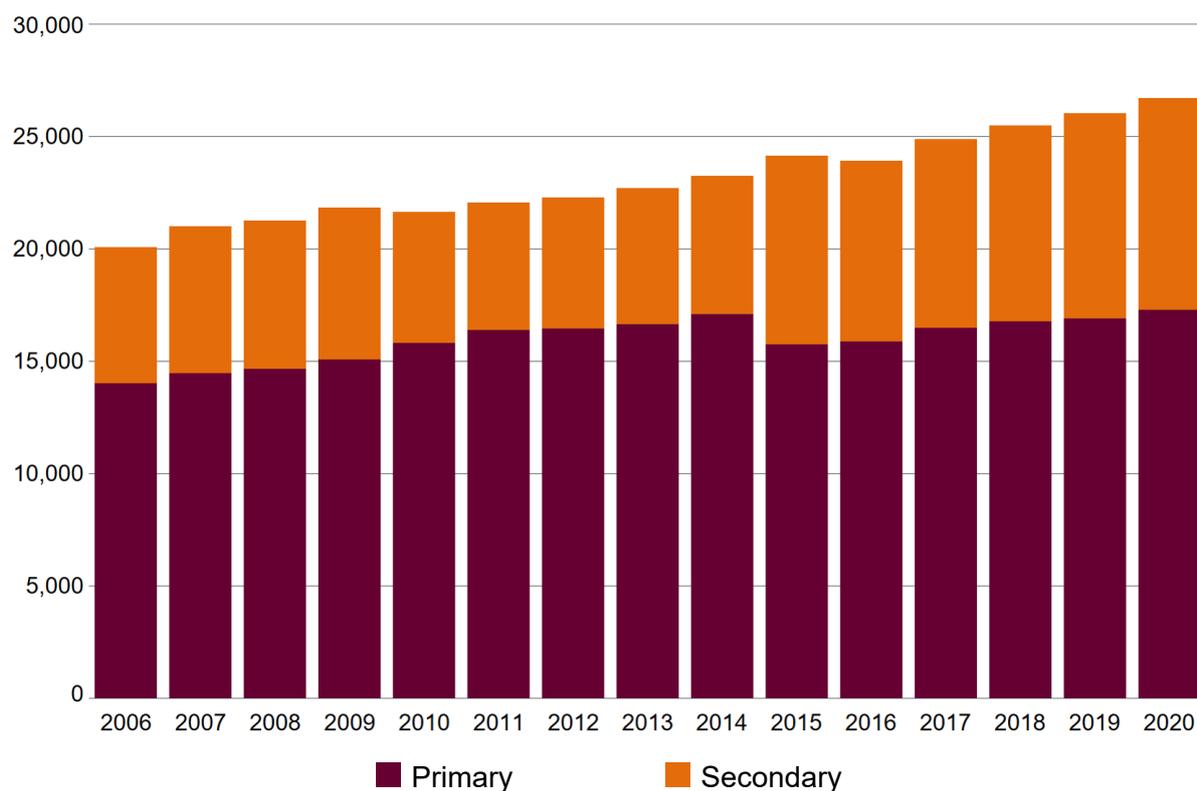
Education region	Schools	Students		
		Primary	Secondary	Total
Metropolitan				
North Metropolitan	248	74,744	40,910	115,654
South Metropolitan	264	83,842	46,557	130,399
Total	512	158,586	87,467	246,053
Country ^(b)				
Goldfields	38	5,198	2,704	7,902
Kimberley	23	3,560	2,025	5,585
Midwest	47	5,102	2,843	7,945
Pilbara	29	6,720	2,946	9,666
South West	100	18,187	13,036	31,223
Wheatbelt	69	5,538	3,456	8,994
Total	306	44,305	27,010	71,315
Grand total	818	202,891	114,477	317,368

Source: *System and School Performance*

(a) Semester 1 student census. Primary and full-time secondary students. Includes community kindergartens.

(b) Defined as all non-metropolitan education regions.

Figure A1: Aboriginal students at Western Australian public schools by level of education 2006 to 2020 ^{(a) (b) (c)}



Source: System and School Performance

(a) Semester 1 student census. Primary and full-time secondary students. Includes community kindergartens.

(b) Year 7 included in secondary from 2015. Prior to this Year 7 included in primary.

(c) Half cohort progressed through school from 2001 to 2014 inclusive, entering secondary education in 2010.

Table A9: Aboriginal students at Western Australian public schools by year level 2016 to 2020 ^(a)

Year level	2016	2017	2018	2019	2020
Kindergarten	1,714	1,854	1,860	1,800	1,897
Pre-primary	2,027	2,020	2,115	2,137	2,151
Year 1	2,025	2,123	2,108	2,181	2,234
Year 2	2,076	2,073	2,160	2,139	2,240
Year 3	2,065	2,134	2,074	2,192	2,173
Year 4	2,089	2,095	2,141	2,125	2,218
Year 5	1,989	2,129	2,128	2,169	2,129
Year 6	1,872	2,032	2,156	2,144	2,208
Year 7	1,534	1,714	1,856	1,975	1,979
Year 8	1,619	1,584	1,726	1,858	1,958
Year 9	1,544	1,570	1,530	1,637	1,789
Year 10	1,375	1,457	1,464	1,390	1,549
Year 11	1,228	1,262	1,301	1,362	1,245
Year 12	736	816	852	893	918
Primary total	15,857	16,460	16,742	16,887	17,250
Secondary total	8,036	8,403	8,729	9,115	9,438
Grand total	23,893	24,863	25,471	26,002	26,688

Source: System and School Performance

(a) Semester 1 student census. Primary and full-time secondary students. Includes community kindergartens. Totals include ungraded students.

Table A10: Aboriginal students at Western Australian public schools by education region 2020 ^(a)

Education region	Aboriginal	All	Aboriginal students as % of all public school students
Metropolitan			
North Metropolitan	5,062	115,654	4.4
South Metropolitan	7,542	130,399	5.8
Total	12,604	246,053	5.1
Country ^(b)			
Goldfields	1,800	7,902	22.8
Kimberley	3,417	5,585	61.2
Midwest	2,324	7,945	29.3
Pilbara	2,730	9,666	28.2
South West	2,322	31,223	7.4
Wheatbelt	1,491	8,994	16.6
Total	14,084	71,315	19.7
Grand total	26,688	317,368	8.4

Source: *System and School Performance*

(a) Semester 1 student census. Primary and full-time secondary students. Includes community kindergartens.

(b) Defined as all non-metropolitan education regions.

Table A11: Students registered to receive home education 2016 to 2020 ^{(a) (b)}

2016	2017	2018	2019	2020
3,303	3,464	3,563	3,720	4,116

Source: *Statewide Services*

(a) Under the *School Education Act 1999*, the Department is responsible for regulation of home education, including evaluation of home education programs and educational progress of students.

(b) As at end of March.

Table A12: Western Australian non-government schools and students by school type and level of education 2020 ^{(a) (b)}

School type	Schools	Students		
		Primary	Secondary	Total
Primary	147	39,518	0	39,518
Primary–secondary	120	35,524	48,031	83,555
Secondary	44	0	26,876	26,876
Total	311	75,042	74,907	149,949

Source: *System and School Performance*

(a) Semester 1 student census. Primary and full-time secondary students.

(b) Primary includes pre-kindergarten students at non-government schools.

Table A13: Non-government schools and students by religious affiliation of school 2019 and 2020 ^(a)

Religious affiliation	Schools		Students	
	2019	2020	2019	2020
No religious affiliation	52	53	7,175	7,476
Total religious affiliation	257	258	141,661	142,473
Anglican	19	19	22,104	22,069
Baptist	15	15	10,199	10,791
Catholic	164	164	78,617	78,521
Seventh Day Adventist	5	5	701	717
Uniting Church	8	8	8,826	8,459
Various other	46	47	21,214	21,916
Grand total	309	311	148,836	149,949

Source: *System and School Performance*

(a) Semester 1 student census. Primary and full-time secondary students.

Table A14: Students at Western Australian residential colleges 2011 to 2020 ^(a)

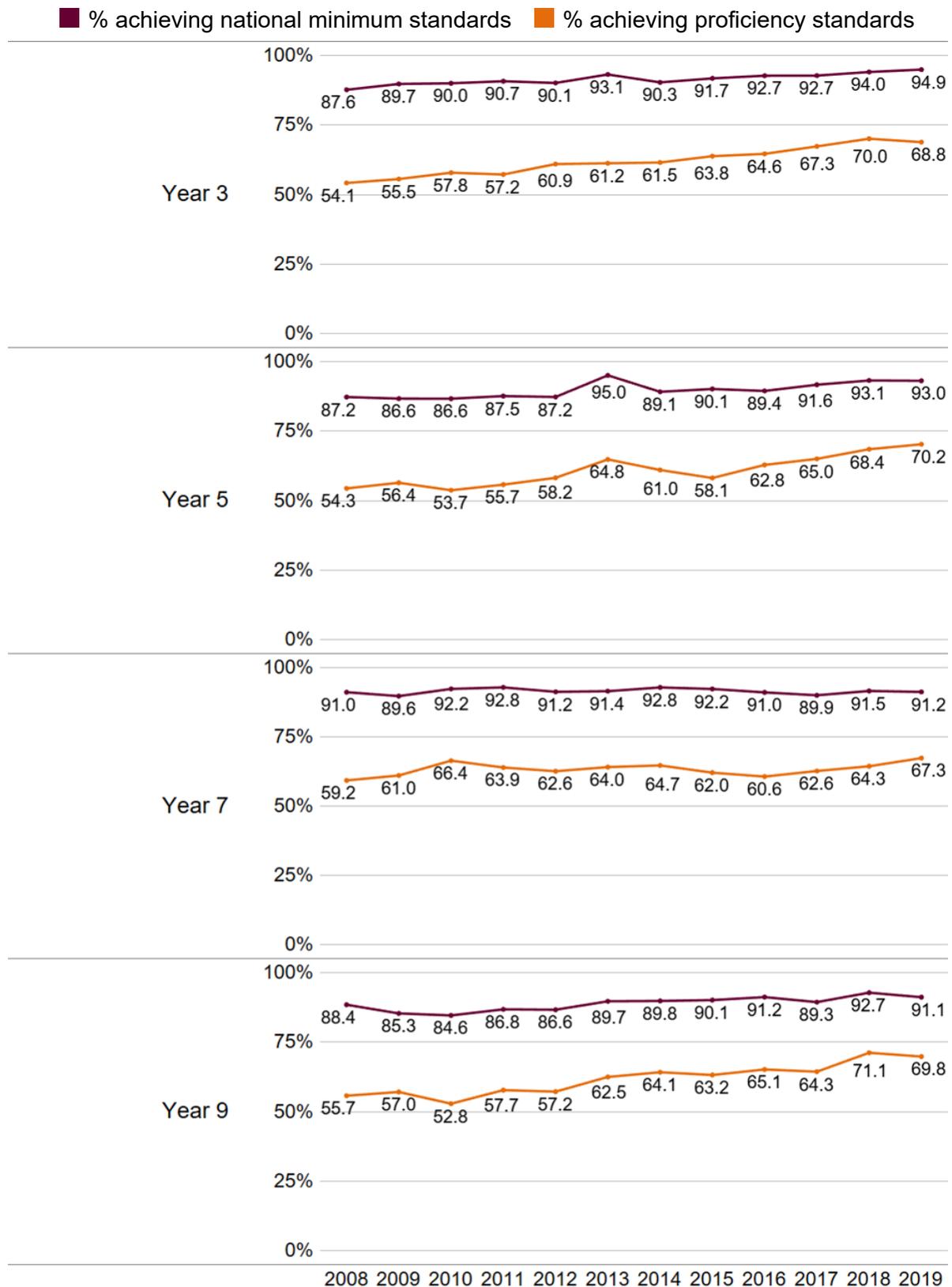
College	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Albany	95	97	80	81	86	94	82	69	66	67
Broome	52	77	51	72	73	72	102	99	81	75
City Beach	66	69	60	57	54	56	52	54	56	45
Esperance	78	86	75	73	82	79	95	87	83	80
Geraldton	100	89	89	62	60	80	68	55	62	49
Merredin	24	44	47	48	59	60	41	37	37	37
Moora	29	40	30	28	34	35	32	26	26	37
Narrogin	156	142	133	124	125	113	102	92	93	83
Northam	37	21	19	18	21	24	19	13	9	14
Total	637	665	584	563	594	613	593	532	513	487

Source: *Schools Division*

(a) Semester 1 student census.

2. NAPLAN results

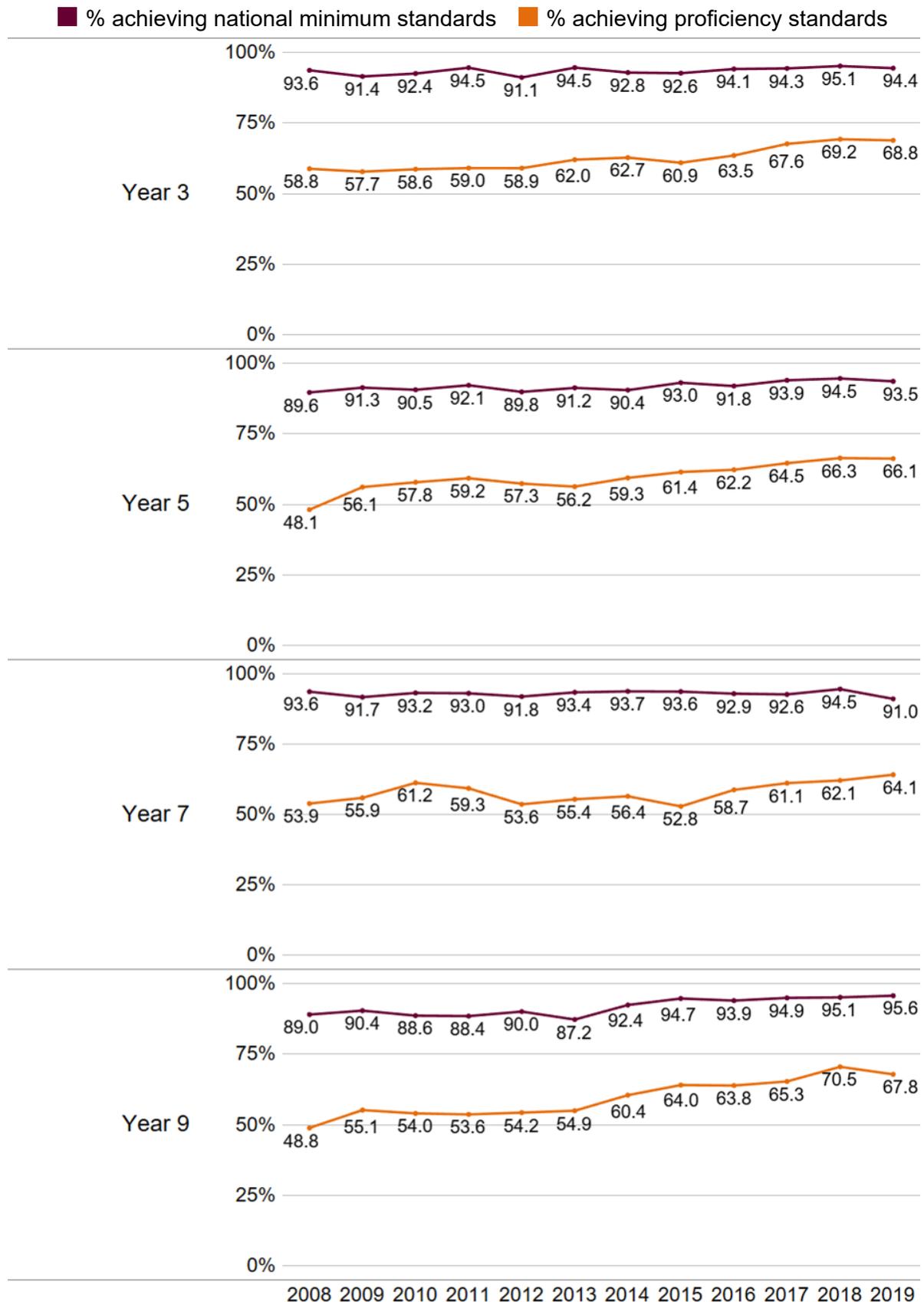
Figure A2: Percentage of Western Australian public school students achieving standards in NAPLAN Reading by year level, 2008 to 2019^(a)



Source: System and School Performance

(a) Year 7 became part of public school secondary education in Western Australia from 2015, having previously been part of primary education.

Figure A3: Percentage of Western Australian public school students achieving standards in NAPLAN Numeracy by year level, 2008 to 2019 (a)



Source: System and School Performance

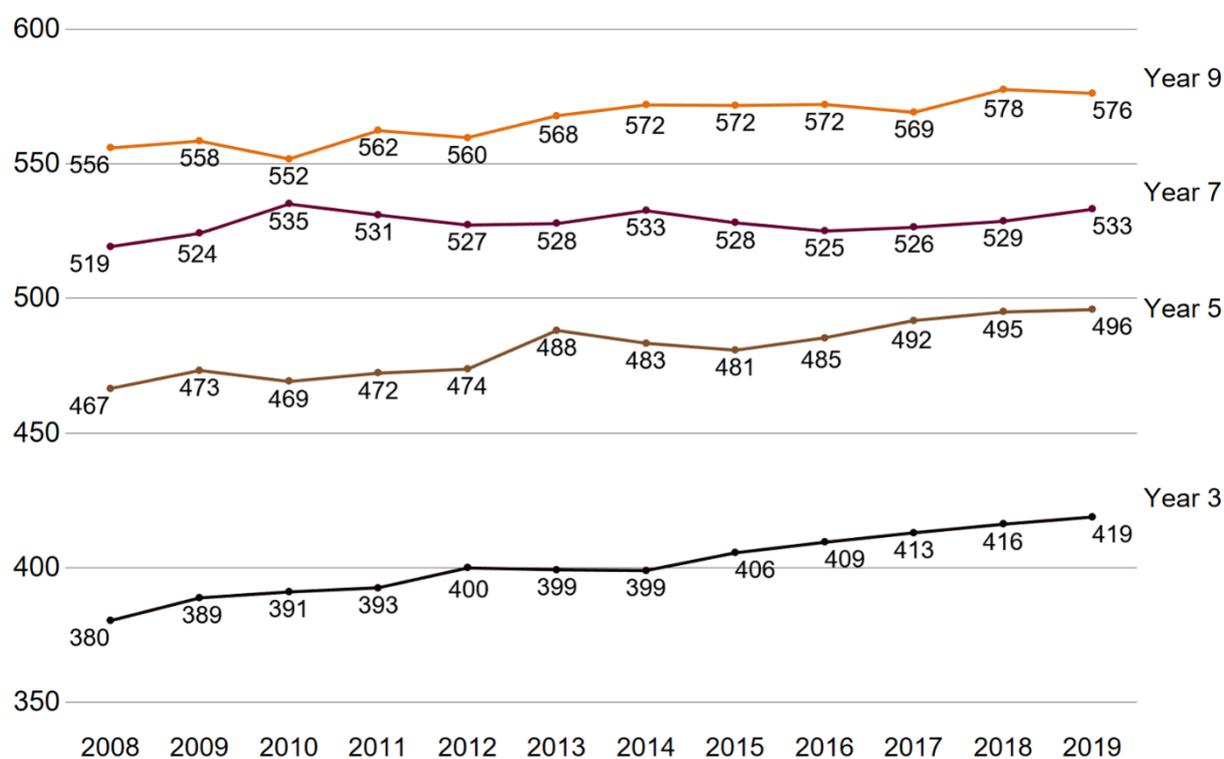
(a) Year 7 became part of public school secondary education in Western Australia from 2015, having previously been part of primary education.

Table A15: Percentage of Western Australian public school students achieving the national minimum standards in NAPLAN by year level 2019

Assessment	Year 3	Year 5	Year 7	Year 9
Reading	94.9	93.0	91.2	91.1
Writing	95.6	90.7	85.9	81.2
Numeracy	94.4	93.5	91.0	95.6

Source: System and School Performance

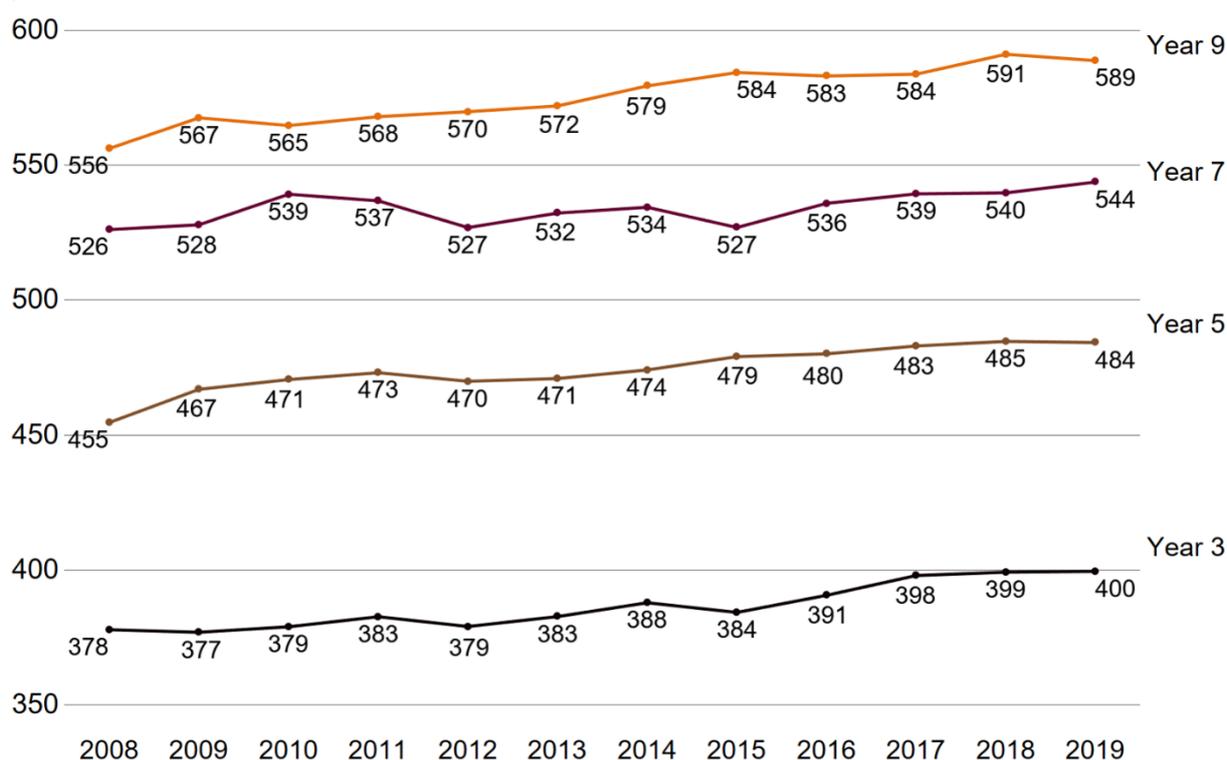
Figure A4: Mean NAPLAN Reading scores of Western Australian public school students by year level 2008 to 2019^(a)



Source: System and School Performance

(a) Year 7 became part of public school secondary education in Western Australia from 2015, having previously been part of primary education.

Figure A5: Mean NAPLAN Numeracy scores of Western Australian public school students by year level 2008 to 2019 ^(a)



Source: System and School Performance

(a) Year 7 became part of public school secondary education in Western Australia from 2015, having previously been part of primary education.

Table A16: Percentage of children in care achieving the national minimum standards 2017 and 2019 ^(a)

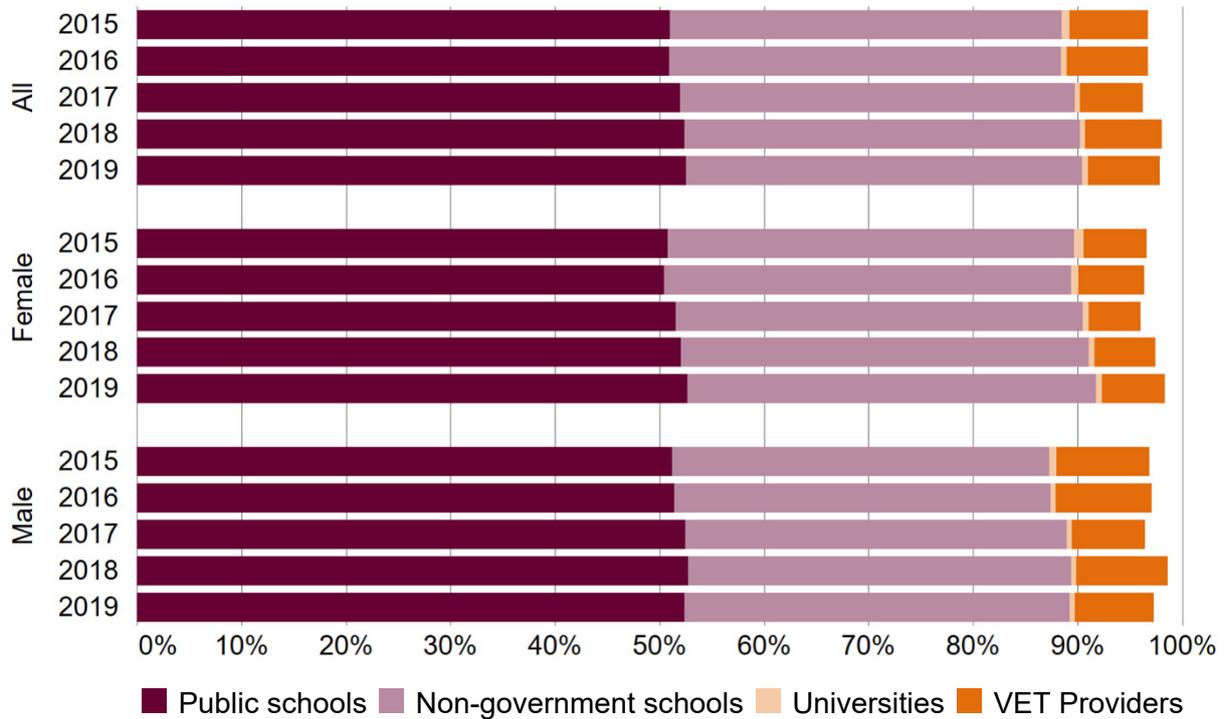
Assessment	2017		2019	
	Year level	%	Year level	%
Reading	Year 3	81.4	Year 5	79.2
	Year 5	77.8	Year 7	74.1
	Year 7	67.8	Year 9	71.1
Numeracy	Year 3	86.6	Year 5	84.4
	Year 5	80.1	Year 7	73.9
	Year 7	87.1	Year 9	91.8

Source: System and School Performance

(a) Only includes students with results in 2017 and 2019.

3. Student participation, achievement and satisfaction

Figure A6: Participation rate (%) of persons aged 15 to 17 years engaged in some form of education by gender 2015 to 2019 ^{(a) (b) (c)}



Source: *System and School Performance*

(a) Based on Australian Bureau of Statistics preliminary estimates of resident population (age at 30 June) and data collected from public and non-government schools (Semester 2 student census, age at 1 July), universities (age at 30 June), and vocational education and training providers (age at 30 June).

(b) University enrolment data for 2019 is an estimate based on 2018 university enrolment data and an annual compound growth factor calculated from university enrolment data across the previous four years.

(c) Revised figures for 2018 due to updated data for 2018 university student enrolments and estimate of resident population.

Table A17: Public school student attendance rate (%) by level of education and subgroup 2019 ^{(a) (b)}

Level of education	Aboriginal	Non-Aboriginal	All
All	74.3	91.2	89.8
Primary ^(c)	79.5	92.7	91.6
Secondary	65.8	88.8	86.8

Source: *System and School Performance*

(a) Excludes Kindergarten students, Canning College students, part-time and international students, and mature-aged students at senior campuses.

(b) As per National Standards for Student Attendance Data Reporting.

(c) Pre-primary to Year 6.

Table A18: Percentage of public school students by attendance category by subgroup 2019 (a) (b) (c)

Attendance category	Aboriginal	Non-Aboriginal	All
Regular attendance (90–100%)	33.3	71.0	67.7
Indicated attendance risk (80–<90%)	22.3	19.8	20.0
Moderate attendance risk (60–<80%)	20.5	7.0	8.2
Severe attendance risk (<60%)	23.9	2.2	4.2

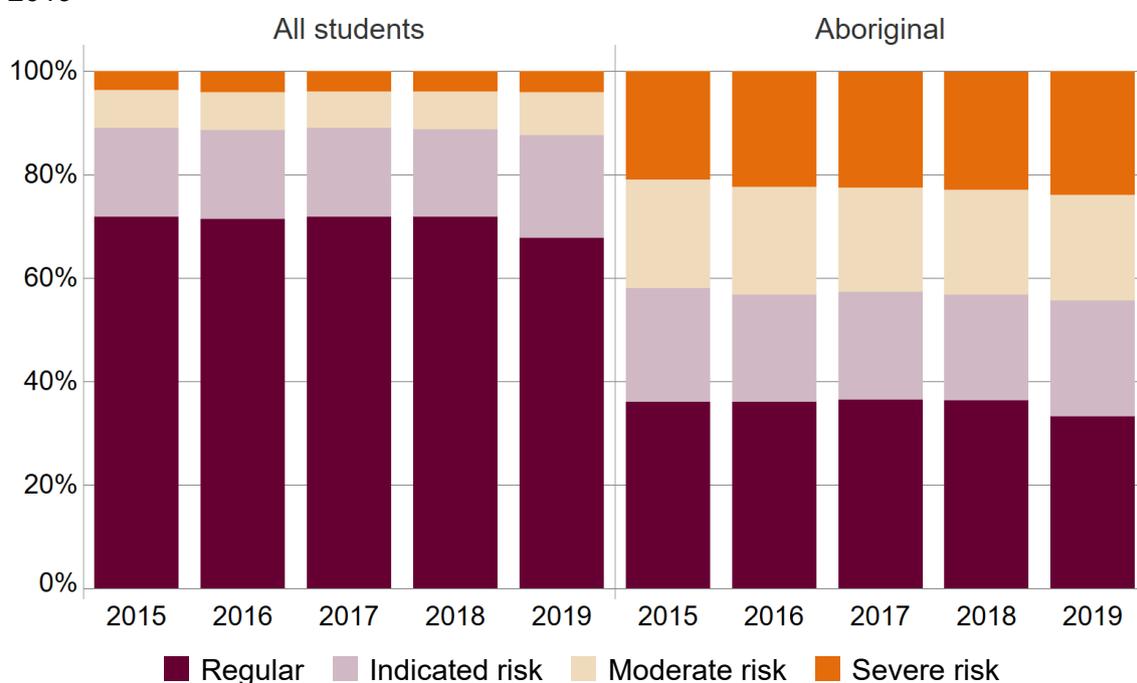
Source: *System and School Performance*

(a) Excludes Kindergarten students, Canning College students, part-time and international students, and mature-aged students at senior campuses.

(b) Percentages may not add to 100% due to rounding.

(c) As per National Standards for Student Attendance Data Reporting.

Figure A7: Percentage of public school students by subgroup by attendance category 2015 to 2019 (a) (b)



Source: *System and School Performance*

(a) Excludes Kindergarten students, Canning College and Tuart College students, part-time and international students, and mature-aged students at senior campuses.

(b) As per National Standards for Student Attendance Data Reporting.

Table A19: Apparent retention rate (%) of public school students Years 8 to 12 by subgroup 2015 to 2019 ^{(a) (b)}

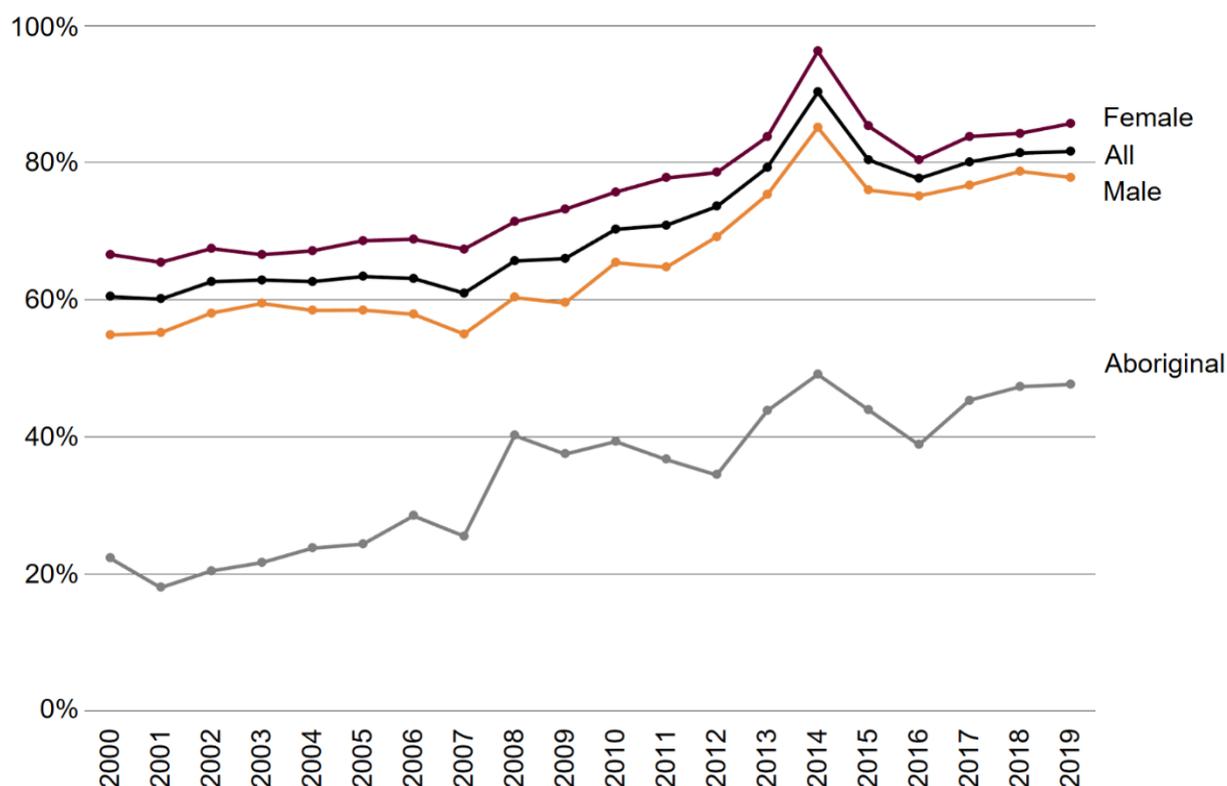
Subgroup	2015		2016		2017		2018		2019	
	%	N	%	N	%	N	%	N	%	N
All	80.4	13,005	77.7	13,398	80.1	13,856	81.4	13,925	81.6	14,041
Female	85.3	6,531	80.4	6,612	83.8	6,927	84.3	6,874	85.7	7,118
Male	76.0	6,474	75.1	6,786	76.7	6,929	78.7	7,051	77.8	6,923
Aboriginal	43.9	645	38.8	627	45.3	717	47.3	718	47.6	768
Female	46.2	306	38.0	285	46.7	356	47.3	355	48.4	397
Male	42.1	339	39.5	342	44.1	361	47.3	363	46.8	371

Source: System and School Performance

(a) Excludes Canning College and Tuart College students, part-time and international students, and mature-aged students at senior campuses.

(b) 'N' is the number of Year 12 students. All data as at Semester 2 student census.

Figure A8: Apparent retention rate (%) of public school students Years 8 to 12 by subgroup 2000 to 2019 ^{(a) (b)}



Source: System and School Performance

(a) Excludes Canning College and Tuart College students, part-time and international students, and mature-aged students at senior campuses.

(b) Semester 2 student census.

Table A20: Year 12 public school student WACE achievement rate and attainment rate by subgroup 2018 and 2019 ^(a)

	Subgroup	2018 ^(b)		2019	
		%	N	%	N
WACE achievement rate ^(c)	All	80.5	11,589	80.7	11,617
	Aboriginal	47.7	344	46.7	359
Attainment rate ^(d)	All	90.9	13,223	90.9	13,197
	Aboriginal	69.5	504	69.8	538

Source: System and School Performance

(a) 'N' is the number of students who achieved the outcome.

(b) A few registered training organisations did not complete VET certification for some public school students in time to be included in the 2018 data. This may have affected the data reported for 2018 for WACE achievement, attainment and achievement of VET certificates.

(c) Percentage of Year 12 full-time students in the Semester 2 student census who achieved WACE. See our [WACE achievement key performance indicator](#) for details on criteria required to achieve WACE.

(d) Percentage of Year 12 students who achieved an ATAR of at least 55 and/or a certificate II or higher VET qualification. The number of Year 12 students at Semester 2 student census is the denominator, a different methodology to previous years which only included full-time WACE eligible.

Table A21: Year 12 public school student ATAR achievement by subgroup 2018 and 2019 ^(a)

	Subgroup	2018			2019		
		Students		Median ATAR	Students		Median ATAR
		%	N		%	N	
Students who achieved an ATAR ^(b)	All	36.8	5,355	79.5	34.1	4,950	78.25
	Aboriginal	8.3	60	62.7	7.3	56	57.275
ATAR students who achieved at least 55	All	85.2	4,563	–	85.2	4,216	–
	Aboriginal	61.7	37	–	51.8	29	–

Source: System and School Performance

(a) 'N' is the number of students who achieved the outcome.

(b) Percentages use the number of Year 12 students at Semester 2 student census as the denominator, a different methodology to previous years which only included full-time students.

Table A22: Year 12 public student VET certificate II or higher achievement by subgroup 2018 and 2019 ^(a)

Subgroup	2018 ^(b)			2019		
	Students		Total VET certificates II or higher	Students		Total VET certificates II or higher
	% ^(c)	N		% ^(b)	N	
All	73.8	10,732	16,183	76.0	11,037	16,284
Aboriginal	67.4	489	716	68.1	525	702

Source: System and School Performance

(a) 'N' is the number of students who achieved a VET certificate II and higher.

(b) A few registered training organisations did not complete VET certification for some public school students in time to be included in the 2018 data. This may have affected the data reported for 2018.

(c) The number of Year 12 students at Semester 2 student census is the denominator, a different methodology to previous years which only included full-time students.

Table A23: WACE achievement rate (%) of Year 12 public school students by subgroup 2015 to 2019 ^{(a) (b)}

Subgroup	2015	2016	2017	2018 ^(c)	2019
All	87.7	79.8	79.5	80.5	80.7
Male	85.2	78.3	77.2	77.9	78.1
Female	90.1	81.3	81.9	83.2	83.2
Aboriginal	60.5	46.9	44.8	47.7	46.7

Source: *System and School Performance*

(a) Year 12 full-time students in the Semester 2 student census.

(b) Year 12 WACE achievement data from the School Curriculum and Standards Authority and taken at a point in time. Data may be updated after this time for a variety of reasons such as students successfully appealing their results.

(c) A few registered training organisations did not complete VET certification for some public school students in time to be included in the 2018 data. This may have affected the data reported for 2018.

Table A24: Satisfaction of Year 12 public school students by subgroup 2015 to 2019 ^(a)

	Subgroup	2015	2016	2017	2018	2019
	All	88.4	87.3	88.0	87.7	87.4
% satisfied with quality of teaching	Male	87.8	87.0	87.5	87.1	86.5
	Female	88.9	87.6	88.6	88.3	88.3
	Aboriginal	92.3	91.0	88.2	89.9	86.5
	All	84.8	83.3	83.4	84.8	83.3
% satisfied with quality of education facilities	Male	84.2	83.2	83.2	84.7	82.5
	Female	85.4	83.5	83.7	84.9	84.1
	Aboriginal	88.1	84.6	82.6	88.2	83.9

Source: *System and School Performance*

(a) Post school intentions and satisfaction survey, conducted in Semester 2.

4. Staffing

Figure A9: Organisational chart at 30 June 2020

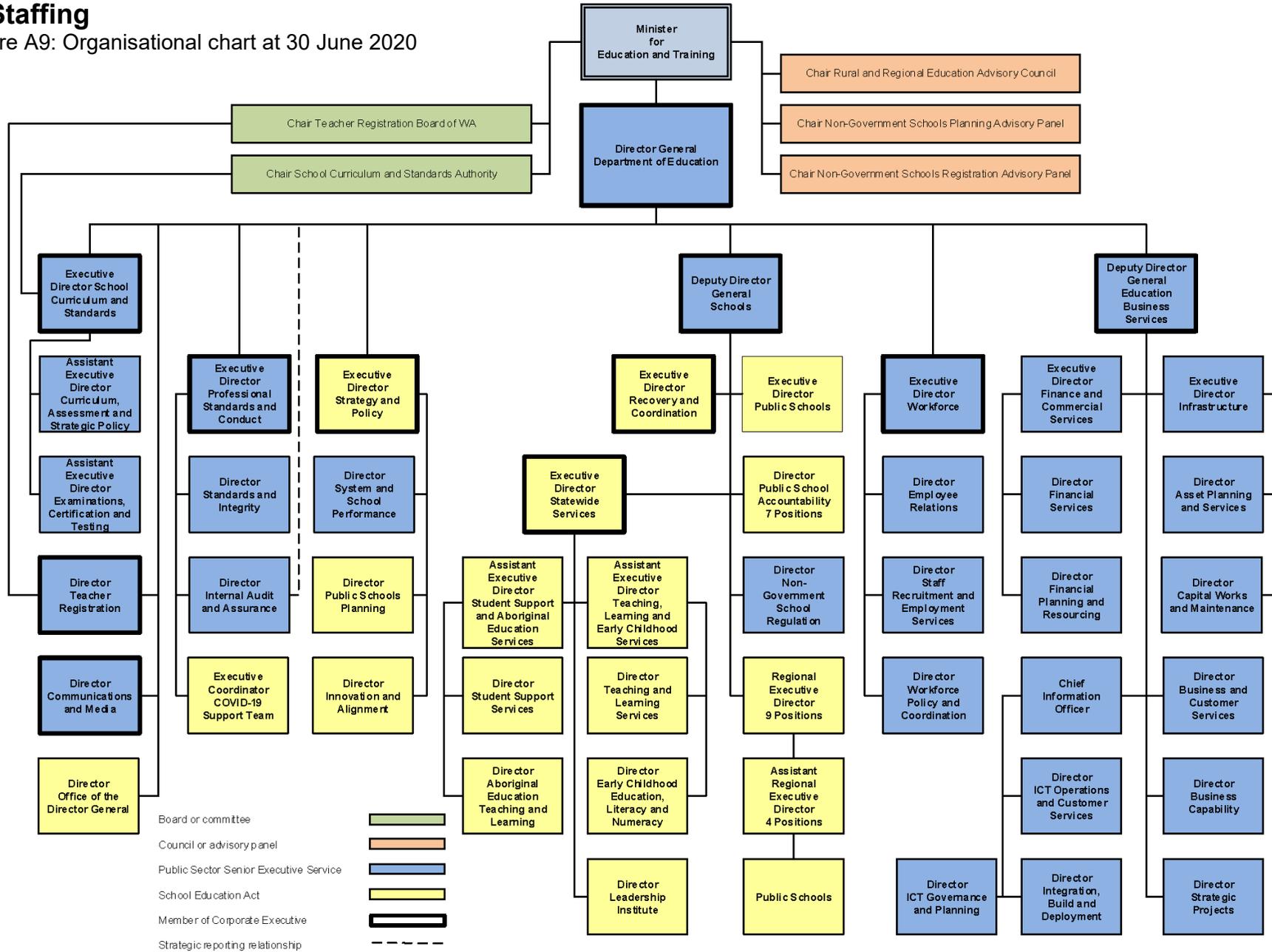


Table A25: School-based teaching staff ^(a) by education category ^(b) and gender 2020

Education category	Female		Male		Total numbers
	N	%	N	%	
Primary	9,998	84.4	1,849	15.6	11,847
Secondary	5,031	61.0	3,212	39.0	8,243
Education support	704	84.4	130	15.6	834
Total	15,733	75.2	5,191	24.8	20,924

Source: *System and School Performance*

(a) Full-time equivalents at Semester 1 student census including teachers at community kindergartens. Based on counting method used for National Schools Statistics Collection that does not include staff on extended leave.

(b) Staff apportioned to education category based on proportion of students in each education category, and apportioned and rounded to be consistent with figures presented in [Table 16](#).

Table A26: Teacher retirements and resignations 2015 to 2019

	2015	2016	2017	2018	2019
Retirement	539	542	566	550	556
Resignation	582	622	597	586	604

Source: *Workforce Policy and Coordination*

5. Annual estimates for 2020–21

In the 2020–21 Budget Statement, the estimates for the Department of Education and the School Curriculum and Standards Authority are consolidated within a single Division of the Consolidated Account Expenditure Estimates.

These annual estimates represent the budget for the Department of Education excluding the School Curriculum and Standards Authority. They were approved by the Minister for Education and Training on 15 September 2020.

Estimate of Statement of Comprehensive Income For the year ended 30 June 2021

	2020–21 Budget Estimate \$'000
COST OF SERVICES	
Expenses	
Employee benefits expense	4,078,314
Supplies and services	1,104,205
Depreciation and amortisation expense	216,707
Grants and subsidies	25,514
Finance costs	36,158
Other expenses	4,857
Total cost of services	5,465,755
Income	
Revenue	
User contributions, charges and fees	147,595
Interest revenue	22,355
Other revenue	106,257
Australian Government grants and contributions	985,254
Total revenue	1,261,461
Total income other than income from State Government	1,261,461
NET COST OF SERVICES	4,204,294
Income from State Government	
Service appropriation	4,255,909
Grants from State Government Agencies	5,194
Services received free of charge	15,597
Royalties for Regions Fund	26,050
Other revenue	913
Total income from State Government	4,303,663
SURPLUS/(DEFICIT) FOR THE PERIOD	99,369
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	99,369

Estimate of Statement of Financial Position
For the year ended 30 June 2021

	2020–21 Budget Estimate \$'000
ASSETS	
Current Assets	
Cash and cash equivalents	540,210
Restricted cash and cash equivalents	24,171
Amounts receivable for services	18,943
Inventories	6,442
Receivables	74,047
Other current assets	12,612
Non-current assets held for distribution to owner	3,499
Total current assets	679,924
Non-Current Assets	
Restricted cash and cash equivalents	78,164
Receivables	317,947
Amounts receivable for services	3,318,472
Property, plant and equipment	11,376,246
Right-of-use assets	299,708
Intangible assets	4,357
Total non-current assets	15,394,894
TOTAL ASSETS	16,074,818
LIABILITIES	
Current Liabilities	
Payables	150,158
Borrowings	38,306
Lease liabilities	29,296
Employee related provisions	589,440
Other current liabilities	10,641
Total current liabilities	817,841
Non-Current Liabilities	
Payables	2,116
Borrowings	346,897
Lease liabilities	313,006
Employee related provisions	232,268
Other provisions	189
Other non-current liabilities	172
Total non-current liabilities	894,648
TOTAL LIABILITIES	1,712,489
NET ASSETS	14,362,329
EQUITY	
Contributed equity	14,885,002
Accumulated surplus/(deficit)	(522,673)
TOTAL EQUITY	14,362,329

Estimate of Statement of Cash Flows
For the year ended 30 June 2021

	2020–21 Budget Estimate \$'000
CASH FLOWS FROM STATE GOVERNMENT	
Service appropriation	4,039,202
Capital contribution	306,421
Administered equity contribution	14,040
Holding account drawdowns	19,638
Royalties for Regions	49,436
Grants and subsidies income	5,194
Other	913
Net cash provided by State Government	4,434,844
Utilised as follows:	
CASH FLOWS FROM OPERATING ACTIVITIES	
Payments	
Employee benefits expense	(4,061,660)
Supplies and services	(1,088,583)
Grants and subsidies	(25,514)
Finance costs	(33,266)
GST payments on purchases	(151,950)
Loans advanced to non-government schools	(57,100)
Other payments	(329)
Receipts	
User contributions, charges and fees	147,556
Australian Government grants and contributions	991,062
Interest received	17,810
GST receipts on revenue	6,860
GST receipts from taxation authority	144,991
Repayments of loans by non-government schools	35,622
Other receipts	108,825
Net cash used in operating activities	(3,965,676)
CASH FLOW FROM INVESTING ACTIVITIES	
Payments	
Purchases of non-current physical assets	(456,230)
Receipts	
Receipts from sale of non-current physical assets	–
Net cash provided by/(used in) investing activities	(456,230)
CASH FLOW FROM FINANCING ACTIVITIES	
Payments	
Payment of lease liabilities	(40,767)
Repayment of borrowings	(73,420)
Receipts	
Proceeds from borrowings	94,889
Net cash used in financing activities	(19,298)
Net increase/(decrease) in cash and cash equivalents	(6,360)
Cash and cash equivalents at the beginning of the period	650,522
Net cash transferred to/from other agencies	(1,617)
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	642,545