

Financial statements

The Department has pleasure in presenting its audited general purpose financial statements for the financial reporting period ended 30 June 2023 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:

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Statement of Comprehensive Income

For the year ended 30 June 2023

	Notes	2022-23 \$'000	2021-22 \$'000
COST OF SERVICES			
Expenses			
Employee benefits expense	3.1.1	4,859,279	4,474,829
Supplies and services	3.3	1,072,645	983,222
Depreciation, amortisation and impairment expense	5.1.1, 5.2, 5.3.1, 5.4.1	261,755	268,526
Accommodation expenses	3.3	20,335	17,366
Grants and subsidies	3.2	40,175	34,261
Finance costs	7.4	48,578	34,929
Other expenses	3.3	8,173	9,343
Total cost of services		6,310,940	5,822,476
Income			
Revenue			
User contributions, charges and fees	4.2	125,373	119,261
Interest revenue	4.4	18,845	20,102
Other revenue	4.5	106,758	104,431
Australian Government grants and contributions	4.3	1,226,566	1,140,176
Total revenue		1,477,542	1,383,970
Total income other than income from State Government		1,477,542	1,383,970
NET COST OF SERVICES		4,833,398	4,438,506
Income from State Government		4.1	
Service appropriation		4,858,771	4,375,333
Income from other public sector entities		27,365	16,204
Resources received free of charge		16,558	14,947
Royalties for Regions Fund		27,096	28,140
Total income from State Government		4,929,790	4,434,624
SURPLUS/(DEFICIT) FOR THE PERIOD		96,392	(3,882)
OTHER COMPREHENSIVE INCOME			
Items not reclassified subsequently to profit or loss			
Changes in asset revaluation surplus	9.11	2,053,113	1,432,961
Total other comprehensive income		2,053,113	1,432,961
TOTAL COMPREHENSIVE INCOME/(LOSS) FOR THE PERIOD		2,149,505	1,429,079

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 2023

	Notes	2022-23 \$'000	2021-22 \$'000
ASSETS			
Current Assets			
Cash and cash equivalents	7.5.1	514,977	513,463
Restricted cash and cash equivalents	7.5.2	44,794	39,196
Amounts receivable for services	6.2	22,397	26,623
Inventories	6.4	9,250	8,590
Receivables	6.1	96,633	94,567
Other current assets	6.3	27,944	23,518
Non-current assets classified as assets held for sale	9.10	2,988	26,019
Total Current Assets		718,983	731,976
Non-Current Assets			
Restricted cash and cash equivalents	7.5.2	108,253	91,131
Receivables	6.1	331,569	327,797
Amounts receivable for services	6.2	3,902,834	3,611,673
Property, plant and equipment	5.1	16,005,491	13,648,921
Service concession assets	5.4	37,684	31,539
Right-of-use assets	5.2	375,808	360,664
Intangible assets	5.3	-	1
Total Non-Current Assets		20,761,639	18,071,726
TOTAL ASSETS		21,480,622	18,803,702
LIABILITIES			
Current Liabilities			
Payables	6.5	170,564	183,123
Borrowings	7.1	41,364	39,436
Lease liabilities	7.2	34,952	39,826
Employee related provisions	3.1.2	716,458	686,432
Other provisions	6.6	4,212	8,220
Other current liabilities	6.7	45,975	38,702
Total Current Liabilities		1,013,525	995,739
Non-Current Liabilities			
Payables	6.5	2,635	2,071
Borrowings	7.1	356,645	349,132
Lease liabilities	7.2	361,529	342,291
Employee related provisions	3.1.2	264,404	246,810
Other provisions	6.6	3,755	3,680
Total Non-Current Liabilities		988,968	943,984
TOTAL LIABILITIES		2,002,493	1,939,723
NET ASSETS		19,478,129	16,863,979
EQUITY			
Contributed equity	9.11	15,742,616	15,277,971
Reserves	9.11	3,802,112	1,748,999
Accumulated surplus/(deficit)	9.11	(66,599)	(162,991)
TOTAL EQUITY		19,478,129	16,863,979

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 2023

	Notes	Contributed equity \$'000	Reserves \$'000	Accumulated surplus/(deficit) \$'000	Total equity \$'000
Balance at 1 July 2021	9.11	14,883,793	316,038	(159,109)	15,040,722
Surplus/(deficit)		-	-	(3,882)	(3,882)
Other comprehensive income		-	1,432,961	-	1,432,961
Total comprehensive income for the period		-	1,432,961	(3,882)	1,429,079
<u>Transactions with owners in their capacity as owners:</u>					
Capital appropriations		357,345	-	-	357,345
Transfer of net assets from other agencies		32,121	-	-	32,121
Other contributions by owners		5,106	-	-	5,106
Distribution to owners		(394)	-	-	(394)
Total		394,178	-	-	394,178
Balance at 30 June 2022		15,277,971	1,748,999	(162,991)	16,863,979

	Notes	Contributed equity \$'000	Reserves \$'000	Accumulated surplus/(deficit) \$'000	Total equity \$'000
Balance at 1 July 2022	9.11	15,277,971	1,748,999	(162,991)	16,863,979
Surplus/(deficit)		-	-	96,392	96,392
Other comprehensive income		-	2,053,113	-	2,053,113
Total comprehensive income for the period		-	2,053,113	96,392	2,149,505
<u>Transactions with owners in their capacity as owners:</u>					
Capital appropriations		474,952	-	-	474,952
Transfer of net assets from other agencies		5,660	-	-	5,660
Other contributions by owners		7,033	-	-	7,033
Distribution to owners		(23,000)	-	-	(23,000)
Total		464,645	-	-	464,645
Balance at 30 June 2023		15,742,616	3,802,112	(66,599)	19,478,129

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

Statement of Cash Flows

For the year ended 30 June 2023

	Notes	2022-23 \$'000	2021-22 \$'000
CASH FLOWS FROM STATE GOVERNMENT			
Service appropriation		4,549,307	4,064,907
Capital contribution		474,952	357,345
Holding account draw downs		22,529	10,026
Royalties for Regions Fund		34,129	33,246
Funds from other public sector entities		28,291	12,656
Net cash provided by State Government		5,109,208	4,478,180
Utilised as follows:			
CASH FLOWS FROM OPERATING ACTIVITIES			
Payments			
Employee benefits expense		(4,835,512)	(4,398,217)
Supplies and services		(1,054,902)	(965,483)
Accommodation expenses		(19,197)	(18,339)
Grants and subsidies		(41,183)	(32,557)
Finance costs		(33,847)	(32,419)
GST payments on purchases		(158,812)	(145,635)
Loans advanced to non-government schools		(48,408)	(49,852)
Other payments		(234)	(294)
Receipts			
User contributions, charges and fees		121,321	108,981
Australian Government grants and contributions		1,221,487	1,153,525
Interest received		18,278	10,423
GST receipts on revenue		5,406	5,041
GST receipts from taxation authority		152,881	136,801
Repayments of loans by non-government schools		38,967	41,980
Other receipts		99,114	103,648
Net cash used in operating activities	7.5.3	(4,534,641)	(4,082,397)
CASH FLOW FROM INVESTING ACTIVITIES			
Payments			
Purchases of non-current physical assets		(513,419)	(430,850)
Receipts			
Receipts from sale of non-current physical assets		411	398
Net cash provided by/(used in) investing activities		(513,008)	(430,452)
CASH FLOW FROM FINANCING ACTIVITIES			
Payments			
Repayment of lease liabilities		(46,766)	(42,887)
Repayment of borrowings		(38,967)	(41,980)
Receipts			
Proceeds from borrowings		48,408	49,852
Net cash used in financing activities		(37,325)	(35,015)
Net increase/(decrease) in cash and cash equivalents		24,234	(69,684)
Cash and cash equivalents at the beginning of the period		643,790	713,474
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	7.5.3	668,024	643,790

Administered Schedules

Administered income and expenses by service

	Regulation and Non-Government Sector Assistance ^(a)		COVID-19 Rapid Antigen Test Kits Distribution ^(b)		Total	
	2022-23 \$'000	2021-22 \$'000	2022-23 \$'000	2021-22 \$'000	2022-23 \$'000	2021-22 \$'000
Income						
Service appropriation	449,088	452,329	-	-	449,088	452,329
Resources received free of charge	-	-	70,169	57,683	70,169	57,683
Total administered income	449,088	452,329	70,169	57,683	519,257	510,012
Expenses						
Grants to charitable and public bodies, and communities	440,939	443,526	-	-	440,939	443,526
Resources distributed free of charge	-	-	70,169	57,683	70,169	57,683
Superannuation – higher education institutions	2,632	2,707	-	-	2,632	2,707
Schools of Special Educational Needs: Medical and Mental Health and Sensory	5,529	5,337	-	-	5,529	5,337
Total administered expenses	449,100	451,570	70,169	57,683	519,269	509,253

(a) The Department is responsible for transfers of appropriations to eligible beneficiaries consistent with the requirements of the *School Education Act 1999* (WA), the *School Education Regulations 2000* (WA) and the applicable Government Gazettes. The Department does not control amounts for transfer but acts only as an agent.

(b) The Department received Rapid Antigen Test (RAT) kits free of charge to distribute to critical workers and parents or carers of students of public and non-government schools as part of the State Government's response to COVID-19 (\$69.41 million from the Department of Health and \$0.76 million from the Department of Finance).

Administered assets

	2022-23 \$'000	2021-22 \$'000
Assets		
Current		
Cash and cash equivalents	14,505	14,516
Total administered current assets	14,505	14,516
Net administered assets		
	14,505	14,516

Notes to the financial statements

For the year ended 30 June 2023

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1. Basis of preparation

The Department is a Western Australian 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 29 August 2023.

Statement of compliance

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

1. *The Financial Management Act 2006 (WA) (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 notforprofit entities have been applied.

The FMA 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.

The School Curriculum and Standards Authority continued as a statutory authority under the *School Curriculum and Standards Authority Act 1997 (WA)* and from 1 July 2017 the staff became the employees of the Department of Education. The Teacher Registration Board of Western Australia continued as a statutory entity.

Amalgamation of accounts

Financial information from 828 educational sites, including 813 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 central office 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 the 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

1. Basis of preparation (continued)

Accounting for Goods and Services Tax (GST)

Income, expenses and assets are recognised net of the amount of goods and services tax (GST), except that the:

- a. amount of GST incurred by the Agency as a purchaser that is not recoverable from the Australian Taxation Office (ATO) is recognised as part of an asset's cost of acquisition or as part of an item of expense; and
- b. receivables and payables are stated with the amount of GST included.

Cash flows are included in the Statement of cash flows on a gross basis. However, the GST components of cash flows arising from investing and financing activities which are recoverable from, or payable to, the ATO are classified as operating cash flows.

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.

Administered items

The Department administers, but does not control, certain activities and functions for and on behalf of Government that do not contribute to the Department's services or objectives. It does not have discretion over how it utilises the transactions in pursuing its own objectives.

Transactions relating to the administered activities are not recognised as the Department's income, expenses, assets and liabilities, but are disclosed in the accompanying schedules as 'Administered income and expenses', and 'Administered assets and liabilities'.

The accrual basis of accounting and applicable AAS have been adopted.

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
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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 4 years and 6 months to 11 years and 6 months.

Service 2: Public Secondary Education

This service provides access to education in public schools for persons aged generally from 11 years and 6 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 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.

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* (WA).

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	
	2022-23 \$'000	2021-22 \$'000	2022-23 \$'000	2021-22 \$'000	2022-23 \$'000	2021-22 \$'000	2022-23 \$'000	2021-22 \$'000	2022-23 \$'000	2021-22 \$'000
COST OF SERVICES										
Expenses										
Employee benefits expense	2,876,787	2,652,684	1,925,699	1,768,635	25,429	22,741	31,364	30,769	4,859,279	4,474,829
Supplies and services	587,857	539,707	453,284	417,372	24,269	19,436	7,235	6,707	1,072,645	983,222
Depreciation and amortisation expense	147,665	152,056	113,445	115,837	606	594	39	39	261,755	268,526
Accommodation expenses	10,834	9,211	6,508	5,320	478	450	2,515	2,385	20,335	17,366
Grants and subsidies	14,469	6,761	8,780	10,398	16,686	16,813	240	289	40,175	34,261
Finance costs	13,784	13,285	9,603	9,253	25,189	12,389	2	2	48,578	34,929
Other expenses	1,808	1,822	6,173	7,653	191	(133)	1	1	8,173	9,343
Total cost of services	3,653,204	3,375,526	2,523,492	2,334,468	92,848	72,290	41,396	40,192	6,310,940	5,822,476
Income										
Revenue										
User contributions, charges and fees	35,750	32,840	81,114	77,582	8,503	8,834	6	5	125,373	119,261
Interest revenue	3,981	193	3,589	295	11,275	19,614	-	-	18,845	20,102
Other revenue	63,851	61,028	39,233	39,579	752	538	2,922	3,286	106,758	104,431
Australian Government grants and contributions	768,044	718,801	434,965	410,219	23,557	11,156	-	-	1,226,566	1,140,176
Total revenue	871,626	812,862	558,901	527,675	44,087	40,142	2,928	3,291	1,477,542	1,383,970
Total income other than income from State Government	871,626	812,862	558,901	527,675	44,087	40,142	2,928	3,291	1,477,542	1,383,970
NET COST OF SERVICES	2,781,578	2,562,664	1,964,591	1,806,793	48,761	32,148	38,468	36,901	4,833,398	4,438,506
Income from State Government										
Service appropriation	2,791,173	2,522,594	1,979,101	1,781,618	49,741	34,302	38,756	36,819	4,858,771	4,375,333
Income from other public sector entities	7,990	5,079	16,460	9,916	2,914	1,206	1	3	27,365	16,204
Resources received free of charge	10,125	9,126	6,374	5,751	59	70	-	-	16,558	14,947
Royalties for Regions Fund	14,130	13,726	11,311	12,391	1,655	2,023	-	-	27,096	28,140
Total income from State Government	2,823,418	2,550,525	2,013,246	1,809,676	54,369	37,601	38,757	36,822	4,929,790	4,434,624
SURPLUS/(DEFICIT) FOR THE PERIOD	41,840	(12,139)	48,655	2,883	5,608	5,453	289	(79)	96,392	(3,882)

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

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	
	2022-23 \$'000	2021-22 \$'000	2022-23 \$'000	2021-22 \$'000	2022-23 \$'000	2021-22 \$'000	2022-23 \$'000	2021-22 \$'000	2022-23 \$'000	2021-22 \$'000
ASSETS										
Current assets	350,958	362,366	310,121	312,140	57,282	56,965	622	505	718,983	731,976
Non-current assets	11,539,203	10,076,012	8,849,828	7,631,326	372,051	363,903	557	485	20,761,639	18,071,726
Total assets	11,890,161	10,438,378	9,159,949	7,943,466	429,333	420,868	1,179	990	21,480,622	18,803,702
LIABILITIES										
Current liabilities	587,886	584,153	365,642	358,236	57,994	50,427	2,003	2,923	1,013,525	995,739
Non-current liabilities	255,728	242,688	374,740	350,306	357,426	349,935	1,074	1,055	988,968	943,984
Total liabilities	843,614	826,841	740,382	708,542	415,420	400,362	3,077	3,978	2,002,493	1,939,723
NET ASSETS	11,046,547	9,611,537	8,419,567	7,234,924	13,913	20,506	(1,898)	(2,988)	19,478,129	16,863,979

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

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:

	Note
Employee benefits expense	3.1.1
Employee related provisions	3.1.2
Grants and subsidies	3.2
Other expenditure	3.3
Net loss on disposal of non-current assets	3.4

3.1.1 Employee benefits expense

	2022-23 \$'000	2021-22 \$'000
Salaries and allowances	4,328,455	3,998,036
Termination benefits	219	956
Superannuation - defined contribution plans ^(a)	466,802	413,427
Other employee-related expense ^(b)	63,803	62,410
Total employee benefits expense	4,859,279	4,474,829
Add: AASB 16 Non-monetary benefits not included in employee benefits expense	32,322	26,406
Less: Employee rental contributions from subletting GROH houses (note 4.5)	(19,324)	(18,485)
Net employee benefits	4,872,277	4,482,750

(a) Defined contribution plans include GESB Super and GESB West State (\$375.36 million), GESB Gold State (\$21.28 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.

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

Employee benefits

Includes wages, salaries and social contributions, accrued and paid leave entitlements and paid sick leave, and non-monetary benefits recognised under accounting standards other than AASB 16 (such as medical care, housing, cars and free or subsidised goods or services) for 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 Gold State Super (GSS) with concurrent contributions, the West State Super (WSS), the Government Employees Superannuation Board (GESB), or other superannuation funds. The employer contribution paid to the 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.

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

Non-monetary employee benefits predominantly relating to the provision of vehicle and housing benefits that are recognised under AASB 16 which are excluded from the employee benefits expense.

Employee Contributions

Contributions made to the Department by employees towards employee benefits that have been provided by the Department. This includes both AASB 16 and non-AASB 16 employee contributions.

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.

	2022-23 \$'000	2021-22 \$'000
Current		
<i>Employee related provisions</i>		
Annual leave liabilities	40,004	38,680
Entitlement to payment during student vacation	301,328	282,159
Long service liabilities	335,525	326,909
Deferred salary scheme liabilities	32,193	31,732
Remote teaching service	7,408	6,952
	716,458	686,432
Non-current		
<i>Employee related provisions</i>		
Long service leave	262,922	245,289
Remote teaching service	1,482	1,521
	264,404	246,810
Total employee related provisions	980,862	933,242

Annual leave liabilities

	2022-23 \$'000	2021-22 \$'000
Within 12 months of the end of the reporting period	29,297	28,544
More than 12 months after the end of the reporting period	10,707	10,136
	40,004	38,680

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 be applied 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.

Entitlement to payment during student vacation

	2022-23 \$'000	2021-22 \$'000
Within 12 months of the end of the reporting period	301,328	282,159
	301,328	282,159

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 the Education Department Ministerial Officers Salaries, Allowances and Conditions Award 1983 No. 5 of 1983, 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.

Long service liabilities

	2022-23 \$'000	2021-22 \$'000
Within 12 months of the end of the reporting period	143,633	137,914
More than 12 months after the end of the reporting period	454,814	434,284
	598,447	572,198

A liability for long service leave is recognised across all employees, including casual 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).

Deferred salary scheme liabilities

	2022-23 \$'000	2021-22 \$'000
Within 12 months of the end of the reporting period	7,418	7,028
More than 12 months after the end of the reporting period	24,775	24,704
	32,193	31,732

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.

3.1.2 Employee related provisions (continued)

Remote teaching service

	2022-23 \$'000	2021-22 \$'000
Within 12 months of the end of the reporting period	3,853	3,659
More than 12 months after the end of the reporting period	5,037	4,814
	8,890	8,473

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 3 years are entitled to an additional 10 weeks paid leave and those who remain in the same remote location continuously for 4 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.

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 expenditures', Note 3.3, 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;
- Breaks in employee service; 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

	2022-23 \$'000	2021-22 \$'000
<u>Recurrent</u>		
Parents from public schools	1,988	2,184
Non-government schools and other organisations	38,187	32,077
Total grants and subsidies	40,175	34,261

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 or subsidy expenses'. These payments or transfers are recognised at fair value at the time of the transaction and are recognised as an expense in the reporting period in which they are paid. 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.

3.3 Other expenditure

	2022-23 \$'000	2021-22 \$'000
Supplies and services		
Communication services	25,556	23,699
Consumables – utilities	78,765	77,449
Consumables – other	3,546	4,266
Equipment purchases (less than \$5,000)	4,937	5,455
Insurance	97,330	75,062
Minor works ^(a)	62,385	85,301
PPP – School maintenance costs	12,648	10,104
Repairs and maintenance	150,911	129,152
Service and contracts – property	18,513	17,341
Service and contracts ^(b)	204,954	183,031
Staff-related expense	4,954	4,271
Travel	13,875	10,267
Schools expenses	387,107	350,081
Other	7,164	7,743
Total supplies and services expenses	1,072,645	983,222
Accommodation expenses		
Office rental	16,398	13,701
Other accommodation expenses	3,937	3,665
Total accommodation expenses	20,335	17,366

(a) Minor works are small, low-risk works that improve the function, safety and appearance of a building or infrastructure.

(b) Included within service and contracts are short-term and low-value leases of up to \$5,000 when new. 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.

3.3 Other expenditure (continued)

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.

Other

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

Office rental

Office rental is expensed as incurred as Memorandum of Understanding Agreements between the Agency and the Department of Finance for the leasing of office accommodation contain significant substitution rights.

	2022-23 \$'000	2021-22 \$'000
Other expenses		
Loss on disposal of non-current assets ^(a)	1,692	1,571
Refund of prior period revenue	264	87
Expected credit losses expense ^(b)	6,217	7,685
Total other expenses	8,173	9,343
Total other expenditure	1,080,818	992,565

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

(b) Refer to Note 6.1.1 'Movement in the allowance for impairment of trade receivables' for detailed breakdown.

Expected credit losses expense

Expected credit losses is recognised for movement in allowance for impairment of trade receivables. Please refer to Note 6.1.1 'Movement in the allowance for impairment of trade receivables' for details.

3.4 Net loss on disposal of non-current assets

	Notes	2022-23 \$'000	2021-22 \$'000
<u>Carrying amount of disposal of non-current assets</u>			
Land	5.1	42	254
Buildings	5.1	-	-
Plant and equipment	5.1	1,433	1,304
Motor vehicles	5.1	-	103
Buses	5.1	39	-
Computers	5.1	90	185
Communication equipment	5.1	13	42
Office equipment	5.1	165	72
Miscellaneous assets	5.1	320	12
		2,102	1,972
<u>Proceeds from disposal of non-current assets</u>			
Land		-	-
Buildings		-	-
Plant and equipment		74	60
Motor vehicles		-	172
Buses		191	62
Computers		43	60
Communication equipment		6	16
Office equipment		73	25
Miscellaneous assets		23	6
		410	401
Net loss on disposal of non-current assets		1,692	1,571

Gains and losses on the disposal of non-current assets

Gains and losses on the disposal of non-current assets are presented by deducting from the proceeds on disposal the carrying amount of the asset and related selling expenses. Gains and losses are recognised in profit or loss in the statement of comprehensive income.

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:

	Note
Income from State Government	4.1
User contributions, charges and fees	4.2
Australian Government grants and contributions	4.3
Interest revenue	4.4
Other revenue	4.5

4.1 Income from State Government

	2022-23 \$'000	2021-22 \$'000
<u>Appropriation received during the period:</u>		
Service appropriation	4,858,771	4,375,333
Total service appropriation received	4,858,771	4,375,333
<u>Income received from other public sector entities during the period:</u>		
Department of Communities	2,585	1,886
Department of Fire and Emergency Services	129	145
Department of Jobs, Tourism, Science and Innovation	400	80
Department of Local Government, Sport and Cultural Industries	-	276
Department of the Premier and Cabinet	84	-
Department of Primary Industries and Regional Development	-	593
Department of Training and Workforce Development	6,270	4,886
Department of Treasury	7,345	358
Department of Water and Environmental Regulation	57	87
Horizon Power	1,000	-
Healthway	185	-
Insurance Commission of Western Australia	3,471	2,480
Lotterywest	-	15
Mental Health Commission	2,326	1,962
Western Australia Police Force	1,810	1,708
Other	1,703	1,728
Total income from other public sector entities	27,365	16,204

	2022-23 \$'000	2021-22 \$'000
<u>Resources received from other public sector entities during the period</u>		
<u>Resources received free of charge</u>		
Department of Communities - family centre operating costs	22	10
State Solicitor's Office	1,188	495
Department of Justice	-	312
Department of Finance - government accommodation	204	304
Department of Health - curriculum support materials and funded teacher training	538	474
Landgate - valuation services and land information data	211	86
Western Australian Electoral Commission	139	-
WA Child and Adolescent Health Service - school health services	14,256	13,266
Total resources received	16,558	14,947
<u>Royalties for Regions Fund:</u>		
Regional Community Services Fund	22,354	23,099
Regional Reform Fund	4,742	5,041
Total Royalties for Regions Fund	27,096	28,140
Total Income from State Government	4,929,790	4,434,624

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.

Income from other public sector entities is recognised as income when the Department has satisfied its performance obligations under the funding agreement. If there is no performance obligation, income will be recognised when the Department receives the funds.

Resources received from other public sector entities is recognised as income equivalent to the fair value of assets received or the fair value of services received that can be reliably determined and which would have been purchased if not donated.

The Regional Community Services Accounts and Regional Reform Fund are sub-funds within the overarching '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 concluded that they are not within the scope of AASB 15 as they do not meet the 'sufficiently specific performance obligation' criterion.

4.1 Income from State Government (continued)

Summary of consolidated account appropriations For the year ended 30 June 2023

	2022-23 Budget Estimate \$'000	2022-23 Supplementary Funding \$'000	2022-23 Revised Budget \$'000	2022-23 Actual \$'000	2022-23 Variance \$'000
DELIVERY OF SERVICES					
Item 60 Net amount appropriated to deliver services	4,429,157	427,751	4,856,908	4,856,908	-
Amount authorised by other statutes					
<i>Salaries and Allowances Act 1975 (WA)</i>	1,819	44	1,863	1,863	-
Total appropriations provided to deliver services	4,430,976	427,795	4,858,771	4,858,771	-
CAPITAL					
Item 130 Capital appropriations	506,502	-	506,502	474,952	(31,550)
ADMINISTERED TRANSACTIONS					
Item 61 Amount provided for Administered Grants, Subsidies and Other Transfer Payments	442,304	6,784	449,088	449,088	-
GRAND TOTAL	5,379,782	434,579	5,814,361	5,782,811	(31,550)

4.2 User contributions, charges and fees

	2022-23 \$'000	2021-22 \$'000
Schools		
Contributions, charges and fees	106,147	97,179
	106,147	97,179
Central Office		
Agricultural schools fees	3,836	3,899
Other charges and fees	15,390	18,183
	19,226	22,082
Total user contributions, charges and fees	125,373	119,261

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 Department transfers control of services to a customer for the amount to which the Department expects to be entitled in line with AASB 15 requirements.

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 2022-23 Budget Statements, the Department retained \$1,657.54 million in 2022-23 (\$1,560.40 million in 2021-22) 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.

4.3 Australian Government grants and contributions

	2022-23 \$'000	2021-22 \$'000
Central office		
Australian Government grants - recurrent	1,224,880	1,128,879
Australian Government grants - capital	1,022	10,033
	1,225,902	1,138,912
Schools		
Australian Government grants - recurrent	646	1,247
Australian Government grants - capital	18	17
	664	1,264
Total Australian Government grants and contributions	1,226,566	1,140,176

Recurrent Australian Government grants are recognised as income when the grants are receivable.

Income from grants to acquire/construct a recognisable non-financial asset to be controlled by the Agency is recognised when the Agency satisfies its obligations under the transfer. The Agency satisfies the obligations under the transfer to construct assets over time as the non-financial assets are being constructed. The Agency typically satisfies the obligations under the transfer when it achieves milestones specified in the grant agreement and amounts received in advance of obligation satisfaction are reported at Note 6.7.

4.4 Interest revenue

	2022-23 \$'000	2021-22 \$'000
Interest revenue	7,810	521
Loan interest revenue	11,035	19,581
Total interest revenue	18,845	20,102

Loan interest revenue amount reflects the interest charged and receivable from low interest loans to non-government schools and the University of Notre Dame Australia (UNDA). In 2022-23 loans to the value of \$48.41 million (\$49.85 million in 2021-22) were advanced to non-government schools. Interest has been calculated using the effective interest rate method in compliance with AASB 9. Participating institutions pay 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.

4.5 Other revenue

	2022-23 \$'000	2021-22 \$'000
<u>Schools</u>		
Bookshops and canteens	4,922	4,848
Donations to schools	21,940	20,922
Hire of facilities	1,944	1,987
Lease income	12,509	10,387
Other revenue	11,457	13,990
Total other revenue - Schools	52,772	52,134
<u>Capital contributions and recoveries</u>		
Developer contributions	10,455	6,913
	10,455	6,913
<u>Other</u>		
Recoveries and refunds	7,913	8,099
Sale of goods and services	13,251	15,635
Employee rental contributions*	19,324	18,485
Other miscellaneous revenue	3,043	3,165
	43,531	45,384
Total other revenue - Central office	53,986	52,297
Total other revenue	106,758	104,431

* The Department leases a number of right-of-use assets from the Government Regional Officer Housing (GROH) program, which it subleases out to employees at a subsidised rate. Information on the Department's leasing arrangements with GROH can be found in Note 3.1.1.

Other revenue

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

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:

	Note
Property, plant and equipment	5.1
Right-of-use assets	5.2
Intangible assets	5.3
Service concession assets	5.4

5.1 Property, plant and equipment

	Land \$'000	Land improvements \$'000	Buildings \$'000	Plant and equipment \$'000	Motor vehicles \$'000	Buses \$'000	Computers \$'000	Communication equipment \$'000	Office equipment \$'000	Miscellaneous assets \$'000	Capital works in progress \$'000	Total \$'000
1 Jul 2021												
Gross carrying amount	3,684,532	1,747,341	6,429,313	419,713	6,647	23,389	25,542	6,035	22,814	10,924	145,886	12,522,136
Accumulated depreciation	-	(79,411)	(249,591)	(125,882)	(6,100)	(17,620)	(22,242)	(5,901)	(14,369)	(6,950)	-	(528,066)
Accumulated impairment loss	-	-	-	-	-	-	-	-	-	-	-	-
Carrying amount at start of period	3,684,532	1,667,930	6,179,722	293,831	547	5,769	3,300	134	8,445	3,974	145,886	11,994,070
Additions	34,009	-	36,376	3,244	531	2,836	1,445	363	2,868	193	383,147	465,012
Disposals	(254)	-	-	(1,304)	(103)	-	(185)	(42)	(72)	(12)	-	(1,972)
Transferred to land & buildings held for distribution to owner ^(a)	(571)	-	-	-	-	-	-	-	-	-	-	(571)
Transferred from land & buildings held for distribution to owner	-	-	-	-	-	-	-	-	-	-	-	-
Transferred to/from works in progress	6,226	2,680	188,623	16,915	-	-	-	-	-	-	(214,444)	-
Revaluation increments/(decrements)	329,615	500,798	599,667	-	-	-	-	-	-	-	-	1,430,080
Impairment losses	-	-	-	-	-	-	-	-	-	-	-	-
Depreciation	-	(38,860)	(133,396)	(44,286)	(340)	(986)	(1,560)	(462)	(3,028)	(470)	-	(223,388)
Transfers/adjustments ^(b)	2	(13,992)	(136)	(8)	(157)	-	(70)	47	20	(14)	(2)	(14,310)
Carrying amount at 30 Jun 2022	4,053,559	2,118,556	6,870,856	268,392	478	7,619	2,930	40	8,233	3,671	314,587	13,648,921
Gross carrying amount	4,053,559	2,127,963	6,921,163	436,437	6,503	25,356	24,439	6,014	23,183	10,964	314,587	13,950,168
Accumulated depreciation	-	(9,407)	(50,307)	(168,045)	(6,025)	(17,737)	(21,509)	(5,974)	(14,950)	(7,293)	-	(301,247)
Accumulated impairment loss	-	-	-	-	-	-	-	-	-	-	-	-

(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.

(b) Transfers include \$13.99 million of land improvements transferred to right-of-use assets, refer note 5.2.

Information on fair value measurements is provided in Note 8.3.

5.1 Property, plant and equipment (continued)

	Land \$'000	Land improvements \$'000	Buildings \$'000	Plant and equipment \$'000	Motor vehicles \$'000	Buses \$'000	Computers \$'000	Communication equipment \$'000	Office equipment \$'000	Miscellaneous assets \$'000	Capital works in progress \$'000	Total \$'000
1 Jul 2022												
Gross carrying amount	4,053,559	2,127,963	6,921,163	436,437	6,503	25,356	24,439	6,014	23,183	10,964	314,587	13,950,168
Accumulated depreciation	-	(9,407)	(50,307)	(168,045)	(6,025)	(17,737)	(21,509)	(5,974)	(14,950)	(7,293)	-	(301,247)
Carrying amount at start of period	4,053,559	2,118,556	6,870,856	268,392	478	7,619	2,930	40	8,233	3,671	314,587	13,648,921
Additions	11,860	11,236	25,475	4,787	569	2,930	1,180	656	2,840	286	465,360	527,179
Disposals	(42)	-	-	(1,433)	-	(39)	(90)	(12)	(165)	(330)	-	(2,111)
Transferred to land & buildings held for distribution to owner ^(a)	(11)	-	-	-	-	-	-	-	-	-	-	(11)
Transferred from land & buildings held for distribution to owner	42	-	-	-	-	-	-	-	-	-	-	42
Transferred to/from works in progress	1,946	1,227	291,952	23,613	-	-	-	-	-	-	(318,738)	-
Revaluation increments/(decrements)	565,422	538,845	942,164	-	-	-	-	-	-	-	-	2,046,431
Impairment losses	-	-	(2,218)	-	-	-	-	-	-	-	-	(2,218)
Depreciation	-	(45,752)	(113,779)	(44,810)	(330)	(1,765)	(1,407)	(511)	(3,064)	(461)	-	(211,879)
Transfers/adjustments	(1)	895	537	1	-	(774)	23	(2)	(23)	(2)	(1,517)	(863)
Carrying amount at 30 Jun 2023	4,632,775	2,625,007	8,014,987	250,550	717	7,971	2,636	171	7,821	3,164	459,692	16,005,491
Gross carrying amount	4,632,775	2,634,541	8,064,547	460,725	7,000	25,832	23,460	6,069	22,720	10,412	459,692	16,347,773
Accumulated depreciation	-	(9,534)	(47,342)	(210,175)	(6,283)	(17,861)	(20,824)	(5,898)	(14,899)	(7,248)	-	(340,064)
Accumulated impairment loss	-	-	(2,218)	-	-	-	-	-	-	-	-	(2,218)

(a) The 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.

Initial recognition

Items of property, plant and equipment, costing \$5,000 or more with a useful life of 2 or more years 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 land improvements costing less than \$5,000 are immediately expensed direct to the Statement of Comprehensive Income.

Any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management to be included in the cost of an item. Examples include project and professional fees, installation and assembly costs, costs of site preparation and costs of employee benefits arising directly from the construction or acquisition of the item of PPE.

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 land improvements and historical cost for all other property, plant and equipment. Buildings and school land improvements 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 school land improvements, 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).

5.1 Property, plant and equipment (continued)

School land improvements consists of roads, footpaths 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 land improvements, and a cross reference to industry cost guide publication is considered to estimate the building replacement cost for school land improvements.

Land and Buildings are measured at fair value every 3 years, consistent with TI 954 Revaluation of Non-Current Physical Assets, issued by the Department of Treasury. The last revaluation for land, buildings and school land improvements was effective for the year ended 30 June 2023. The revaluation of land and buildings was conducted by the Western Australian Land Information Authority (Landgate). The revaluation of land improvements was conducted by an independent quantity surveyor.

Indices are reviewed annually and when they indicate a cumulative change of greater than or equal to 15% since last comprehensive revaluation an out of cycle revaluation will be triggered. The Department uses indices from a reputable and publicly available source, the Australian Bureau of Statistics for the measurement of indices relevant to the Departments assets.

For 2022-23 the Department revalued buildings and land improvements as the cumulative movement in indices was more than 15% since the last comprehensive revaluation in 2021-22. For 2022-23, although the cumulative movement in land indices was less than 15% since the last comprehensive revaluation in 2021-22, the Department revalued land due to a significant movement in land valuations provided by Landgate.

The Department includes Project and Professional Fees in the fair value.

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.

Key sources of estimation uncertainty – Valuation of land improvements

The Department recognises school land improvements comprising roads, footpaths and paved areas; boundary walls, fencing and gates; landscaping and improvements, and external services from an independent quantity surveyor as determined by the Department's valuer. Currently the value of roads, footpaths and paved areas, and landscaping and improvements are measured by applying the appropriate current rate per square metre. Boundary walls, fencing and gates are measured by applying the appropriate current rate per metre. External services area measured by applying the appropriate current rate to buildings gross floor area and, where appropriate, site area. The rate applied by the Department's quantity surveyor is bench marked against recent project tender prices and are applied as of 1 July 2022 and adjusted for the ages and conditions based on straight-line depreciation of each asset over time.

5.1.1 Depreciation and impairment

Depreciation charge for the period

	Notes	2022-23 \$'000	2021-22 \$'000
<u>Depreciation</u>			
Land Improvements	5.1	45,752	38,860
Buildings	5.1	113,779	133,396
Plant and equipment	5.1	44,810	44,286
Motor vehicles	5.1	330	340
Buses	5.1	1,765	986
Computers	5.1	1,407	1,560
Communication equipment	5.1	511	462
Office equipment	5.1	3,064	3,028
Miscellaneous assets	5.1	461	470
Total depreciation		211,879	223,388

Impairment charge for the period

	Notes	2022-23 \$'000	2021-22 \$'000
<u>Impairment</u>			
Buildings ^(a)	5.1	2,218	-
Total impairment		2,218	-

(a) The impairment reflects the impact of fire damage to a primary school.

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 land improvements, 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.

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	50 to 80 ^(a)	Years
Land improvements	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 ^(b)	Years
Plant and equipment	8 to 25 ^(c)	Years
Software	4	Years

(a) School buildings have total useful life of 80 years and residential college buildings have a useful life of 50 years.

(b) Some office equipment was previously depreciated over 8 years and now all office equipment is depreciated over 5 years effective 1 July 2022.

(c) Includes transportables and demountables with useful life of 25 years.

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.

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

5.1 Property, plant and equipment (continued)

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 is increased to its recoverable amount. However, this reversal does 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.

5.2 Right-of-use assets

	Land \$'000	Buildings \$'000	Buildings PPP \$'000	Motor vehicles \$'000	Other \$'000	Total \$'000
1 Jul 2021						
Gross carrying amount	2,898	53,808	282,562	8,882	40,703	388,853
Accumulated depreciation	(833)	(36,394)	(8,619)	(3,684)	(26,170)	(75,700)
Accumulated impairment loss	-	-	-	-	-	-
Carrying amount at start of period	2,065	17,414	273,943	5,198	14,533	313,153
Additions	-	16,548	18,753	1,168	9,873	46,342
Disposals	-	(5,255)	-	-	-	(5,255)
Lease reassessment	-	34,436	-	-	-	34,436
Transfers/adjustments*	830	213	13,993	189	(1)	15,224
Depreciation	(404)	(27,794)	(3,912)	(2,218)	(8,908)	(43,236)
Carrying amount at 30 June 2022	2,491	35,562	302,777	4,337	15,497	360,664
Gross carrying amount	3,728	56,719	315,639	9,805	39,176	425,067
Accumulated depreciation	(1,237)	(21,157)	(12,862)	(5,468)	(23,679)	(64,403)
Accumulated impairment loss	-	-	-	-	-	-

* Includes land improvements previously classified under property, plant and equipment that were reclassified as right-of-use assets Buildings PPP, refer note 5.1.

	Land \$'000	Buildings \$'000	Buildings PPP \$'000	Motor vehicles \$'000	Other \$'000	Total \$'000
1 Jul 2022						
Gross carrying amount	3,728	56,719	315,639	9,805	39,176	425,067
Accumulated depreciation	(1,237)	(21,157)	(12,862)	(5,468)	(23,679)	(64,403)
Accumulated impairment loss	-	-	-	-	-	-
Carrying amount at start of period	2,491	35,562	302,777	4,337	15,497	360,664
Additions	-	9,906	17,945	2,003	11,128	40,982
Disposals	-	9	-	1	-	10
Revaluation increments/ (decrements)	-	-	-	-	-	-
Lease reassessment	61	25,258	(4,528)	432	-	21,223
Transfers/adjustments	(1,561)	1,577	6	1	(1)	22
Depreciation	(189)	(32,652)	(4,052)	(2,218)	(7,982)	(47,093)
Carrying amount at 30 June 2023	802	39,660	312,148	4,556	18,642	375,808
Gross carrying amount	1,718	72,452	329,062	10,908	34,771	448,911
Accumulated depreciation	(916)	(32,792)	(16,914)	(6,352)	(16,129)	(73,103)
Accumulated impairment loss	-	-	-	-	-	-

Initial recognition

At the commencement date of the lease, the Department recognises right-of-use assets 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.

The corresponding lease liabilities in relation to these right-of-use assets have been disclosed in Note 7.2 'Leases'.

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 when new). Lease payments associated with these leases are expensed on 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 remeasurement of leases.

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.

5.2 Right-of-use assets (continued)

The following amounts relating to leases have been recognised in the statement of comprehensive income:

	Notes	2022-23 \$'000	2021-22 \$'000
Depreciation			
Land	5.2	189	404
Buildings	5.2	32,652	27,794
Buildings PPP	5.2	4,052	3,912
Vehicles	5.2	2,218	2,218
Other	5.2	7,982	8,908
Total depreciation expense of right-of-use assets		47,093	43,236
Lease interest expense			
Lease interest expense		23,391	22,542
Short-term leases		-	14
Low-value leases		17,641	12,892

The total cash outflow for leases in 2022-23 was \$87.83 million (2021-22: \$77.99 million). As at 30 June 2023 there were no indications of impairment to right-of-use assets.

The Department's leasing activities and how these are accounted for:

The Department has leases for mostly vehicles, computer equipment, Public Private Partnership (PPP) schools and residential accommodations.

The residential accommodation leases are mostly fixed-term leases with GROH which are included in buildings. The Department also has open-ended leases with 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 rise to specific rights and obligations, and these leases are therefore accounted for as an expense as incurred.

The Department has entered into a Memorandum of Understanding Agreement (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 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

	Computer Software \$'000	Internally generated intangibles - work in progress \$'000	Total \$'000
1 Jul 2021			
Gross carrying amount	10,812	1,240	12,052
Accumulated amortisation	(10,706)	-	(10,706)
Accumulated impairment loss	-	-	-
Carrying amount at start of period	106	1,240	1,346
Additions	-	156	156
Transfers	-	(156)	(156)
Impairment losses	-	(1,240)	(1,240)
Amortisation expense	(105)	-	(105)
Carrying amount at 30 June 2022	1	-	1
Gross carrying amount	10,811	1,240	12,051
Accumulated amortisation	(10,810)	-	(10,810)
Accumulated impairment loss	-	(1,240)	(1,240)

	Computer Software \$'000	Internally generated intangibles - work in progress \$'000	Total \$'000
1 Jul 2022			
Gross carrying amount	10,811	1,240	12,051
Accumulated amortisation	(10,810)	-	(10,810)
Accumulated impairment loss	-	(1,240)	(1,240)
Carrying amount at start of period	1	-	1
Write-off	-	(1,240)	(1,240)
Transfers/adjustments	-	1,240	1,240
Amortisation expense	(1)	-	(1)
Carrying amount at 30 June 2023	-	-	-
Gross carrying amount	10,802	-	10,802
Accumulated amortisation	(10,802)	-	(10,802)
Accumulated impairment loss	-	-	-

5.3 Intangible assets (continued)

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.

5.3.1 Amortisation and impairment

Amortisation charge for the period

	Notes	2022-23 \$'000	2021-22 \$'000
<u>Amortisation</u>			
Intangible assets	5.3	1	105
Total amortisation		1	105

Impairment charge for the period

	Notes	2022-23 \$'000	2021-22 \$'000
<u>Impairment</u>			
Intangible assets	5.3	-	1,240
Total impairment		-	1,240

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

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.

5.4 Service concession assets

	Land \$'000	Land improvements \$'000	Buildings \$'000	Plant and equipment \$'000	Total \$'000
1 Jul 2021					
Gross carrying amount	9,311	3,907	16,335	610	30,163
Accumulated depreciation	-	(204)	(667)	(74)	(945)
Accumulated impairment loss	-	-	-	-	-
Carrying amount at start of period	9,311	3,703	15,668	536	29,218
Revaluation increments/(decrements)	1,629	1,879	(626)	-	2,882
Depreciation	-	(145)	(332)	(80)	(557)
Transfers/adjustments	-	(4)	-	-	(4)
Carrying amount at 30 June 2022	10,940	5,433	14,710	456	31,539
Gross carrying amount	10,940	5,433	14,710	651	31,734
Accumulated depreciation	-	-	-	(195)	(195)
Accumulated impairment loss	-	-	-	-	-

Information on fair value measurements is provided in Note 8.3.

5.4 Service concession assets (continued)

	Land \$'000	Land improvements \$'000	Buildings \$'000	Plant and equipment \$'000	Total \$'000
1 Jul 2022					
Gross carrying amount	10,940	5,433	14,710	651	31,734
Accumulated depreciation	-	-	-	(195)	(195)
Accumulated impairment loss	-	-	-	-	-
Carrying amount at start of period	10,940	5,433	14,710	456	31,539
Adjustment for change in classification - Land improvements & transportables/demountables	-	-	-	-	-
Restated carrying amount	10,940	5,433	14,710	456	31,539
Revaluation increments/(decrements)	1,150	1,443	4,088	-	6,681
Depreciation	-	(155)	(329)	(80)	(564)
Transfers/adjustments	-	1	27	-	28
Carrying amount at 30 June 2023	12,090	6,722	18,496	376	37,684
Gross carrying amount	12,090	6,722	18,496	651	37,959
Accumulated depreciation	-	-	-	(275)	(275)
Accumulated impairment loss	-	-	-	-	-

Information on fair value measurements is provided in Note 8.3.

Initial measurement

Service concession assets are initially measured at current replacement cost in accordance with the cost approach to fair value in AASB 13 Fair Value Measurement.

This same measurement approach applies to existing assets of the Department that have been reclassified as service concession assets at the date of reclassification. Any difference between the carrying amount of the asset and its current replacement cost is accounted for as if it is a revaluation of the asset.

Subsequent measurement

After initial recognition, service concession assets, other than plant and equipment, are subsequently measured applying the revaluation model (refer to Note 5.1 'Property, Plant and Equipment').

5.4.1 Depreciation and impairment

	Notes	2022-23 \$'000	2021-22 \$'000
<u>Depreciation</u>			
Land improvements	5.4	155	145
Buildings	5.4	329	332
Plant and equipment	5.4	80	80
Total depreciation		564	557

Depreciation and impairment of service concession assets

Subsequent to initial recognition or reclassification, a service concession asset is depreciated in accordance with AASB 116 Property, Plant and Equipment, with any impairment recognised in accordance with AASB 136 Impairment of Assets (refer to Note 5.1.1 'Depreciation and Impairment').

The Department's camp schools and Landsdale Farm meet the eligibility requirement of a service concession asset. The Department leased 6 camp schools to Fairbridge Western Australia Inc for a period of 15 years (renewable for another 2 five-year lease terms) for a nominal cost, and Landsdale Farm to Strive Community Services Inc for an initial period of 5 years (renewable for another 2 five-year lease terms) at an annual rental amount.

6. Other assets and liabilities

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
Receivables	6.1
Amounts receivable for services (holding account)	6.2
Other current assets	6.3
Inventories	6.4
Payables	6.5
Other provisions	6.6
Other liabilities	6.7

6.1 Receivables

	2022-23 \$'000	2021-22 \$'000
<u>Current</u>		
Trade receivables	49,373	48,278
Loans to non-government schools and the UNDA	41,364	39,436
Allowance for impairment of receivables (Note 6.1.1)	(14,846)	(13,811)
GST receivable	20,742	20,664
Total current	96,633	94,567
<u>Non-current</u>		
Loans to non-government schools and the UNDA	331,569	327,797
Total non-current	331,569	327,797
Total receivables at end of period	428,202	422,364

Trade receivables

Trade receivables are initially recognised at their transaction price or, for those receivables that contain a significant financing component, at fair value. The Department holds the receivables with the objective to collect the contractual cash flows and are therefore subsequently measured at amortised cost using the effective interest method, less an allowance for impairment.

The Department recognises a loss allowance for expected credit losses (ECLs) on a receivable not held at fair value through profit or loss. The ECLs represent the difference between the contractual cash flows and the cash flows that the entity expects to receive, discounted at the original effective interest rate. Individual receivables are written off when the Department has no reasonable expectations of recovering the contractual cash flows.

For trade receivables, the Department recognises an allowance for ECLs measured at the lifetime ECLs at each reporting date. The Department has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment. Please refer to Note 3.3 for the amount of ECLs expensed in this financial year.

6.1 Receivables (continued)

Loans to non-government schools and the UNDA

The Department reports 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 granted at a subsidised average interest rate of 2.48% per annum. The Department meets the difference between the subsidised interest and the cost of borrowing through a government appropriation (refer to Note 4.4).

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 period, with a general provision for ECLs at 0.31% (2021-22: 0.29%).

6.1.1 Movement in the allowance for impairment of trade receivables

	2022-23 \$'000	2021-22 \$'000
<u>Reconciliation of changes in the allowance for impairment of trade receivables:</u>		
Opening balance	13,811	11,258
Expected credit losses expense	6,217	7,690
Amounts written off during the period	(5,182)	(5,137)
Allowance for impairment at end of period	14,846	13,811

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'.

The State Government's LILS lends public funds to the governing bodies of registered non-government schools and non-government school systems, as well as the UNDA. Although these loans are considered to be low-risk, comprehensive financial safeguards are in place to protect the recoverability of public funds provided through the scheme. This includes financial and other risk assessments of all governing bodies being undertaken prior to loan funds being provided. It also includes direct mechanisms that are in place to permit the recovery of outstanding debts through the withholding of future recurrent funding provided by the State Government. In some instances, where a higher financial risk is present, collateral or other credit enhancements are held as security, including the registration of mortgages, to provide stronger protection for the recoverability of public funds.

6.2 Amounts receivable for services (Holding Account)

	2022-23 \$'000	2021-22 \$'000
Current	22,397	26,623
Non-current	3,902,834	3,611,673
Total amounts receivable for services at end of period	3,925,231	3,638,296

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.

The amounts receivable for services are financial assets at amortised cost, and are not considered impaired (i.e. there is no ECL of the holding accounts).

6.3 Other current assets

	2022-23 \$'000	2021-22 \$'000
<u>Current</u>		
Contract assets	7,470	6,702
Prepayments	20,474	16,816
Total other current assets at end of period	27,944	23,518

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.

6.4 Inventories

	2022-23 \$'000	2021-22 \$'000
<u>Inventories held for resale:</u>		
School canteens, publications and bookshops stocks (at cost)	2,125	2,167
Livestock and farm produce (at cost)	7,125	6,423
Total inventories at end of period	9,250	8,590

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

	2022-23 \$'000	2021-22 \$'000
<u>Current</u>		
Trade and other payables – central office	673	1,414
Trade and other payables – schools	3,773	4,275
Accrued expenses	64,011	57,181
Accrued salaries	102,107	120,253
Total current	170,564	183,123
<u>Non-current</u>		
Trade and other payables – central office	2,635	2,071
Total non-current	2,635	2,071
Total payables at end of period	173,199	185,194

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 for the Department is generally within 15 to 20 days.

Accrued salaries

Accrued salaries represent the amount due to staff but unpaid at the end of the reporting period, including an accrual for backpay. Accrued salaries are normally 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 Department of Treasury 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.

6.6 Other provisions

	2022-23 \$'000	2021-22 \$'000
<u>Current</u>		
Make-good provision	149	196
Asbestos remediation provision	1,225	-
School ventilation program	2,838	8,024
Total current	4,212	8,220
<u>Non-current</u>		
Make-good provision	453	378
Cladding rectification provision	3,302	3,302
Total non-current	3,755	3,680
Total other provisions at end of period	7,967	11,900

A restoration provision needs to be recognised for the present value of the estimated expenditure required, due to the Department's legal or constructive obligation, to dismantle and restore leasehold improvements, and undertake cladding rectification works.

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 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 annually for cladding rectification works and every 3 years for make-good. Any changes in the estimate are reflected in the restoration provision at each reporting date.

Make-good (restoration) provision

Some leased premises are required to be restored to their original condition at the end of their respective lease terms.

Asbestos remediation provision

The Department currently has contaminated sites registered with the Department of Water and Environmental Regulation under the *Contaminated Sites Act 2003* (WA), refer Note 8.2.1.

School ventilation provision

The Department has committed and made pronouncements to optimise ventilation in schools to reduce the impact of COVID-19 in line with national and international guidelines. This will be achieved by using natural fresh air (opened windows) or through a range of mechanical means such as fans and air conditioning systems, as well as air purifiers. Pursuant to the pronouncement, the Department commenced a ventilation program in schools and the provision is for the costs not yet paid for as at the end of the financial year.

Cladding rectifications (restoration) provision

Following a fire involving aluminium composite panels, the Building and Energy Division of the Department of Mines, Industry Regulation and Safety requested agencies assess their facilities. The Department has assessed all projects where aluminium composite panels were used since 2000. Where projects are identified as having potentially combustible cladding, fire engineering assessments were undertaken. At the time of reporting, 3 buildings belonging to the Department have been identified in the Department of Mines, Industry Regulation and Safety report. Further investigations have been undertaken by the Department of Finance on behalf of the Department for 14 schools. This work has resulted in the identification of solutions for 11 schools, signage solutions for 2 schools and one school was found to require no work. The implementation of the proposed solutions is now subject to the funding through the usual budget process. The 2022-23 State budget allocated \$3.30 million of funding which becomes available in 2024-25. The timeline for delivery will be developed accordingly.

6.6.1 Movement in provisions

Movements in each class of provision during the period are set out below:

	2022-23 \$'000	2021-22 \$'000
<u>Make-good provision</u>		
Carrying amount at start of period	574	189
Additional/(reversals of) provisions recognised	28	385
Carrying amount at end of period	602	574
<u>School ventilation program provision</u>		
Carrying amount at start of period	8,024	-
Additional/(reversals of) provisions recognised	(5,186)	8,024
Carrying amount at end of period	2,838	8,024
<u>Cladding rectification provision</u>		
Carrying amount at start of period	3,302	3,221
Additional/(reversals of) provisions recognised	-	81
Carrying amount at end of period	3,302	3,302
<u>Asbestos remediation provision</u>		
Carrying amount at start of period	-	-
Additional/(reversals of) provisions recognised	1,225	-
Carrying amount at end of period	1,225	-

6.7 Other liabilities

	2022-23 \$'000	2021-22 \$'000
<u>Current</u>		
Amounts held in schools suspense accounts	6,398	6,157
Accrued interest expense	8,660	2,138
Other	1,918	2,286
Contract liabilities	28,999	28,121
Total current	45,975	38,702
Total other liabilities at end of period	45,975	38,702

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.

6.7.1 Movement in contract liabilities

	2022-23 \$'000	2021-22 \$'000
<u>Reconciliation of changes in contract liabilities</u>		
Opening balance	28,121	9,991
Additions	25,800	28,398
Revenue recognised in the reporting period	(24,922)	(10,268)
Balance at end of period	28,999	28,121

The Department expects to satisfy the performance obligations unsatisfied at the end of the reporting period within the next 12 months.

7. Financing

This section sets out the material balances and disclosures associated with the financing and cash flows of the Department.

	Note
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
Capital commitments	7.6

7.1 Borrowings

	2022-23 \$'000	2021-22 \$'000
<u>Current</u>		
WATC loans	41,364	39,436
Total current	41,364	39,436
<u>Non-current</u>		
WATC loans	356,645	349,132
Total non-current	356,645	349,132
Total borrowings at end of period	398,009	388,568

Borrowings refer to interest-bearing liabilities mainly raised through the Western Australian Treasury Corporation.

Interest-bearing financial liabilities are classified at amortised cost and initially recognised at fair value of the consideration received less directly attributable transaction costs.

Subsequent to initial recognition the borrowings are measured at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss when the liabilities are derecognised and through the amortisation process.

The Department designates the financial instruments at fair value through profit or loss upon initial recognition when the designation eliminates, or significantly reduces, measurement or recognition inconsistency that would otherwise arise.

The Department has not designated any financial liabilities as at fair value through profit or loss.

The changes in fair value of financial liabilities designated at fair value through profit or loss are recognised in profit or loss, with movements in fair value due to changes in the Department's own credit risk recognised in other comprehensive income.

7.1 Borrowings (continued)

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 2.64% 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 the WATC within the next 12 months. The amount is derived from estimates provided through the LILS and the repayment schedule provided by the WATC.

7.2 Leases

	2022-23 \$'000	2021-22 \$'000
Current	34,952	39,826
Non-current	361,529	342,291
	396,481	382,117

At the commencement date of the lease, the Department recognises lease liabilities measured at the present value of lease payments to be made over the lease term. 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 the Western Australian Treasury Corporation (WATC).

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 4 new primary schools and 4 new secondary schools which opened between 2017 and 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.

7.3 Assets pledged as security

	Notes	2022-23 \$'000	2021-22 \$'000
<u>Assets pledged as security</u>			
The carrying amounts of non-current assets pledged as security are:			
Right-of-use asset - Land	5.2	802	2,491
Right-of-use asset - Buildings	5.2	39,660	35,562
Right-of-use asset - Buildings PPP	5.2	312,148	302,777
Right-of-use asset - Motor vehicles	5.2	4,556	4,337
Right-of-use asset - Other	5.2	18,642	15,497
Total assets pledged as security		375,808	360,664

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

	2022-23 \$'000	2021-22 \$'000
Lease interest expense	23,391	22,542
Loan fair value expense ^(a)	14,551	2,332
Interest expensed ^(b)	10,636	10,055
Total finance costs expensed	48,578	34,929

(a) Represents the financial cost of the subsidised LILS, disbursed and, committed but not yet disbursed. The loans are provided to non-government schools and a total of \$48.41 million in new loans were disbursed in 2022-23 (2021-22 \$49.85 million).

(b) 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.

7.5 Cash and cash equivalents

7.5.1 Reconciliation of cash

	2022-23 \$'000	2021-22 \$'000
<u>Schools</u>		
Bank accounts	425,231	407,409
Cash on hand	95	100
	425,326	407,509
<u>Central office</u>		
Operating bank account	89,651	105,954
	89,651	105,954
Total cash and cash equivalents at end of period	514,977	513,463

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 3 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

	2022-23 \$'000	2021-22 \$'000
<u>Current</u>		
Grants accounts ^(a)	32,353	24,162
Royalties for Regions Fund	194	4,623
Paid Parental Leave	503	513
Special purpose account - TRBWA ^(b)	9,898	8,555
Special purpose account - Student Residential Colleges Fund ^(b)	1,846	1,343
	44,794	39,196
<u>Non-current</u>		
Accrued salaries suspense account (27th pay) ^(c)	108,253	91,131
	108,253	91,131
Total restricted cash and cash equivalents at end of period	153,047	130,327

(a) Unspent cash balances relating to Australian Government grants, state and private partnerships 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 a suspense account with Department of Treasury for the purpose of meeting the 27th pay in a reporting period that occurs every 11th year.

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 3 months or less that are readily convertible to a known amount of cash and which are subject to insignificant risk of changes in value.

The accrued salaries suspense account consists of amounts paid annually, from agency appropriations for salaries expense, into a Treasury 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.

7.5.3 Reconciliation of net cost of services to net cash flows provided by/(used in) operating activities

	Notes	2022-23 \$'000	2021-22 \$'000
Cash and cash equivalents	7.5.1	514,977	513,463
Restricted cash and cash equivalents	7.5.2	153,047	130,327
		668,024	643,790
Reconciliation of net cost of services to net cash flows used in operating activities			
Net cost of services		(4,833,398)	(4,438,506)
<u>Non-cash Items</u>			
Depreciation expense	5.1.1, 5.4.1, 5.2	259,536	267,181
Amortisation expense	5.3.1	1	105
Impairment expense	5.1.1, 5.3.1	2,218	1,240
Resources received free of charge	4.1	16,558	14,947
Expected credit losses expense	3.3	6,217	7,685
Loss on disposal of non-current assets	3.3	1,692	1,571
Adjustment for other non-cash items		(13,946)	(251)
<u>(Increase)/decrease in assets</u>			
Current receivables ^(a)		(3,023)	(13,018)
Current inventories		(660)	(1,038)
Other current assets		(4,426)	(10,427)
Non-current receivables		(3,772)	(10,158)
<u>Increase/(decrease) in liabilities</u>			
Provisions		43,687	41,372
Current payables and other liabilities ^(a)		(5,286)	63,856
Non-current payables		564	509
Net GST receipts/(payments) ^(b)		(525)	(3,793)
Change in GST in receivables and payables ^(c)		(78)	(3,672)
Net cash used in operating activities		(4,534,641)	(4,082,397)

(a) 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.

7.6 Commitments

7.6.1 Capital commitments

	2022-23 \$'000	2021-22 \$'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	418,121	445,744
Later than 1 year and not later than 5 years	391,315	373,515
	809,436	819,259
<u>The capital commitments include amounts for:</u>		
Additional Stages at High Schools	3,090	46
Additional Stages at Secondary Schools	-	25,184
Additions and Improvements to Secondary Schools	53,378	46,893
Additions and Improvements to Residential Colleges	209	606
Additions and Improvements to Primary Schools	96,706	6,105
Additions and Improvements to District High Schools	172	377
COVID-19 Response - Capital	129,723	213,771
Election Commitments 2021	340,330	310,545
Fire Damage	26	968
Infrastructure managed projects at Residential Colleges	-	101
Miscellaneous	13,002	13,221
Modular Buildings	27,161	28,863
New Secondary Schools	3,967	29,631
New Primary Schools	139,625	134,341
Other School Facilities	1,852	4,279
PPP Retained Funding	128	2,650
Remote Community Schools	-	745
Royalties for Regions	-	250
School-funded project	2	273
Stimulus Package	-	146
Universal Access Program	65	264
	809,436	819,259

8. Risks and contingencies

This section sets out the key risk management policies and measurements techniques of the Department.

	Note
Financial risk management	8.1
Contingent assets and liabilities	8.2
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, 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). For receivables other than Government, the Department trades only with recognised, creditworthy third parties. Policies are in place to minimise exposure to credit risk associated with loans to non-government schools and the 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 primarily relates 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).

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:

	Notes	2022-23 \$'000	2021-22 \$'000
Financial assets			
Cash and cash equivalents	7.5.1	514,977	513,463
Restricted cash and cash equivalents	7.5.2	153,047	130,327
Financial assets at amortised cost ^(a)	6.1, 6.2	4,332,691	4,039,996
Total financial assets		5,000,715	4,683,786
Financial liabilities			
Financial liabilities measured at amortised cost	7.1, 7.2, 6.5, 6.7	1,013,664	994,581
Total financial liability		1,013,664	994,581

(a) The amount of receivables/financial assets at amortised cost excludes GST recoverable from the ATO (statutory receivable).

(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 2023					
Central Office					
Expected credit loss rate		1.00%	2.00%	5.00%	20.00%
Estimated total gross carrying amount at default	2,411	598	697	101	1,015
Expected credit losses	(228)	(6)	(14)	(5)	(203)
Loans to non-government schools and UNDA^(a)					
Expected credit loss rate		0.31%			
Estimated total gross carrying amount at default	372,933	372,933			
Expected credit losses	(1,156)	(1,156)			
Schools, Residential Colleges and other debtors^(b)					
Estimated total gross carrying amount at default	46,962				
Expected credit losses	(13,462)				
Total					
Estimated total gross carrying amount at default ^(c)	422,306				
Expected credit losses	(14,846)				
30 June 2022					
Central Office					
Expected credit loss rate		1.00%	2.00%	5.00%	20.00%
Estimated total gross carrying amount at default	2,383	433	238	559	1,154
Expected credit losses	(268)	(4)	(5)	(28)	(231)
Loans to non-government schools and UNDA^(a)					
Expected credit loss rate		0.29%			
Estimated total gross carrying amount at default	367,233	367,233			
Expected credit losses	(1,065)	(1,065)			
Schools, Residential Colleges and other debtors^(b)					
Estimated total gross carrying amount at default	45,895				
Expected credit losses	(12,478)				
Total					
Estimated total gross carrying amount at default ^(c)	415,511				
Expected credit losses	(13,811)				

(a) The provision is based on estimated credit losses on outstanding loan balances.

(b) The calculation of past due aged analysis is not available for \$29.65 million of this class of debtor (2021-22 \$30.20 million), the residual \$17.31 million (2021-22 \$15.69 million) comprise state government agency debtors and not considered to be impaired.

(c) The estimated total gross amount and expected credit losses includes all debtors except for the GST recoverable from the ATO (statutory receivable).

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 ^(b) \$'000	Maturity dates (Restated ^(c))				
		Carrying Amount \$'000	Fixed Interest rate \$'000	Variable Interest rate \$'000	Non-Interest bearing \$'000		Up to 1 month \$'000	1 to 3 months \$'000	3 months to 1 year \$'000	1 to 5 years \$'000	More than 5 years \$'000
2021-22											
Financial Assets											
Schools cash balances	0.32	297,947	-	297,847	100	297,947	297,947	-	-	-	-
Schools term deposits	0.26	109,562	109,562	-	-	109,562	80,328	-	29,234	-	-
Central office cash balances		105,954	-	-	105,954	105,954	105,954	-	-	-	-
Restricted cash - TRBWA	0.50	8,555	-	8,555	-	8,555	8,555	-	-	-	-
Restricted cash - Residential Colleges Fund	0.58	1,343	-	743	600	1,343	1,175	-	168	-	-
Restricted cash balances - other		120,429	-	-	120,429	120,429	120,429	-	-	-	-
Trade receivables ^(a)		34,467	-	-	34,467	34,467	34,467	-	-	-	-
Loans to non-government schools and UNDA ^(a)	4.15	367,233	367,233	-	-	447,121	-	11,603	37,230	182,502	215,786
Amounts receivable for services		3,638,296	-	-	3,638,296	3,638,296	2,092	4,230	20,301	106,492	3,505,181
		4,683,786	476,795	307,145	3,899,846	4,763,674	650,947	15,833	86,933	288,994	3,720,967
Financial Liabilities											
Payables		185,194	-	-	185,194	185,194	183,123	-	-	2,071	-
Lease liabilities ^(c)	6.17	382,117	382,117	-	-	746,904	3,673	14,117	45,246	131,826	552,042
WATC loans ^(c)	2.47	388,568	388,568	-	-	445,824	2,125	11,825	33,819	181,511	216,544
Other liabilities		38,702	-	-	38,702	38,702	38,702	-	-	-	-
		994,581	770,685	-	223,896	1,416,624	227,623	25,942	79,065	315,408	768,586

(a) Carrying amount approximates fair value and excludes GST recoverable from the ATO (statutory receivable).

(b) The amounts disclosed are the calculated undiscounted cash flow of each class of financial of assets or liabilities.

(c) The fair value of WATC loans was \$368.49 million.

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 ^(b) \$'000	Maturity dates				
		Carrying Amount \$'000	Fixed Interest rate \$'000	Variable Interest rate \$'000	Non-Interest bearing \$'000		Up to 1 month \$'000	1 to 3 months \$'000	3 months to 1 year \$'000	1 to 5 years \$'000	More than 5 years \$'000
2022-23											
<u>Financial Assets</u>											
Schools cash balances	2.54	318,545	-	318,450	95	318,545	318,545	-	-	-	-
Schools term deposits	2.33	106,781	106,781	-	-	106,781	79,458	-	27,323	-	-
Central office cash balances		89,651	-	-	89,651	89,651	89,651	-	-	-	-
Restricted cash - TRBWA	2.63	9,898	-	9,898	-	9,898	9,898	-	-	-	-
Restricted cash - Residential Colleges Fund	3.01	1,846	-	1,845	1	1,846	1,715	-	131	-	-
Restricted cash balances - other		141,303	-	-	141,303	141,303	141,303	-	-	-	-
Trade receivables ^(a)		34,527	-	-	34,527	34,527	34,527	-	-	-	-
Loans to non-government schools and UNDA ^(a)	4.17	372,933	372,933	-	-	465,865	-	12,540	39,327	194,961	219,037
Amounts receivable for services		3,925,231	-	-	3,925,231	3,925,231	2,092	4,230	16,075	89,588	3,813,246
		5,000,715	479,714	330,193	4,190,808	5,093,647	677,189	16,770	82,856	284,549	4,032,283
<u>Financial Liabilities</u>											
Payables		173,199	-	-	173,199	173,199	170,564	-	-	2,635	-
Lease liabilities	6.01	396,481	396,481	-	-	756,001	3,803	13,450	41,156	142,219	555,373
WATC loans ^(c)	2.64	398,009	398,009	-	-	481,510	2,725	13,114	36,960	200,850	227,861
Other liabilities		45,975	-	-	45,975	45,975	45,975	-	-	-	-
		1,013,664	794,490	-	219,174	1,456,685	223,067	26,564	78,116	345,704	783,234

(a) Carrying amount approximates fair value and excludes GST recoverable from the ATO (statutory receivable).

(b) The amounts disclosed are the calculated undiscounted cash flow of each class of financial of assets or liabilities.

(c) The fair value of WATC loans was \$372.93 million.

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
2021-22					
<i>Financial assets</i>					
Schools cash balances	297,947	(2,979)	(2,979)	2,979	2,979
Special purpose account - TRBWA	8,555	(86)	(86)	86	86
Special purpose account - Residential Colleges Fund	1,343	(13)	(13)	13	13
Total increase/(decrease)		(3,078)	(3,078)	3,078	3,078
2022-23					
<i>Financial assets</i>					
Schools cash balances	318,545	(3,185)	(3,185)	3,185	3,185
Special purpose account - TRBWA	9,898	(99)	(99)	99	99
Special purpose account - Residential Colleges Fund	1,846	(18)	(18)	18	18
Total increase/(decrease)		(3,303)	(3,303)	3,303	3,303

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 2023.

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 either covered by the Insurance Commission of Western Australia, Government Insurance Division, eligible for recoup from the Department of Treasury's Special Purpose Fund, or of a nature that will not have a significant impact on the Department's financial position.

Contaminated sites

As at June 30 2023, the Department has 76 sites that are owned by the Department and registered with the Department of Water and Environmental Regulation under the *Contaminated Sites Act 2003* (WA). Of these, 42 do not require any further action and 34 are still subject to investigation or require ongoing 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, which is then forwarded to the Department of Water and Environmental Regulation for classification according to the Contaminated Sites Act.

Casual employees' entitlement to long service leave

In September 2019, the Department of Mines, Industry Regulation and Safety – Government Sector Labour Relations (GSLR) informed public sector agencies that the *Long Service Leave Act 1958* (WA) applies to casual public sector employees. Since then public sector industrial agreements have been progressively renegotiated so that casual employees will accrue long service leave (LSL) entitlements under their applicable award or agreement from the date it is registered. In February 2021, GSLR issued a Guidance Note on the transitional arrangements for LSL entitlements of current casual employees from the Long Service Leave Act to the applicable industrial instruments. The Department has determined that the liabilities associated with LSL entitlements for the below categories of both current casual employees and those who have left employment are unable to be measured with sufficient reliability at reporting date due to the following factors:

- Employee liability for service from 1996 to 2003 is unknown due to the unavailability of electronic records for service periods. It is acknowledged that employees may make a claim to the Department to have their eligibility for additional entitlements to Casual LSL assessed for service performed between 1996 and 2003.
- Liability for terminated (former) employees who may have an entitlement under the Long Service Leave Act have not yet been calculated. Notwithstanding this, former employees may make a claim to the Department to assess their service from 1996 to termination date to determine any entitlement.
- The Western Australian Industrial Relations Commission issued a decision on 11 August 2023 that may affect the method which LSL is calculated for casual employees. The Department is awaiting advice from GSLR on the implications of this decision on the Guidance Note.

8.3 Fair value measurements

Assets measured at fair value	Notes	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Fair value at end of period \$'000
2022-23					
Non-current assets classified as held for sale	9.10	-	-	2,988	2,988
Land	5.1	-	-	4,632,775	4,632,775
Land improvements	5.1	-	-	2,625,007	2,625,007
Buildings	5.1	-	-	8,014,987	8,014,987
Service concession land	5.4	-	-	12,090	12,090
Service concession land improvements	5.4	-	-	6,722	6,722
Service concession buildings	5.4	-	-	18,496	18,496
		-	-	15,313,065	15,313,065
2021-22					
Non-current assets classified as held for sale	9.10	-	-	26,019	26,019
Land	5.1	-	-	4,053,559	4,053,559
Land improvements	5.1	-	-	2,118,556	2,118,556
Buildings	5.1	-	-	6,870,856	6,870,856
Service concession land	5.4	-	-	10,940	10,940
Service concession land improvements	5.4	-	-	5,433	5,433
Service concession buildings	5.4	-	-	14,710	14,710
		-	-	13,100,073	13,100,073

There were no transfers between Levels 1, 2 or 3 during the period.

8.3 Fair value measurements (continued)

Fair value measurements using significant unobservable inputs (Level 3)

	Non-current assets classified as held for sale \$'000	Land \$'000	Land improvements \$'000	Buildings \$'000	Service concession land \$'000	Service concession buildings \$'000	Service concession land improvements \$'000
2022-23							
Fair Value at start of period	26,019	4,053,559	2,118,556	6,870,856	10,940	14,710	5,433
Additions	-	11,860	11,236	25,475	-	-	-
Transfer from Work in Progress	-	1,946	1,227	291,952	-	-	-
Transfers to/from held for distribution (within Level 3)	11	31	-	-	-	-	-
Disposals	(23,042)	(42)	-	-	-	-	-
Revaluation increase/(decrease)	-	565,422	538,845	942,164	1,150	4,088	1,443
Impairment loss	-	-	-	(2,218)	-	-	-
Depreciation expense	-	-	(45,752)	(113,779)	-	(329)	(155)
Transfers/adjustments	-	(1)	895	537	-	27	1
Fair Value at end of period	2,988	4,632,775	2,625,007	8,014,987	12,090	18,496	6,722
Net loss on disposal of non-current assets under 'Carrying amount of disposal of non-current assets' in Note 3.4	-	42	-	-	-	-	-
2021-22							
Fair Value at start of period	25,686	3,684,532	1,667,930	6,179,722	9,311	15,668	3,703
Additions	-	34,009	-	36,376	-	-	-
Transfer from Work in Progress	-	6,226	2,680	188,623	-	-	-
Transfers to/from held for distribution (within Level 3)	571	(571)	-	-	-	-	-
Disposals	(238)	(254)	-	-	-	-	-
Revaluation increase/(decrease)	-	329,615	500,798	599,667	1,629	(626)	1,879
Depreciation expense	-	-	(38,860)	(133,396)	-	(332)	(145)
Impairment loss	-	-	-	-	-	-	-
Transfers/adjustments	-	2	(13,992)	(136)	-	-	(4)
Fair Value at end of period	26,019	4,053,559	2,118,556	6,870,856	10,940	14,710	5,433
Net loss on disposal of non-current assets under 'Carrying amount of disposal of non-current assets' in Note 3.4	-	254	-	-	-	-	-

8.3 Fair value measurements (continued)

Valuation processes

Land, buildings and land improvements 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 land improvements was effective for the year ended 30 June 2023. The revaluation of land and buildings was conducted by the Western Australian Land Information Authority (Landgate). The revaluation of school land improvements was conducted by an independent quantity surveyor.

Effective 1 July 2019, the Department reviewed the frequency to revalue land, buildings and school land improvements from annually to every 3 years. Any interim revaluations are determined by applying relevant industry indices to determine if fair value adjustments are required. Refer to Note 5.1 for further information.

For 2022-23 the Department revalued buildings and land improvements as the cumulative movement in indices was more than 15% since the last comprehensive revaluation in 2021-22. For 2022-23, although the cumulative movement in land indices was less than 15% since the last comprehensive revaluation in 2021-22, the Department revalued land due to a significant movement in land valuations provided by Landgate.

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 land improvements to be categorised within Level 3 where the valuations will utilise significant Level 3 inputs on a recurring basis.

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 Landgate (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 land improvements

Valuation Services has determined that the costs relating to contingencies, headworks and demolition costs are inherent in the building valuations and therefore should not be added to its valuations. This also applies to the land improvements.

Average installation costs - transportables

The cost of transportation and connection of services determined by the Quantity Surveyor.

Project and professional fees

Project and professional fees which are directly attributable to bringing the asset to the location and condition for use as intended.

9. Other disclosures

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

	Note
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
Indian Ocean Territories	9.13

9.1 Events occurring after the end of the reporting period

There were no material events occurring after 30 June 2023.

9.2 Initial application of Australian Accounting Standards

There were no new Australian Accounting Standards effective for the year 2022-23 that applied to the Department.

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 17	Insurance Contracts This Standard establishes principles for the recognition, measurement, presentation and disclosure of insurance contracts. It was amended by AASB 2022-8 to take effect for Not-For-Profit insurance contracts from 1 July 2026. The Department has not assessed the impact of the Standard.	1 Jul 2026
AASB 2020-1	Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-current This Standard amends AASB 101 to clarify requirements for the presentation of liabilities in the statement of financial position as current or non-current. There is no financial impact.	1 Jan 2024
AASB 2021-2	Amendments to Australian Accounting Standards – Disclosure of Accounting Policies and Definition of Accounting Estimates This Standard amends: (a) AASB 7, to clarify that information about measurement bases for financial instruments is expected to be material to an entity's financial statements; (b) AASB 101, to require entities to disclose their material accounting policy information rather than their significant accounting policies; (c) AASB 108, to clarify how entities should distinguish changes in accounting policies and changes in accounting estimates; (d) AASB 134, to identify material accounting policy information as a component of a complete set of financial statements; and (e) AASB Practice Statement 2, to provide guidance on how to apply the concept of materiality to accounting policy disclosures. There is no financial impact.	1 Jan 2023
AASB 2021-6	Amendments to Australian Accounting Standards – Disclosure of Accounting Policies: Tier 2 and Other Australian Accounting Standards This Standard amends: (a) AASB 1049, to require entities to disclose their material accounting policy information rather than their significant accounting policies; (b) AASB 1054 to reflect the updated accounting policy terminology used in AASB 101 Presentation of Financial Statements; and (c) AASB 1060 to required entities to disclose their material accounting policy information rather than their significant accounting policy and to clarify that information about measurement bases for financial instruments is expected to be material to an entity's financial statements. There is no financial impact.	1 Jan 2023
AASB 2021-7C	Amendments to Australian Accounting Standards – Effective Date of Amendments to AASB 10 and AASB 128 and Editorial Corrections This Standard further defers (to 1 January 2025) the amendments to AASB 10 and AASB 128 relating to the sale or contribution of assets between an investor and its associate or joint venture. The standard also includes editorial corrections. There is no financial impact.	1 Jan 2025
AASB 2022-5	Amendments to Australian Accounting Standards – Lease Liability in a Sale and Leaseback This Standard amends AASB 16 to add measurement requirements for sale and leaseback transactions that satisfy the requirements in AASB 15 to be accounted for as a sale. There is no financial impact.	1 Jan 2024
AASB 2022-6	Amendments to Australian Accounting Standards – Non-current Liabilities with Covenants This Standard amends AASB 101 to improve the information an entity provides in its financial statements about liabilities arising from loan arrangements for which the entity's right to defer settlement of those liabilities for at least 12 months after the reporting period is subject to the entity complying with conditions specified in the loan arrangement. The Standard also amends an example in Practice Statement 2 regarding assessing whether information about covenants is material for disclosure. There is no financial impact.	1 Jan 2024
AASB 2022-7	Editorial Corrections to Australian Accounting Standards and Repeal of Superseded and Redundant Standards This Standard makes editorial corrections to various Australian Accounting Standards and AASB Practice Statement 2 Making Materiality Judgements. There is no financial impact.	1 Jan 2023

		Operative for reporting periods beginning on/after
AASB 2022-8	Amendments to Australian Accounting Standards – Insurance Contracts: Consequential Amendments This Standard amends: (a) AASB 1; (b) AASB 3; (c) AASB 5; (d) AASB 7; (e) AASB 9; (f) AASB 15; (g) AASB 17; (h) AASB 119; (i) AASB 132; (j) AASB 136; (k) AASB 137; (l) AASB 138; (m) AASB 1057; and (n) AASB 1058, to permit public sector entities to continue applying AASB 4 and AASB 1023 to annual periods beginning on or after 1 January 2023 but before 1 July 2026. There is no financial impact.	1 Jan 2023
AASB 2022-9	Amendments to Australian Accounting Standards – Insurance Contracts in the Public Sector This Standard amends AASB 17 and AASB 1050 to include modifications with respect to the application of AASB 17 by public sector entities. This Standard also amends the following Standards to remove the temporary consequential amendments set out in AASB 2022-8 since AASB 4 and AASB 1023 do not apply to public sector entities for periods beginning on or after 1 July 2026: (a) AASB 1; (b) AASB 3; (c) AASB 5; (d) AASB 7; (e) AASB 9; (f) AASB 15; (g) AASB 119; (h) AASB 132; (i) AASB 136; (j) AASB 137; (k) AASB 138; (l) AASB 1057; and (m) AASB 1058. There is no financial impact.	1 Jan 2026
AASB 2022-10	Amendments to Australian Accounting Standards – Fair Value Measurement of Non-Financial Assets of Not-for-Profit Public Sector Entities This Standard amends AASB 13 including adding authoritative implementation guidance and providing related illustrative examples, for fair value measurements of non-financial assets of not-for-profit public sector entities not held primarily for their ability to generate net cash inflows. The financial impact has not been assessed.	1 Jan 2024

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:

Compensation band (\$)	2022-23	2021-22
\$500,001 - \$550,000	1	1
\$400,001 - \$450,000	-	1
\$350,001 - \$400,000	2	2
\$300,001 - \$350,000	1	1
\$250,001 - \$300,000	5	-
\$200,001 - \$250,000	7 ^(a)	15 ^(a)
\$150,001 - \$200,000	4 ^(a)	2 ^(a)
\$100,001 - \$150,000	1 ^(a)	-
\$50,001 - \$100,000	1 ^(a)	2 ^(a)
\$0 - \$50,000	2 ^(a)	2 ^(a)

	2022-23 \$'000	2021-22 \$'000
Short-term employee benefits	4,929	5,272
Post employment benefits	549	569
Other long-term benefits	139	94
Total compensation of senior officers	5,617	5,935

(a) Includes senior officers where period of service is less than 12 months.

Total compensation includes the superannuation expense incurred by the Department in respect of senior officers.

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 the 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;
- associates and joint ventures that are included in the whole-of-government consolidated financial statements; and
- The Government Employees Superannuation Board (GESB).

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 9.11);
- insurance payments to the Insurance Commission of Western Australia and RiskCover Fund (note 3.3);
- GROH payments to the Department of Communities (note 3.1.1);
- superannuation contributions to GESB (Note 3.1.1);
- borrowings and repayments from/to WATC (note 7.1);
- building works, maintenance and leasing payments to the Department of Finance (note 3.3 and 5.2);
- land acquisition payments to the Department of Justice (note 5.1);
- services provided free of charge to other State government agencies (note 9.9);
- resources 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 the DPLH, Water Corporation, Mental Health Commission, and Western Australia Police Force (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 were no material related party transactions.

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.

	2022-23 \$'000	2021-22 \$'000
Community kindergartens	4,686	4,335
Non-Government Schools Planning Advisory Panel	1	86
Non-Government Schools Registration Advisory Panel	-	1
Rural and Remote Education Advisory Council	9	10
School Curriculum and Standards Authority	38,567	36,545
Western Australian Higher Education Council	-	10
Total Affiliated bodies	43,263	40,987

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 (WA)* 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 (WA)*.

	2022-23 \$'000	2021-22 \$'000
Balance at start of period	8,556	8,880
Receipts	7,089	7,021
Payments	(5,747)	(7,345)
Balance at end of period	9,898	8,556

Student Residential Colleges Fund

The Student Residential Colleges Fund is a Department special purpose account under the *Financial Management Act 2006 (WA)* section 16(1)(b).

	2022-23 \$'000	2021-22 \$'000
Balance at start of period	1,343	1,266
Receipts	21,584	18,581
Payments	(21,081)	(18,504)
Balance at end of period	1,846	1,343

9.7 Special purpose accounts (continued)

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.

Special Purpose Account	2022-23				2021-22			
	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	26,121	26,100	4,757	5,236	13,500	14,000	4,736
2 Scholarship - Council of War Service Land Settlers Association	1,072	21	-	1,093	1,068	4	-	1,072
3 John Henry Kendall	1,191	23	-	1,214	1,187	4	-	1,191
4 Margueretta Wilson Scholarship	3,339	64	-	3,403	3,327	12	-	3,339
5 Perth Girls Memorial Scholarship	55,872	1,069	6,000	50,941	69,627	245	14,000	55,872
6 Sir Thomas Coombe Scholarship	127,668	2,442	-	130,110	127,211	457	-	127,668
7 Margery Bennett Prize	1,435	27	-	1,462	1,430	5	-	1,435
8 W J Reid Memorial Prize	8,751	167	-	8,918	8,720	31	-	8,751
9 James and Rose Coombe Scholarships	250	19,501	19,500	251	250	17,700	17,700	250
10 Perth Boys Memorial Scholarship	4,980	95	1,000	4,075	7,962	18	3,000	4,980
11 Roy Grace English Scholarship	-	2,000	2,000	-	-	2,000	2,000	-
12 James A Heron Memorial Prize	10,448	200	-	10,648	11,408	40	1,000	10,448
13 Ernest Smith Memorial Prize for English	2,870	55	-	2,925	2,860	10	-	2,870
14 Bentley Senior High School Memorial Scholarship	14,494	277	1,000	13,771	15,440	54	1,000	14,494
15 Elaine Nora Walker Scholarships	92,223	1,764	10,000	83,987	95,883	340	4,000	92,223
16 William Samuel Bequest	1,530	28	100	1,458	1,624	6	100	1,530
17 Howard Porter Memorial Prize for Good Citizenship	2,263	42	100	2,205	2,355	8	100	2,263
18 Ian Bremner Memorial Scholarship	39,851	738	2,000	38,589	41,705	146	2,000	39,851
19 Catherine and Ernest Bennett Memorial Scholarship	28,907	546	1,000	28,453	29,800	107	1,000	28,907
20 Laurence Armstrong Scholarship	409,286	589,320	-	998,606	388,903	20,383	-	409,286
21 Rural Boarding Scholarship	24,233	464	-	24,697	24,146	87	-	24,233
Totals	835,399	644,964	68,800	1,411,563	840,142	55,157	59,900	835,399

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 attempt to achieve a Western Australian Certificate of 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.

9.7 Special purpose accounts (continued)

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 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.

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:

	2022-23 \$'000	2021-22 \$'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	680	635

These amounts are due and payable in the next financial year.

The expenses for the 2022-23 audit of the financial statements is included in Note 3.3 'Other Expenditures'.

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

	2022-23 \$'000	2021-22 \$'000
Department of Finance	21	21
Department of Health	1,193	1,098
South Regional TAFE	-	97
Western Australia Police Force	-	52
North Regional TAFE	-	1
Department of Communities	159	6
Department of Justice	2	2
Commissioner for Children and Young People	1	2
Office of the Inspector of Custodial Services	1	-
Trustees of the Public Education Endowment	15	14
School Curriculum and Standards Authority	38,567	36,545
	39,959	37,838

9.10 Non-current assets classified as held for sale

The following table represents a summary of assets held for sale:

	2022-23 \$'000	2021-22 \$'000
<u>Opening balance</u>		
Land and buildings	26,019	25,686
Write-down from cost to fair value less selling costs	-	-
	26,019	25,686
<u>Add: Assets reclassified as held for distribution</u>		
Land and buildings ^(a)	11	571
Write-down from cost to fair value less selling costs	-	-
	11	571
<u>Total assets classified as held for distribution</u>		
Land and buildings	26,030	26,257
Write-down from cost to fair value less selling costs	-	-
	26,030	26,257
<u>Less: Assets sold or distributed to owner</u>		
Land and buildings	23,042	238
Write-down from cost to fair value less selling costs	-	-
	23,042	238
<u>Closing balance</u>		
Land and buildings	2,988	26,019
Write-down from cost to fair value less selling costs	-	-
Total non-current assets classified as assets held for sale at end of period	2,988	26,019

(a) In 2022-23 land and buildings, surplus to the Department's requirements with a fair value of \$0.01 million (2021-22 \$0.57 million) comprising a small portion of land at Margaret River Senior High School was transferred to land and buildings held for distribution to owner.

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 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.

9.11 Equity

	2022-23 \$'000	2021-22 \$'000
Contributed equity		
Balance at start of period	15,277,971	14,883,793
<u>Contributions by owners</u>		
Capital appropriation	474,952	357,345
Transfer of net assets from other agencies:		
Buildings from Department of Training and Workforce Development	-	192
Land from the Department of Communities	5,660	79
Land from the Western Australian Planning Commission	-	2,350
Land from the DPLH	-	29,500
	5,660	32,121
<u>Other contributions by owners</u>		
Royalties for Regions Fund	7,033	5,106
Total contributions by owners	15,765,616	15,278,365
<u>Distributions to owners</u>		
Transfer of net assets to Government:		
Crown land transferred to DPLH	(23,000)	(238)
Transfer of ICT intangibles asset to School Curriculum and Standards Authority	-	(156)
Total distributions to owner	(23,000)	(394)
Total contributed equity at end of period	15,742,616	15,277,971
Reserves		
<u>Asset revaluation surplus/(deficit)</u>		
Balance at start of period	1,748,999	316,038
Net revaluation increment/(decrement)		
Land	566,573	331,244
Buildings and land improvements	1,486,540	1,101,717
Total net revaluation increment/(decrement)	2,053,113	1,432,961
Total asset revaluation surplus/(deficit) at end of period	3,802,112	1,748,999
Accumulated surplus		
Balance at start of the year	(162,991)	(159,109)
Result for the period	96,392	(3,882)
Total accumulated surplus at end of period	(66,599)	(162,991)
Total equity at end of the period	19,478,129	16,863,979

9.12 Supplementary financial information

	2022-23 \$'000	2021-22 \$'000
Write-offs		
<u>Accounts Receivable</u>		
During the financial year, \$5,182,389 (2021-22: \$5,137,236) of Accounts Receivable was written off under the authority of:		
Accountable Authority	5,182	5,137
The Minister	-	-
The Treasurer	-	-
	5,182	5,137
<u>Asset Register</u>		
During the financial year, \$1,297,532 (2021-22: \$0) was written off the Department's asset register under the authority of:		
The Accountable Authority	1,298	-
The Minister	-	-
The Treasurer	-	-
	1,298	-
Losses through theft, defaults and other causes		
Losses of public money and other property through theft or default	48	114
Amounts recovered	-	-
	48	114

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.

9.13 Indian Ocean Territories

	2022-23 \$'000	2021-22 \$'000
<u>Reconciliation of Australian Government funds received and expended for the Indian Ocean Territories</u>		
Balance at start of period	1,922	1,427
Receipts	14,809	16,352
Payments	(17,356)	(15,857)
Balance at end of period	(625)	1,922

The 2022-23 balance at the end of the period will be offset by Commonwealth funding due in the next financial year.

10. Explanatory statements

This section explains variations in the financial performance of the Department against the original budget presented to Parliament. The Department's budget presented to Parliament is not necessarily classified consistently with actual results prepared in accordance with Australian Accounting Standards. Whilst recognition and measurement changes of the original budget is not required under AASB 1055 Budgetary Reporting, the Department reclassifies budget lines so that they are comparable with actual results.

	Note
Explanatory statement for controlled operations	10.1
Explanatory statement for administered items	10.2

10.1 Explanatory statement for controlled operations

This explanatory section explains variations in the financial performance of the Department undertaking transactions under its own control, as represented by the primary financial statements.

All variances between annual estimates (original budget) and actual results for 2023, and between the actual results for 2023 and 2022 are shown below. Narratives are provided for key major variances which vary more than 10% from their comparative and that the variation is more than 1% of the following variance analyses for the:

- Estimate and actuals for the current year
 - Total Cost of Services of the estimate for the Statements of Comprehensive Income and Statement of Cash Flows (i.e. \$58.93 million being 1% of \$5,892.76 million), and
 - Total Assets of the estimate for the Statement of Financial Position (i.e. \$209.37 million being 1% of \$20,937.16 million).
- Actual results for the current year and prior year actual
 - Total Cost of Services for the previous year for the Statements of Comprehensive Income and Statement of Cash Flows (i.e. \$58.22 million being 1% of \$5,822.48 million), and
 - Total Assets for the previous year for the Statement of Financial Position (i.e. \$188.04 million being 1% of \$18,803.70 million).

10.1.1 Statement of comprehensive income variances

	Estimate 2022-23 \$'000	Actual 2022-23 \$'000	Actual 2021-22 \$'000	Variance					
				Variance between estimate and actual			Variance between actual results for 2022 and 2023		
				\$'000	%	Note	\$'000	%	Note
COST OF SERVICES									
Expenses									
Employee benefits expense	4,490,683	4,859,279	4,474,829	368,596	8%		384,450	9%	
Supplies and services	1,014,245	1,072,645	983,222	58,400	6%		89,423	9%	
Depreciation and amortisation expense	300,264	261,755	268,526	(38,509)	(13%)		(6,771)	(3%)	
Accommodation expenses	15,915	20,335	17,366	4,420	28%		2,969	17%	
Grants and subsidies	30,044	40,175	34,261	10,131	34%		5,914	17%	
Finance costs	33,482	48,578	34,929	15,096	45%		13,649	39%	
Other expenses	8,125	8,173	9,343	48	1%		(1,170)	(13%)	
Total cost of services	5,892,758	6,310,940	5,822,476	418,182	7%		488,464	8%	
Income									
Revenue									
User contributions, charges and fees	142,168	125,373	119,261	(16,795)	(12%)		6,112	5%	
Other revenue	96,392	106,758	104,431	10,366	11%		2,327	2%	
Australian Government grants and contributions	1,187,747	1,226,566	1,140,176	38,819	3%		86,390	8%	
Interest revenue	20,344	18,845	20,102	(1,499)	(7%)		(1,257)	(6%)	
Total Revenue	1,446,651	1,477,542	1,383,970	30,891	2%		93,572	7%	
Total income other than income from State Government	1,446,651	1,477,542	1,383,970	30,891	2%		93,572	7%	
NET COST OF SERVICES	4,446,107	4,833,398	4,438,506	387,291	9%		394,892	9%	
Income from State Government									
Service appropriation	4,430,976	4,858,771	4,375,333	427,795	10%	1	483,438	11%	A
Income from other public sector entities	16,238	27,365	16,204	11,127	69%		11,161	69%	
Resources received free of charge	15,597	16,558	14,947	961	6%		1,611	11%	
Royalties for Regions Fund	29,645	27,096	28,140	(2,549)	(9%)		(1,044)	(4%)	
Total income from State Government	4,492,456	4,929,790	4,434,624	437,334	10%		495,166	11%	
SURPLUS/(DEFICIT) FOR THE PERIOD	46,349	96,392	(3,882)	50,043	108%		100,274	(2583%)	
OTHER COMPREHENSIVE INCOME									
Items not reclassified subsequently to profit or loss									
Changes in asset revaluation surplus	-	2,053,113	1,432,961	2,053,113	100%	2	620,152	43%	B
Total other comprehensive income	-	2,053,113	1,432,961	2,053,113	100%		620,152	43%	
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	46,349	2,149,505	1,429,079	2,103,156	4,538%		720,426	(50%)	

10.1.2 Statement of financial position variances

	Estimate 2022-23 \$'000	Actual 2022-23 \$'000	Actual 2021-22 \$'000	Variance					
				Variance between estimate and actual			Variance between actual results for 2022 and 2023		
				\$'000	%	Note	\$'000	%	Note
ASSETS									
Current Assets									
Cash and cash equivalents	553,405	514,977	513,463	(38,428)	(7%)		1,514	0%	
Restricted cash and cash equivalents	10,094	44,794	39,196	34,700	344%		5,598	14%	
Amounts receivable for services	20,003	22,397	26,623	2,394	12%		(4,226)	(16%)	
Inventories	7,552	9,250	8,590	1,698	22%		660	8%	
Receivables	82,853	96,633	94,567	13,780	17%		2,066	2%	
Other current assets	21,060	27,944	23,518	6,884	33%		4,426	19%	
Non-current assets classified as assets held for sale	-	2,988	26,019	2,988	100%		(23,031)	(89%)	
Total Current Assets	694,967	718,983	731,976	24,016	3%		(12,993)	(2%)	
Non-Current Assets									
Restricted cash and cash equivalents	106,191	108,253	91,131	2,062	2%		17,122	19%	
Receivables	352,898	331,569	327,797	(21,329)	(6%)		3,772	1%	
Amounts receivable for services	3,906,704	3,902,834	3,611,673	(3,870)	(0%)		291,161	8%	
Property, plant and equipment	15,500,518	16,005,491	13,648,921	504,973	3%		2,356,570	17%	C
Service concession assets	28,114	37,684	31,539	9,570	100%		6,145	19%	
Right-of-use assets	343,635	375,808	360,664	32,173	9%		15,144	4%	
Intangible assets	4,130	-	1	(4,130)	(100%)		(1)	(100%)	
Total Non-Current Assets	20,242,190	20,761,639	18,071,726	519,449	3%		2,689,913	15%	
TOTAL ASSETS	20,937,157	21,480,622	18,803,702	543,465	3%		2,676,920	14%	
LIABILITIES									
Current Liabilities									
Payables	174,665	170,564	183,123	(4,101)	(2%)		(12,559)	(7%)	
Borrowings	43,169	41,364	39,436	(1,805)	(4%)		1,928	5%	
Lease liabilities	26,032	34,952	39,826	8,920	34%		(4,874)	(12%)	
Employee related provisions	722,993	716,458	686,432	(6,535)	(1%)		30,026	4%	
Other provisions	-	4,212	8,220	4,212	100%		(4,008)	(49%)	
Other current liabilities	11,955	45,975	38,702	34,020	285%		7,273	19%	
Total Current Liabilities	978,814	1,013,525	995,739	34,711	4%		17,786	2%	
Non-Current Liabilities									
Payables	1,562	2,635	2,071	1,073	69%		564	27%	
Borrowings	371,463	356,645	349,132	(14,818)	(4%)		7,513	2%	
Lease liabilities	351,902	361,529	342,291	9,627	3%		19,238	6%	
Employee related provisions	260,225	264,404	246,810	4,179	2%		17,594	7%	
Other provisions	3,391	3,755	3,680	364	11%		75	2%	
Other non-current liabilities	1,257	-	-	(1,257)	(100%)		-	0%	
Total Non-Current Liabilities	989,800	988,968	943,984	(832)	(0%)		44,984	5%	
TOTAL LIABILITIES	1,968,614	2,002,493	1,939,723	33,879	2%		62,770	3%	
NET ASSETS	18,968,543	19,478,129	16,863,979	509,586	3%		2,614,150	16%	
EQUITY									
Contributed equity	15,756,728	15,742,616	15,277,971	(14,112)	(0%)		464,645	3%	
Reserves	3,268,433	3,802,112	1,748,999	533,679	16%	3	2,053,113	117%	D
Accumulated surplus/(deficit)	(56,618)	(66,599)	(162,991)	(9,981)	18%		96,392	(59%)	
TOTAL EQUITY	18,968,543	19,478,129	16,863,979	509,586	3%		2,614,150	16%	

10.1.3 Statement of cash flows variances

	Estimate 2022-23 \$'000	Actual 2022-23 \$'000	Actual 2021-22 \$'000	Variance					
				Variance between estimate and actual			Variance between actual results for 2022 and 2023		
				\$'000	%	Note	\$'000	%	Note
CASH FLOWS FROM STATE GOVERNMENT									
Service Appropriation	4,115,942	4,549,307	4,064,907	433,365	11%	4	484,400	12%	E
Capital Contribution	506,502	474,952	357,345	(31,550)	(6%)		117,607	33%	F
Holding Account Draw Downs	26,623	22,529	10,026	(4,094)	(15%)		12,503	125%	
Royalties for Regions Fund	47,790	34,129	33,246	(13,661)	(29%)		883	3%	
Funds from other public sector entities	16,238	28,291	12,656	12,053	74%		15,635	124%	
Net cash provided by State Government	4,713,095	5,109,208	4,478,180	396,113	8%		631,028	14%	
Utilised as follows:									
CASH FLOWS FROM OPERATING ACTIVITIES									
Payments									
Employees benefits	(4,457,249)	(4,835,512)	(4,398,217)	(378,263)	8%		(437,295)	10%	G
Supplies and services	(998,647)	(1,054,902)	(965,483)	(56,255)	6%		(89,419)	9%	
Accommodation expenses	(15,915)	(19,197)	(18,339)	(3,282)	21%		(858)	5%	
Grants and subsidies	(30,044)	(41,183)	(32,557)	(11,139)	37%		(8,626)	26%	
Finance costs	(33,482)	(33,847)	(32,419)	(365)	1%		(1,428)	4%	
GST payments on purchases	(151,159)	(158,812)	(145,635)	(7,653)	5%		(13,177)	9%	
Loans advanced to non-government schools	(57,100)	(48,408)	(49,852)	8,692	(15%)		1,444	(3%)	
Other payments	-	(234)	(294)	(234)	(100%)		60	(20%)	
Receipts									
User contributions, charges and fees	138,597	121,321	108,981	(17,276)	(12%)		12,340	11%	
Australian Governments grants and contributions	1,183,446	1,221,487	1,153,525	38,041	3%		67,962	6%	
Interest received	17,325	18,278	10,423	953	6%		7,855	75%	
GST receipts on revenue	-	5,406	5,041	5,406	100%		365	7%	
GST receipts from taxation authority	151,060	152,881	136,801	1,821	1%		16,080	12%	
Repayments of loans by non-government schools	40,505	38,967	41,980	(1,538)	(4%)		(3,013)	(7%)	
Other receipts	96,397	99,114	103,648	2,717	3%		(4,534)	(4%)	
Net cash used in operating activities	(4,116,266)	(4,534,641)	(4,082,397)	(418,375)	10%		(452,244)	11%	
CASH FLOW FROM INVESTING ACTIVITIES									
Payments									
Purchase of non-current assets	(595,018)	(513,419)	(430,850)	81,599	(14%)	5	(82,569)	19%	H
Receipts									
Receipts from sale of non-current physical assets	-	411	398	411	100%		13	3%	
Net cash used in investing activities	(595,018)	(513,008)	(430,452)	82,010	(14%)		(82,556)	19%	
CASH FLOW FROM FINANCING ACTIVITIES									
Payments									
Payment lease liabilities	(37,521)	(46,766)	(42,887)	(9,245)	25%		(3,879)	9%	
Repayment of borrowings	(77,307)	(38,967)	(41,980)	38,340	(50%)		3,013	(7%)	
Receipts									
Proceeds from borrowings	93,902	48,408	49,852	(45,494)	(48%)		(1,444)	(3%)	
Net cash used in financing activities	(20,926)	(37,325)	(35,015)	(16,399)	78%		(2,310)	7%	
Net increase/(decrease) in cash and cash equivalents	(19,115)	24,234	(69,684)	43,349	(227%)		93,918	(135%)	
Cash and cash equivalents at the beginning of the period	688,805	643,790	713,474	(45,015)	(7%)		(69,684)	(10%)	
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	669,690	668,024	643,790	(1,666)	(0%)		24,234	4%	

10.1.4 Major Variance Narratives

Variations between estimate and actual

Statement of Comprehensive Income

- 1 Additional service appropriations were approved during 2022-23, primarily due to the increase in the employee benefits expense resulting from the public sector wages policy and the cost of living payment made to employees in 2023. As a result, the 2022-23 Actual was higher than the 2022-23 Estimate and the 2021-22 Actual.
- 2 2022-23 Actual was higher than 2022-23 Estimate and 2021-22 Actual due to the \$2.05 billion increase in the valuation of land, land improvements and buildings following a comprehensive revaluation of these assets in 2022-23.

Statement of Financial Position

- 3 Refer to 2.

Statement of Cash Flows

- 4 Refer to 1.
- 5 Purchases of non-current assets was \$81.6 million (14%) lower than the 2022-23 Estimate mainly due to approved adjustments to the timing of major capital works projects in the Department's Asset Investment Program during 2022-23.

Variations between actual results for 2022-23 and 2021-22

Statement of Comprehensive Income

- A Refer to 1.

- B Refer to 2.

Statement of Financial Position

- C Property, plant and equipment was \$2.36 billion (17%) higher than the 2021-22 Actual primarily due to the \$2.05 billion increase in the valuation of land, land improvements and buildings following a comprehensive revaluation of these assets in 2022-23 and \$145.1 million in additional capital works in progress at June 2023.

- D Refer to 2.

Statement of Cash Flows

- E Refer to 1.

- F The 2022-23 Actual capital contribution was \$117.6 million (or 33%) higher than the 2021-22 Actual due to an increased investment required to address critical infrastructure issues across educational facilities and to meet demand pressures through the:
 - establishment of new primary schools,
 - provision of additional transportable classrooms, and the
 - construction of additional accommodation at school sites.

- G Refer to 1.

- H Purchases of non-current assets were \$82.6 million (19%) higher than the 2021-22 Actual as a result of an increased investment in the Department's Asset Investment Program to meet future enrolment growth and upgrades to improve public education facilities across Western Australia.

10.2 Explanatory statement for administered items

This explanatory section explains variations in the financial performance of the Department undertaking transactions as an agent of the government, as detailed in the administered schedules.

All variances between annual estimates and actual results for 2023, and between the actual results for 2023 and 2022 are shown below. Narratives are provided for key major variances which vary more than 10% from their comparative and that the variation is more than 1% of the following variance analyses for the:

1. Estimate and actuals for the current year
 - Total Administered Income of the estimate (i.e. \$4.42 million being 1% of \$442.30 million).
2. Actual results for the current year and prior year actual
 - Total Administered Income for the previous year (i.e. \$5.10 million being 1% of \$510.01 million).

	Estimate 2022-23 \$'000	Actual 2022-23 \$'000	Actual 2021-22 \$'000	Variance					
				Variance between estimate and actual			Variance between actual results for 2022 and 2023		
	\$'000	%	Note	\$'000	%	Note	\$'000	%	Note
Income									
Service appropriation	442,304	449,088	452,329	6,784	2%		(3,241)	(1%)	
Resources received free of charge	-	70,169	57,683	70,169	100%	1	12,486	22%	A
Total administered income	442,304	519,257	510,012	76,953	17%		9,245	2%	
Expenses									
Grants to charitable and public bodies, and communities	433,942	440,939	443,526	6,997	2%		(2,587)	(1%)	
Resources distributed free of charge	-	70,169	57,683	70,169	100%	2	12,486	22%	B
Superannuation – higher education institutions	3,500	2,632	2,707	(868)	(25%)		(75)	(3%)	
Schools of Special Educational Needs: Medical and Mental Health and Sensory	4,862	5,529	5,337	667	14%		192	4%	
Total administered expenses	442,304	519,269	509,253	76,965	17%		10,016	2%	

Major Variance Narratives

1 and A, 2 and B

Administered resources received free of charge was \$70.17 million (100%) higher than the 2022-23 Estimate and \$12.49 million higher than the 2021-22 Actual due to the recognition of the value of rapid antigen test kits distributed to public and non-government schools and other educational facilities in the Western Australian community during 2022-23. The rapid antigen test kits were supplied by the Department of Health (\$69.41 million) and the Department of Finance (\$0.76 million) as part of public health measures implemented by the State Government in response to the COVID-19 pandemic.