

# Annual Report

2021–2022



Alisha Negi (registered teacher) with learners  
McClelland College

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1 July 2021 – 30 June 2022

# 2021-22 at a glance

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**141,454**  
**REGISTERED**  
**TEACHERS\***



**117,066**  
**RENEWED**  
**REGISTRATION**



**9,199**  
**FIRST TIME**  
**REGISTRANTS**



**1,083**  
**CONDUCT MATTERS**  
**RESOLVED**



**41,347**  
**REGISTRATIONS**  
**ASSESSED**



**40,370**  
**NATIONALLY COORDINATED**  
**CRIMINAL HISTORY CHECKS**  
**UNDERTAKEN**



**60 INCIDENTS**  
**OF UNREGISTERED**  
**TEACHING**



**44,555 CALLS**  
**RESPONDED TO**



**2,871 TEACHERS**  
**ENROLLED IN PROVISIONALLY**  
**REGISTERED TEACHER**  
**SUPPORT SEMINARS**

\*Includes holders of permission to teach and provisionally registered teachers who may not be required to renew annually



The Victorian Institute of Teaching is a Victorian Government agency reporting to the Minister for Education.

## Responsible Body's declaration

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5 October 2022

The Hon. Natalie Hutchins MP  
Minister for Education  
2 Treasury Place  
East Melbourne  
Victoria 3002

Dear Minister Hutchins

In accordance with the *Financial Management Act 1994*, I am pleased to present the Victorian Institute of Teaching Annual Report for the year ending 30 June 2022.

Yours sincerely



**Lesley Lamb**  
Chairperson





Aaron Connolly (registered teacher) with learner Our Lady of Fatima School

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# Statement of Expectations

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Ministerial statements of expectation (SOE) aim to improve regulatory governance and performance. The statements articulate the Government's priorities and objectives for each of its regulators. Regulators report annually on actions to fulfil these expectations.

On 23 November 2020, VIT received the Minister's Statement of Expectations for the period 2020–2022. The Minister wrote

*This SOE sets out my expectations of the VIT's contribution to the Government's program to reduce red tape affecting teachers, initial teacher education providers, schools and communities by promoting greater efficiency and effectiveness in the administration and enforcement of regulation. It also outlines my expectations on broader improvements for the VIT's performance.*

*As Minister for Education, I am responsible for administering the Education and Training Reform Act 2006 (the Act), which provides for a high standard of education and training for all Victorians by setting out the functions and powers of the VIT. This SOE sets out my expectations of how the VIT will improve the efficiency and effectiveness of its regulatory activities and should be read within the context of the objectives, obligations and functions outlined in these Acts (as amended).*

*I acknowledge the achievements of the VIT over the period of the 2018– 20 SOE, including implementing the recommendations of the VIT Review.*

*Key achievements included upgrading IT systems, implementing a new Committee structure, developing new policies, introducing a Principal Practitioner position, improving relationships with co-regulators and incorporating child safety as new legislative function.*

*This SOE outlines key governance and performance objectives and targets aimed at improving the administration and enforcement of regulation and thus reducing its cost impact on teachers, initial teacher education (ITE) providers, schools and the community.*

## **Improvements and targets**

*I have identified key elements of governance and operational performance where there are opportunities for the VIT to reduce the administrative burden on teachers and ITE providers. In developing the SOE expectations and performance measures and targets I have considered the context of regulating the teaching profession and consultation between the Department and the VIT.*

The key areas identified by the Minister were; timeliness; compliance and related assistance; risk-based strategies; and clear and consistent regulatory activities.

A full copy of the Minister's Statement of Expectations can be found on VIT's website: [www.vit.vic.edu.au](http://www.vit.vic.edu.au).



Tianjiao Lin (registered teacher) with learners  
Richmond West Primary School

The VIT Council Chairperson Lesley Lamb responded to the Minister's Statement of Expectations writing

*On behalf of the Council, I respond to the SOE, outlining the way in which the VIT will meet your expectations and confirm the VIT's strong commitment to removing red tape and promoting greater efficiency and effectiveness of its regulatory activity.*

*In your letter, you acknowledge the achievements of the VIT over 2018–2020 in*

- implementing the key recommendations of the VIT Review*
- upgrading our business systems*
- implementing a new committee structure*
- reviewing our policy framework and policies*
- creating a new Principal Practitioner position within VIT*
- improving our relationships with co-regulators; and*
- incorporating child well-being and safety as a new legislative function.*

*The Council welcomes the opportunity to inform you of the way in which it proposes to achieve the expectations. The major initiatives are contained in the accompanying table for ease of reference.*

### **Timeliness**

*In the midst of responding to the COVID pandemic and with our staff working remotely, the VIT was able to completely transform our business systems and introduce a Salesforce platform, to manage our relations with our most important stakeholders: teachers. It is a great credit to the staff that they were able to successfully implement the significant changes involved while working under the difficulties of this extraordinary year.*

*We expect these changes to significantly improve our responsiveness and provide teachers with a quick and efficient experience.*

### **Compliance related assistance and advice**

*Our new business systems will provide us with better data and enable us to define areas of need and challenge and target our messaging. This will better support teachers and early childhood teachers.*

*The VIT will continue to work with the Department of Education and Training to ensure good and effective support to beginning teachers (including early childhood teachers) and their mentors.*

*The VIT will use its information in a more intelligence-led manner to adjust its risk-based approach to reduce non-compliance. Adoption of best practice in our business systems will assist in this aim.*

### **Risk-based strategies**

*The VIT Council welcomes the opportunity to review its risk-based regulatory approach so as to continue meeting its overarching function to enhance the wellbeing and safety of children.*

### **Clear and consistent regulatory activities**

*VIT will work effectively with tertiary institutions who provide initial teacher education to ensure that programs are compliant with the Victorian Selection Framework.*

*VITs vision set out in its Strategic Plan is 'for all Victorian children and young people to have the best teachers'.*

*The VIT Council will be meeting in late February to review and develop our strategic plan 2020–2022 and your expectation will form a key touchstone for that work.*

A full copy of VIT's response can be found on VIT's website: [www.vit.vic.edu.au](http://www.vit.vic.edu.au).



The Minister expected that VIT would incorporate the SOE into its corporate planning processes and systems to monitor its performance in achieving the SOE. This has been done.

The Minister also expected that VIT would report on its progress implementing the expectations, activities, and performance measures and targets in its annual reports.

Details of VIT's strategic plan can be seen on page 7 of this report.

The VIT has made good progress in meeting the expectations and targets set out in the SOE. The period covered by the SOE concludes at the end of the calendar year 2022; a report will be made to the Minister and a summary included in VIT's 2022-23 annual report.



Justine Stephen (registered teacher) with learner Barwon Valley School

## Our legislation

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The VIT was established by the *Victorian Institute of Teaching Act 2001* in December 2002. The *Education and Training Reform Act 2006* [the Act] amalgamated all relevant education and training Acts (including the *Victorian Institute of Teaching Act 2001*), and was proclaimed 1 July 2007.

Substantial amendments to the legislation came into effect on 1 January 2011.

In 2018, legislation added an overarching function that VIT, when performing any regulatory function, must consider the wellbeing and safety of children, including by considering community expectations.

The Act was further amended in March 2021 to clarify VIT's powers to accredit initial teacher education programs and introduced new powers to endorse



Visanthi Sekar (registered teacher) with learner Fairhaven Kindergarten



'pathway programs'\* and continuing professional development programs. The amendments also improved VIT's information sharing powers and legislated that VIT must perform its functions under subsection (1)(c), (ca), (d), (j), (k) and (l) having regard to raising the quality of teaching. The Minister's general powers were also amended to allow the issuing of policies, guidelines and directions to VIT.

The VIT continues in operation under, and subject to, the Act (as amended).

In the conduct of its regulatory functions, VIT is bound by the *Victorian Privacy and Data Protection Act 2014* and the *Health Records Act 2001*, and therefore must comply with the Information Privacy Principles (IPPs) and the Health Privacy Principles (HPPs).

These govern the collection, use, handling and disclosure of personal and sensitive information and health information.

\*A program or course of study that appropriately prepares individuals for entry into a Victorian accredited ITE program



David Michalowsky (registered teacher) with learners  
Carrington Primary School



# Our strategic plan 2021–2024

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The VIT is an independent statutory authority for the teaching profession, whose primary function is to regulate members of the teaching profession. It is a legal requirement for all teachers to be registered with VIT in order to be employed in a school or early childhood setting.

In preparing our strategic plan, we have translated our vision and purpose into a clear set of objectives with specific areas of focus. We plan to deliver actions that contribute to achieving our objectives, and have defined what success looks like.



## Our vision

For all Victorian children and young people to have the best teachers



## Our purpose

To regulate for a highly qualified, competent and reputable teaching profession



## Our principles

- accountable and transparent
- efficient and timely
- evidenced-based
- risk-based
- proportionate.



## Our functions

- assess suitability of, and register, teachers
- approve teacher education programs
- ensure all teachers maintain standards
- monitor and assist compliance
- investigate misconduct and take appropriate regulatory action.



## Our values

- considerate – we are polite and welcoming
- open – we share information and knowledge
- value – we listen to each other and make time to build relationships
- accountable – we are committed to a common purpose.

# Our objectives

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## Provide for the safety and wellbeing of children and young people

- strengthen child safety screening and the teacher suitability framework
- embed VIT's risk-based approach
- optimise investigative processes to ensure the effective and efficient management of VIT's professional conduct caseload.



## Set the standards and enable quality teaching

- enhance initial teacher education (ITE) and accreditation
- build understanding of professional standards of teachers
- strengthen teacher professional learning.



## Engage actively with, and learn from, stakeholders

- strengthen stakeholder relationships
- give voice to community expectations
- recognise the complexity of the education system, including its regulatory environment
- strengthen the understanding of VIT's regulatory impact on stakeholders.



## Provide an efficient and effective registration process

- improved registration experience for the teaching profession
- timely, transparent and consistent assessment of registration applications
- timely, accurate and consistent advice and assistance to applicants, registrants and employers
- assessments of suitability to teach are risk-based and promote child safety and wellbeing.



## Be a capable and high performing regulator

- strengthen governance and accountability
- build a high performing workforce
- address current and future cost pressures to ensure financial viability
- foster strategic relationships with co-regulators and the education sector
- enhance systems to support regulatory functions and obligations.



Anna Davidson (registered teacher) with learners  
Carey Baptist Grammar School





# Key achievements

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## Provide for the safety and wellbeing of children and young people

- educated teachers, employers, school and early childhood service leadership about the revised Code of Conduct
- strengthened the understanding of child safety matters and reporting obligations for employers, school and early childhood service leadership, teachers, parents, students and the public
- strengthened effective information sharing with co-regulators
- utilised a risk-based model to inform investigative approach
- identified opportunities to intervene in order to prevent harm
- investigated misconduct and breaches of the Code of Conduct, and took appropriate regulatory action
- accredited initial teacher education programs to ensure child safety and wellbeing standards are taught at the Graduate Teacher level
- developed suitability consideration resources for pre-service teachers
- ensured provisionally registered teachers can demonstrate how they establish and maintain appropriate professional relationships with learners.



## Set the standards and enable quality teaching

- reported to the Minister on the implementation of, and compliance with, the Victorian Selection Framework
- assured quality of ITE programs
- developed a framework, criteria and process for
  - VIT approval of pathway programs into accredited initial teacher education (ITE) programs
  - VIT endorsement of continuing education programs
- educated teachers and pre-service teachers about the Australian Professional Standards for Teachers (APST), professional standards, and Code of Conduct and Code of Ethics
- facilitated effective mentoring of early career teachers
- supported teachers to move from provisional to full registration
- showcased best teaching practices.



## Engage actively with, and learn from, stakeholders

- developed digital media strategy to improve mechanisms for listening to community and stakeholders
- established the conduct reporting guide (online reporting tool) in collaboration with co-regulators and feedback from school parent and student representative groups
- strengthened and enhanced stakeholder understanding of VIT's regulatory functions
- reviewed VIT's stakeholder engagement plan
- used VIT's parent / student stakeholder group and conducted regular roundtable consultation with co-regulators to gauge community expectations on VIT's risk lens
- strengthened strategic relationships with co-regulators and the education sector (leading to increased VIT involvement in the development and implementation of state education policy and legislative initiatives).



## Provide an efficient and effective registration process

- improved the self-managed registration process for applicants, teachers, school / early childhood service leadership and employers (dutyholders)
- utilised VIT's redesigned website to provide dutyholders with relevant information relating to registration processes
- enhanced staff training to promote consistent and accurate assessment of applications (despite assessing 26% more applications during the period, assessment time has been reduced by over half in all instances, with an average assessment time now between 1-2 weeks)
- reduced email response time by three weeks (on average emails answered within two business days of receipt)
- increased pro-active engagement with pre-service teachers and key permission to teach (PTT) stakeholders to ensure an efficient registration process for graduates, PTT holders, schools and early childhood services
- improved efficiency and quality of engagement across teacher, principal and early childhood hotlines (improved call waiting times by more than 15 minutes, waiting times reduced to less than 1 minute, improved call answer rates by 40 per cent with 98.6 per cent of all calls answered)
- leveraged teacher management system capabilities to provide targeted, timely and comprehensive communications to dutyholders.



## Be a capable and high performing regulator

- strengthened and supported business and staff performance
- continued to build a positive and inclusive workforce culture
- developed and published VIT's Gender Equality Action Plan
- used data and intelligence to inform VIT's regulatory approach
- focused on achieving long-term financial sustainability
- informed and worked effectively with Government
- continuously reviewed performance against the strategic plan and statement of expectations.



# Chairperson's message

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## High quality teachers and teaching – it's the standard our children and young people deserve

Intrinsic to VIT's purpose is establishing, not only the standards of entry into the teaching profession but also, the standards required for continued participation in this rightly demanding profession. Setting and continuously monitoring these standards is the link between all of VIT's strategic objectives and functions. The activities documented in this annual report reflect our drive to build and maintain the highest quality of teachers and teaching: quality that will maximise educational opportunities for children and young people.

For much of 2021-22, the Professional Conduct Branch reassessed all teachers with disclosable court outcomes. These historical investigations were necessitated by legislative changes which aligned our child safety processes with those of Working with Children Check Victoria. This huge body of work is now complete – further reassurance that we are vigilant in doing all we can to protect our young people and ensure the integrity of the profession.

The VIT utilises a risk-based approach to investigations of teacher misconduct; triaging to ensure we prioritise those matters which indicate the greatest risk of harm. However, our resources have been seriously taxed with notifications increasing following the introduction of the Reportable Conduct Scheme. This has meant that some older matters have not been addressed in a timely manner; a new project team has been established to investigate and resolve them.



**In consultation with this broad 'community of shared concern', we have established a Conduct Reporting Guide which clearly explains the process of reporting any concerns regarding the behaviour of teachers, leadership, education staff, parents and any other members of an education setting community.**



What has been remarkable this year, as we deal with this large number of notifications of teacher conduct matters, has been the level of cooperation and integration across all VIT branches. Our Teacher Engagement and Registration Branch has been heavily involved in assessing suitability to teach matters and working closely with the Professional Conduct Branch to build inter-team efficiencies, skills and knowledge. The Accreditation and Professional Practice Branch has not allowed a pandemic to hinder its outreach to teachers and pre-service teachers across the State. All these activities are focused on working proactively to support compliance with the standards, provide for children's safety and, ultimately, build the reputation of the teaching profession.

The VIT has actively engaged with co-regulators, parent partners in education, stakeholders, the profession and the broader community to build a shared understanding of our expectations and processes. In consultation with this broad 'community of shared concern', we have established a Conduct Reporting Guide which clearly explains the process of reporting any concerns regarding the behaviour of teachers, leadership, education staff, parents and any other members of an education setting community.

Strengthening the knowledge of the reporting obligations of principals and employers in early childhood services has been another crucial plank in our work in child safety. We have also strengthened information sharing processes with co-regulators to build stringent and consistent regulation.

Council has been working through a review of the function of, and information available on, the Register of Disciplinary Action. The lens through which we view information on this register is: *what is in the public interest?* Through making our expectations and processes transparent, we will not only provide for the safety and wellbeing of children and young people, we will also strengthen community confidence in the profession.

As part of a recent strategic planning workshop, Council reviewed achievements across the 5 strategic objectives we set last year. What was evident then, and will be evidenced throughout this report, is the depth of our achievement across all objectives. It is even more impressive when considering that the COVID-19 pandemic has necessitated a number of reasonable adjustments to policy and

practice as well as system support for a number of government initiatives. Council is proud of the way VIT has enabled these many and significant adjustments while ensuring that the quality of teachers and teaching is maintained.

June 2022 saw the appointment of a new Council for VIT. I would like to thank Council members Joanna Barbousas, Tony Sheumack, Janine Brown and Danielle Harrison, each of whom brought their commitment to education and breadth of experience to our deliberations and decision-making. I would like to welcome David Robinson, Linda Douglas, Mary-Anne Pontikis, Sharon Rogers and Janet Scull to Council and thank them for their willingness to join our team.

This annual report is a testament to the rigorous regulatory work of VIT, powered by a shared belief in the strength of quality teachers and teaching.



**Lesley Lamb**  
Chairperson



Leonie Stephenson (registered teacher) with learners  
Saint Ignatius College





Bek Ivermee (registered teacher) with learner  
Barwon Valley School



# CEO's report

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## Another year of immense challenges and great achievements

This year has brought extraordinary challenges, juggling the impact of COVID-19, working remotely and at the same time, building on and improving the effectiveness and efficiency of our regulatory services.

I am thrilled to report that despite the challenges, we have achieved major improvements in our teacher registration functions and dramatically reduced wait times on our teacher, principal and early childhood hotlines (predominantly through increased staffing, improved staff training and support, and use of our new technology).

Throughout the year we assessed and approved the applications of more than 41,000 teachers; conducted 40,370 Nationally Coordinated Criminal History Checks (NCCHCs); and responded to 68,574 requests for assistance by teachers and employers.

The VIT has also been faced with absorbing additional regulatory obligations from the Australian Criminal Intelligence Commission (which undertakes NCCHCs on our behalf) to include additional identity validation components in our registration process.

**“ The VIT has planned for the implementation of our new statutory functions for the approval of pathway programs into ITE and endorsement of professional development programs for teachers. ”**

The VIT continues to be challenged by the increasing number of teacher conduct cases being reported to us from the Commission for Children and Young People, Victoria Police, employers, parents and other complainants. Our current case load represents a 168.8% increase per year of the baseline case load since the introduction of the Reportable Conduct Scheme in Victoria in 2017. Our investigators and legal officers have undertaken an extraordinary amount of work preparing high quality briefs for consideration by the VIT Council.

Following legislative amendments that were introduced to align VIT's analysis of disclosable court outcomes (DCOs) for teachers to that of Working with Children Check Victoria, we have completed the reassessment of more than 3,700 DCOs to determine whether any further investigation into the matter was warranted.

The VIT has continued to accredit initial teacher education (ITE) programs in accordance with the nationally-agreed standards, and has planned for the implementation of our new statutory functions for the approval of pathway programs into ITE and endorsement of professional development programs for teachers.

Despite working remotely, VIT has continued to conduct professional development programs for provisionally registered teachers and their mentors as well as Code of Conduct presentations to final year ITE graduates.

Our new website has vastly improved VIT's ability to provide both dutyholders and stakeholders with information on teacher registration requirements, conduct, reporting and ethical obligations, and professional development.

**I am immensely proud of what we have achieved under extraordinary circumstances, and extend my heartfelt thanks to VIT staff and Council members.**

We have continued to communicate regularly with teachers, principals, early childhood leaders, employers and pre-service teachers through Professional Practice e-newsletters, circulars, direct mail, email and SMS.

None of the outwardly focussed initiatives would be successful without the quiet achievers in our Shared Services Branch who ensure the delivery of our information and communications technology (ICT) systems, financial systems and processes, recruitment, staff learning and development, audit and risk services, and office management (including supporting staff working from home).

As the VIT is only funded through teacher registration and ITE accreditation fees, it has been (and continues to be) a challenge to balance statutory and regulatory responsibilities within the limited budget available. While there is an imperative to increase the number of investigative and legal staff to address rising conduct notifications in a timely fashion, VIT has had no capacity to increase its current staffing during the review period.

I am immensely proud of what we have achieved under extraordinary circumstances, and extend my heartfelt thanks to VIT staff and Council members. I have been thrilled to see continued improvement in our staff culture – as evidenced by the Victorian Public Sector Commission's 'People Matter Survey' results this year.



Vinoth Kannan (registered teacher) with learners McClelland College

I am very proud of the way VIT staff have engaged with and supported our co-regulators and stakeholders throughout this challenging period, working closely with the Department of Education and Training; the Victorian Registration and Qualifications Authority; the Commission for Children and Young People; Victoria Police; Working with Children Check Victoria; the Disability Worker Commission; the Australian Education Union (Victoria); the Independent Education Union (Vic/Tas); teacher and principal associations; and other Australian teacher regulatory authorities.

I would also like to make special mention of the wonderful support and advice provided by Parents Victoria, Catholic School Parents Victoria, the Victorian Parents Council and the Victorian Student Representative Council.

I am grateful for the leadership of VIT Council members, whose three-year term expired in May 2022. The Council should, rightly, be proud of its many achievements including: responding to and implementing recommendations arising from the Armytage Review; revising the Victorian Teaching Profession's Code of Conduct;

facilitating increased alignment in protocols and processes with Working with Children Check Victoria; replacing our teacher registration system (that has contributed to a vastly improved registration process for teachers); building organisational capabilities; and guiding VIT through the dynamic challenges that have arisen from the coronavirus (COVID-19) pandemic (particularly its impact on Victorian schools, teachers and the community).

The year ahead brings new challenges, and VIT is already busy planning to deliver on key functions. This includes the continued protection of children and young people through strengthened identity validation checks with the Australian Criminal Intelligence Commission and raising quality teaching through a review of VIT's approach to professional learning to ensure a contemporary framework.



**Peter Corcoran**  
Chief Executive Officer



Elana Cole (registered teacher) with learners  
Saint Ignatius College



# Providing for the safety and wellbeing of children and young people

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During 2021-22, the Victorian Institute of Teaching undertook the following initiatives...



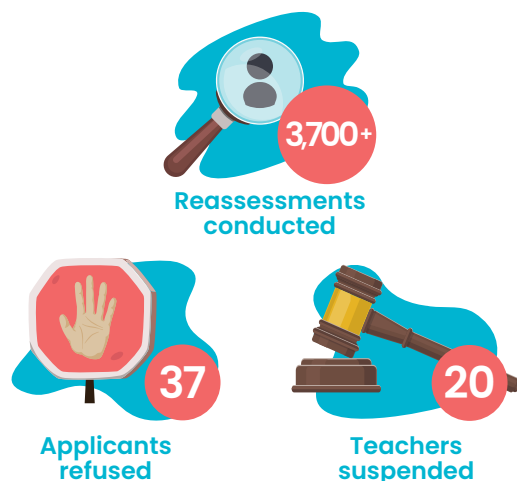
## The Victorian Teaching Profession's Code of Conduct

- revised the Victorian Teaching Profession's Code of Conduct, which outlines community expectations on the conduct and behaviour of teachers (the VIT's overarching function to provide for child safety and wellbeing underpins the principles set out in the Code)
- promoted the Code – more than 135 seminars to a variety of stakeholders
- developed education packs and guidance material on the Code for principals / education leaders.



## Educating prospective and new teachers

- accredited Victorian initial teacher education programs to ensure the Australian Professional Standards for Teachers are taught at the Graduate Teacher level (specifically descriptors 4.4, 4.5, 7.1 and 7.2 on child safety and wellbeing)
- developed suitability consideration resources for pre-service teachers
- ensured provisionally registered teachers can demonstrate an understanding of their legal responsibilities, and how they establish and maintain appropriate professional relationships with learners and families (via Professional Responsibilities report).



## Taking appropriate regulatory action

- conducted more than 3,700 reassessments of disclosable court outcomes as part of the Education Legislation Amendment Suitability Reassessment Project
- refused registration to 37 applicants who had serious conduct matters
- suspended the registration of 20 teachers on an interim basis who posed an unacceptable risk of harm to children.



## Resourcing the community

- conducted regular roundtable consultation with co-regulators and parent / student groups on child safety matters, including gauging an understanding of community expectations on 'grey areas' for teacher conduct matters
- established the conduct reporting guide – an online tool for teachers, principals / education leaders, students, parents and members of the public on how to report different types of conduct and to whom.



## Providing effective tools for teachers, principals and education leaders

- provided a variety of professional learning tools to teachers, principals and education leaders about child safety matters and mandatory reporting obligations
- promoted case studies regarding how to report conduct matters that occur within education settings, and promote discussion about the Code in action
- delivered 9 Digital Professionalism webinars that supported teachers to move to remote teaching and learning during COVID-19 lockdowns (the VIT continues to promote digital teaching resources, including the eSafety Commissioner's advice).

# Registration and regulatory compliance

## Registration of Victorian teachers

As at 30 June 2022, there were 141,454 registered teachers in Victoria, of which 7,939 held early childhood teacher (ECT) registration and 4,180 held both teacher and ECT (dual) registration.

**Table 1**  
**Number of registered teachers**

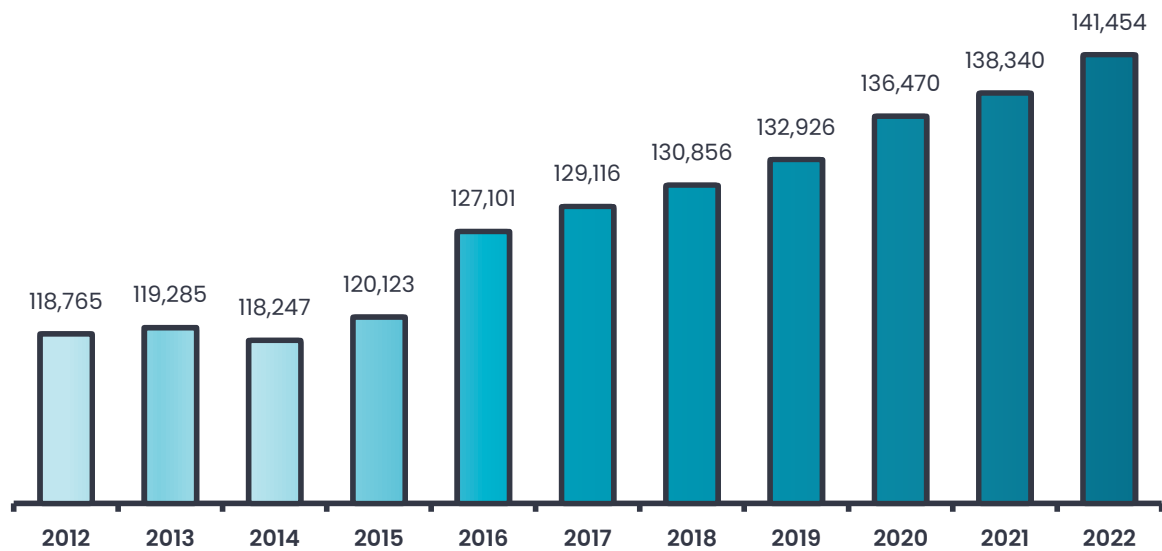
Registration type	2021	2022	% change
Full registration – school teacher	107,348	108,300	0.9
Full registration – early childhood teacher	5,025	5,171	2.9
Full registration – dual	2,163	2,642	22.1
Provisional registration – school teacher	14,245	14,011	-1.6
Provisional registration – early childhood teacher	1,987	2,476	24.6
Provisional registration – dual	1,411	1,462	3.6
Non-practising – school teacher	4,373	4,293	-1.8
Non-practising – early childhood teacher	234	292	24.8
Non-practising – dual	60	76	26.7
Permission to teach	1,494	2,731	82.8
<b>TOTAL</b>	<b>138,340</b>	<b>141,454</b>	<b>2.3</b>

**Table 2**  
**Number of new registrants**

Qualification type	2021	2022	% change
Victorian qualifications	5,170	5,396	4.4
Interstate qualifications	413	465	12.6
Overseas qualifications	500	739	47.8
Mutual recognition	660	808	22.4
Permission to teach	552	1,791	224.5
<b>TOTAL</b>	<b>7,295</b>	<b>9,199</b>	<b>26.10</b>



**Figure 1**  
**Number of registered teachers 2012–22**



The total number of registered teachers increased by 2.3% from the previous year, this was mainly due to the rise in permission to teach applications granted to address workforce shortages and the ongoing impacts of the coronavirus pandemic (COVID-19).



Sid Sideris (registered teacher) with learners  
Fairhaven Kindergarten

## Regulatory compliance

The VIT undertakes a range of regulatory activities to assure compliance with registration obligations, including periodic audits of registration applications as well as an annual registration census which helps identify the school at which a registered teacher is employed.

Every year, VIT checks the registration of all ongoing and contracted staff in Victorian schools. In government and Catholic schools, this check is done through an exchange of data between the sector authorities and VIT. During the reporting period, VIT checked the registrations of 56,079 government school teachers and 18,776 Catholic school teachers. Within the independent sector, VIT works directly with each school to exchange teacher registration data. In 2021–22, VIT checked the registrations of 17,072 teachers employed in 225 independent schools.

Under the *Education and Training Reform Act 2006*, it is an offence for a person who is not registered or does not hold permission to teach to undertake the duties of a teacher in a school or early childhood service.

Additionally, a person who is not registered must not claim to be a registered teacher, or present themselves as being a registered teacher.

It is also an offence for a person or body to employ a person to undertake the duties of a teacher in a school or early childhood service unless the person is registered or has permission to teach.

During the reporting period, VIT received 91 notifications concerning possible unregistered practice. After investigation, 60 were confirmed as unregistered practice. The majority of these cases involved either registrants teaching before their registration was approved or early childhood teachers being employed without the appropriate registration.

To help address the most common causes of unregistered practice, VIT communicated with principals, early childhood leaders and teachers regarding registration matters to check for at the start of the year, how to confirm the registration status of graduate teachers and the registration requirements for early childhood teachers.



Andria Mavrikakis (registered teacher) with learners  
Furlong Park School for Deaf Children

## CASE STUDY - VIT AT WORK

As Victoria continued to experience COVID-19 community transmission in 2021-22, many schools experienced workforce pressures as a result of staff testing positive to COVID-19 and / or being required to isolate.

The VIT supported the Victorian Government's Support Your School initiative to supply a pool of registered teachers for schools to cover any COVID-19 related workforce shortages.

More than 750 eligible Victorian initial teacher education (ITE) students were granted permission to teach (PTT) (COVID-19 pre-service teacher workforce shortage).

This temporary grant has allowed final year ITE students to backfill short-term roles

while schools grapple with the ongoing impacts of the coronavirus pandemic.

To undertake this work, VIT developed a new policy that provided schools with the ability to manage substantial teacher workforce shortages but also met our legislative requirement to ensure quality teaching.

A custom application process was built that easily identified which applicants were both eligible and able to meet regulatory requirements so that applications could be processed efficiently to meet urgent demand.

The VIT has been able to assess these applications within 5 business days and ensure that schools have support available when required.



Noah Kim (registered teacher) with learner Featherbrook College



# Quick facts: 2021-2022



## SCHOOL TEACHERS



## EARLY CHILDHOOD TEACHERS



## DUAL REGISTERED TEACHERS



SCHOOL TEACHER  
AVERAGE AGE

12% of school teachers  
are under 30 years and  
17% over 60 years



EARLY CHILDHOOD TEACHER  
AVERAGE AGE

14% of early childhood  
teachers are under 30 years  
and 9% over 60 years



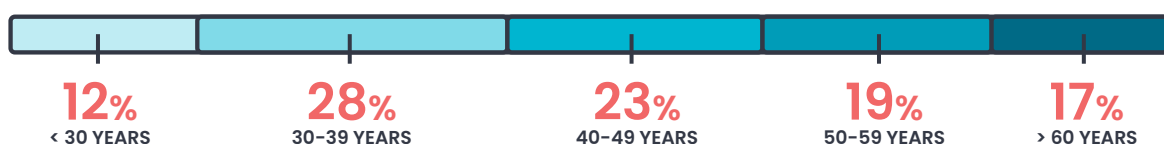
DUAL REGISTRANTS  
AVERAGE AGE

34% of dual registered  
teachers are under 30  
years and 4% over 60 years

## INITIAL TEACHER EDUCATION - GRADUATE REGISTRATIONS

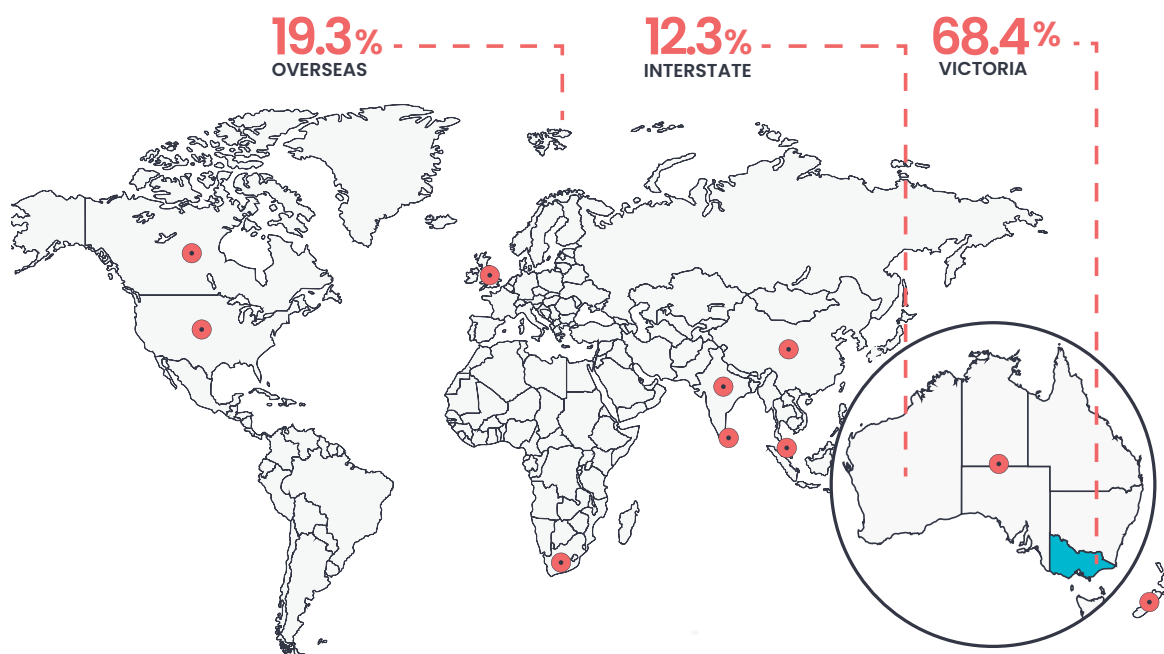


## AGE - ALL TEACHERS

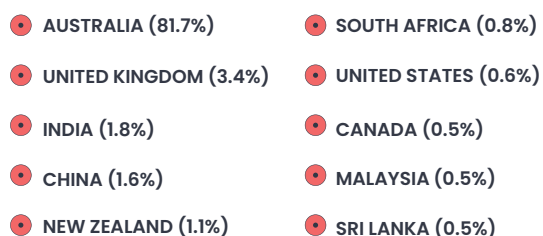


\*Includes holders of permission to teach and provisionally registered teachers who may not be required to renew annually

## BIRTHPLACE - ALL TEACHERS



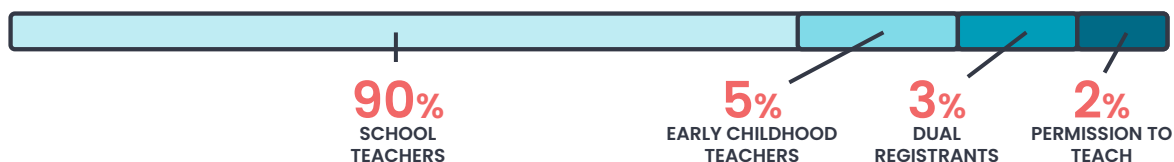
## TOP 10 COUNTRIES OF BIRTH



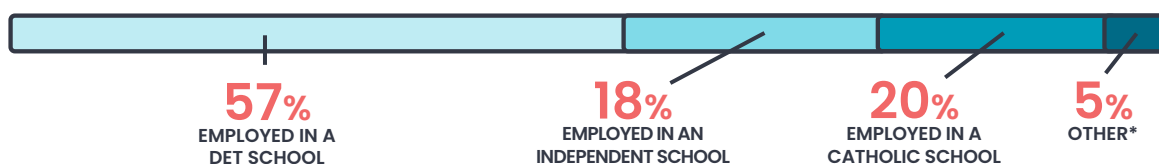
## RESIDENTIAL LOCATION OF TEACHERS



## REGISTRATION TYPE - ALL TEACHERS



## SECTOR - ALL TEACHERS



\*includes teachers in other education settings / retired teachers / casual relief teachers / those not currently working as teachers

# Program accreditation and professional practice outreach

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## Accreditation of initial teacher education programs

The accreditation of Victorian initial teacher education (ITE) programs is a key function of the VIT. It ensures that teachers' qualifications meet the required and nationally-agreed Australian Professional Standards for Teachers (APST).

Accreditation of ITE programs is a critical element in the VIT's vision for all Victorian children and young people to have the best teachers. The rigorous process of accreditation assures the quality of Victorian ITE programs and teaching qualifications. It underpins the VIT's strategic objective to enable quality teaching and the best educational outcomes.

Victorian ITE programs prepare more than 6,200 graduates each year for entry into the teaching profession. About 4,000 of these graduates apply for VIT registration to work in Victorian schools and early childhood services.

There are currently 12 providers offering 168 accredited ITE programs in Victoria, 83 of which are in 'teach out'\*. In 2021-22, the VIT finalised the full stage one accreditation of 12 programs.

\*ITE programs in 'teach out' no longer accept new enrolments

## Accreditation Committee

The Accreditation Committee assesses and approves ITE programs for the purposes of teacher registration, consistent with the national standards and procedures for accreditation of ITE programs in Australia. The Committee comprises teachers and principals from government and non-government schools, teacher educators and representatives of Victorian teacher employers.

During 2021-22, the Committee met nine times.

### Members

Gillian Carr – Council member  
**Committee Chairperson**

Paul Desmond – Council Deputy  
Chairperson  
**Deputy Chairperson**

Joanna Barbousas – Council member

Alison Bortoli – Early childhood  
representative

Michael Butler – Council member

Deborah Corrigan – Higher education  
institution representative

Andrew Dalgleish – Principal class  
representative

Elizabeth King – Employer representative,  
Department of Education and Training

Jim Laussen – Employer representative,  
Independent Schools Victoria

Claire McLachlan – Higher education  
institution representative, Chair Victorian  
Deans of Education (VCDE)

Danielle Purdy – Employer representative,  
Melbourne Archdiocese Catholic Schools



### CASE STUDY – VIT AT WORK

In 2021, VIT facilitated an accreditation panel process for an ITE provider offering programs in Victoria, New South Wales, the Australian Capital Territory and Queensland. As the lead teacher regulatory authority (TRA) for this national provider, VIT is responsible for the assessment and approval of all of its ITE programs offered across multiple jurisdictions in Australia.

The VIT negotiated with relevant TRAs and the Australian Institute for Teaching and School Leadership (AITSL) to adapt the nationally-agreed panel process to ensure national consistency in accrediting the cross-jurisdictional ITE programs. To ensure consistent assessment, VIT increased the number of panel members and included representation from each state and territory where the programs are offered.

Having representation from all jurisdictions on the specially convened cross-jurisdictional accreditation panel enabled the uniform assessment of the national accreditation standards, and guaranteed that jurisdictional overlays on the national system were appropriately considered. This included managing oversight of a separate panel process occurring concurrently in another jurisdiction to recognise some of the programs as qualifying graduates for a specialised teaching role in that state.

Throughout the assessment of these programs, VIT maintained contact with all relevant TRAs, sharing information and submission documentation as required. Once the programs were approved by VIT's Accreditation Committee, VIT team members communicated this with the provider, the TRAs and AITSL.



Alex Collett (registered teacher) with learners  
Richmond West Primary School

### CASE STUDY – VIT AT WORK

The VIT's vision is to ensure that Victorian learners have the best teachers.

Fully registered teachers are required to undertake professional learning each year as part of the annual registration process. Provisionally registered teachers provide evidence of their professional learning as part of VIT's Inquiry process.

Professional learning is important in changing teacher behaviour to improve student outcomes. Purposeful professional learning for teachers and education leaders is one of the most effective strategies for improving student outcomes in our schools.

The professional learning undertaken will vary to suit the context of teachers, schools and sectors, but the imperative to engage actively in high quality professional learning remains the same.

Schools and early childhood services across Victoria continue to provide quality learning experiences across all levels. The VIT's Professional Practice team is privileged to see this work first hand on visits to workplaces around the State. Here is just one example spotlighting the great work happening in a Victorian school.



Jacqueline Partington (Principal) with learners  
St Monica's Primary School

We spoke to Ben Moody, Principal at Caledonian Primary School, about how his school developed (and continues to apply) its approach to professional learning communities.

The full interview, along with other excellence in teaching examples across all sectors, can be viewed on VIT's website: [www.vit.vic.edu.au](http://www.vit.vic.edu.au).

**Q: Can you give us some background to the development of your approach to the initiative, including any research or established strategies that your approach is based upon?**

A: While the professional learning community (PLC) processes at Caledonian Primary School were quite evolved, we identified some gaps in both practice and process. Short cycles of inquiry assisted in direct work with children, however we discovered a deeper long-term model would be needed to develop teacher knowledge.

The philosophy within our school is that improved outcomes must come from teacher practice, knowledge and learning, and as part of our school review, we identified some key actions with training staff in Harvard Data Wise as a significant step towards a deeper level of inquiry.

The Data Wise model has provided a range of tools including new modes of operating staff meetings, introduction of new protocols for sharing and the ability to collectively design professional learning in response to teacher needs. While the introduction of the Data Wise model was initially intended to enhance our inquiry, we are now going through an organisational restructure to utilise the approaches in all aspects of teacher work.

**Q: What are the benefits of this approach to staff development?**

A: Teacher inquiry models have been known to help improve practice through data analysis, peer coaching, planning

and reflection. The way we have employed our model has allowed for all staff to have a voice and to contribute to the decision-making process, whether that be re-evaluating an assessment schedule or setting the learning framework for writing.

Placing value and dedicating time to professional reading has helped frame a common language across all year levels, as well as a shared understanding of the vision for improving outcomes.

The implementation of Data Wise has also allowed for deeper exploration and monitoring of student learning outcomes. One of the first things we identified as an area for investigation was writing. Through regular and sustained discussion, analysis of student work and trialling teaching approaches and tools, we have been able to collectively agree on a sequential learning framework to support student writing development with all staff committed – as all staff were part of the process!

**Q: What have been the benefits of this approach to learner outcomes?**

A: As much of our work this year has been focussed on English and writing, we have only initial data to indicate improvement. We have incorporated elements of the Writing Revolution, which included staff engaging in professional learning sessions at 7am for 8 weeks before school, and have demonstrated a significant improvement with specific case study students, particularly amongst year 3 – 4 students. It is in this group we have seen students effectively employ strategies to record more complex sentences, use planning tools to frame their pieces and combine sentences using appositives, pronouns and conjunctions. Additionally, our work on annotation is also applicable in our readers notebooks, but that's just an added bonus.



## Professional practice: bridging the gap between the profession and its regulator

The Professional Practice team works to support teachers across all stages of their registration journey and development – from pre-service teachers to the mentors who support new and returning teachers – to achieve and maintain a proficient standard of practice as established by the Australian Professional Standards for Teachers.

The team's outreach and advisory functions provide a vital link between VIT and the profession, ensuring an informed and responsive regulatory body. The team consists of registered teachers, which enables the team's considerations to be supported by currency of practice. Underpinning the team's work is the strong educative focus on the Victorian Teachers Code of Conduct and Ethics.



**The Effective Mentoring PD has been really insightful and helpful for me as a mentor and educator. Having the opportunity to engage in professional learning and engage with other mentors of varying experience has helped me reflect on my own practises and better equipped me to support the PRTs I mentor.**



**Glenn**  
Mentor teacher



Matt Woodley, Senior Professional Practice Officer – Victorian Institute of Teaching

## CASE STUDY – VIT AT WORK

The VIT was able to maintain the integrity of its professional practice programs by delivering them online in response to the COVID-19 pandemic. In order to continue to provide clarity on regulatory obligations and processes, VIT redesigned its programs to ensure the delivery was effective in an online environment and allowed for professional collaboration.

Throughout 2021–22, VIT offered a digital professionalism program in response to the state-wide pivot to online learning. The program was expanded to include 10 additional sessions to meet the needs of teachers and school leaders as they

navigated the unique context in which they found themselves. Additionally, all of the 15 bespoke Code of Conduct programs included coverage of the digital context to assist teachers to continue to navigate this space.

The Professional Practice team continued to offer its programs for provisionally registered teachers to assist them in focusing on moving their practice from the Graduate level of the APST to the Proficient level and attain full registration. This process not only assists graduating teachers but those returning to the profession.



**The Diocese of Sale Catholic Education Limited and VIT continue to work in partnership to support both provisionally registered teachers and their mentor. The partnership opportunity also enables graduates to be supported in making explicit connections and what this looks like through the strategic work of the Diocese and the range of supports available within the context of the school.**

**Richard Wans**  
Sale Diocese



**Independent Schools Victoria have been fortunate to work with VIT so that mentors have the opportunity to explore the requirements for provisionally registered teachers moving to full registration. Through this program we have seen an increase in the number of trained mentors in independent schools over the past three years, which is of great value to all graduate teachers and schools.**

**Jackie Macreadie**  
Independent Schools Victoria

# Professional conduct

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## Registration suitability assessments

When a person makes an application for registration or for renewal of their registration, VIT must also assess whether they are suitable to teach. This means that VIT considers their character, conduct and reputation (fitness to teach) as well as whether they are physically and mentally able to teach.

As part of this assessment, VIT considers whether a person has been found guilty of category A offences, category B offences or category C conduct.

The VIT is also able to consider whether the person has been given a Working with Children (WWC) exclusion or interim exclusion.



Etain Waters (registered teacher) with learners  
Concord School



**Table 3**  
**Suitability assessments**

Type of conduct
<p><b>Category A offences</b></p> <p>These include various sexual offences committed by adults against children, offences related to child abuse material, grooming, murder and attempted murder.</p> <p>The VIT must refuse an application for registration / renewal of registration if the person has been charged, convicted or found guilty of a category A offence.</p>
<p><b>Category B offences</b></p> <p>These include sexual offences against an adult, sexual offences by a child against another child, violent offences and drug offences.</p> <p>The VIT must refuse an application for registration / renewal of registration if the person has been charged, convicted or found guilty of a category B offence AND VIT considers that the person is an unjustifiable risk to children.</p>
<p><b>Category C conduct</b></p> <p>These include convictions or findings of guilt for other indictable offences, non-convictions for category A offences or category B offences and certain disciplinary action taken by an employer that has been notified to VIT.</p> <p>The VIT may refuse an application for registration / renewal of registration if the person meets one of the following criteria</p> <ul style="list-style-type: none"> <li>• the ability of the person to teach in a school / early childhood service is likely to be affected because of the conduct they engaged in; or</li> <li>• it is not in the public interest to allow the person to teach in a school / early childhood service because of the conduct they engaged in.</li> </ul>
<p><b>WWC exclusion (previously known as negative notice)</b></p> <p>This is where WWCCV has assessed that a person is not suitable to engage in child-related work.</p> <p>The VIT must refuse an application for registration / renewal of registration if the person has been given a WWC exclusion.</p>

The VIT has been using these principles to assess all applications since September 2019.

### Education legislation amendment (ELA) suitability reassessment project

Last financial year, VIT established the ELA suitability reassessment project team to assess the applications of all registered teachers who applied to renew their registration against new legislative standards. This required VIT to identify all registered teachers with a criminal history, and assess their criminal history against new legislative requirements.

It also impacted teachers who were provisionally registered or held permission to teach, and were due to make a subsequent application for registration or permission to teach.

The work associated with the ELA suitability reassessment project concluded on 30 June 2022.

**Table 4**  
**ELA suitability reassessment project outcomes**

Teacher status	No.
<b>Not registered</b>	
Assessment could not be conducted because the person is no longer registered and / or did not have a current application for registration	1,248
<b>No assessment required</b>	
Has criminal history that does not include a category A offence, category B offence or category C conduct	2,126
<b>Assessment required and completed</b>	
Has criminal history that included a category B offence or category C conduct and has been assessed	1,787
<b>Assessment required and pending finalisation</b>	
Has a criminal history that includes a category B offence or category C conduct and the assessment is in progress but not yet finalised	56
<b>Recent application</b>	
A current Nationally Coordinated Criminal History Check must be conducted to determine whether an assessment is required	3
<b>TOTAL</b>	<b>5,220</b>



Olivia Cataloni (registered teacher) with learner  
Our Lady of Fatima School



## Outcomes of applications for registration

When conducting these assessments, VIT may grant registration, impose conditions on registration or refuse registration.

In 2021-22, VIT imposed conditions on the registration of 52 teachers and refused 39 applications for registration and / or renewal of registration.

## Complaints and notifications

The VIT receives information, notifications and complaints about registered teachers from various sources – this includes Victoria Police, WWCCV, Commission for Children and Young People (CCYP), employers and members of the public.

The number of notifications and complaints received by VIT in 2021-22 is summarised in Table 5.



Learners from Saint Ignatius College

**Table 5**  
**Information, complaint and notification sources in 2021–22**

Source	No.
<b>Reportable allegations</b> Reportable allegations are allegations that a registered teacher has engaged in any of the following <ul style="list-style-type: none"> <li>• sexual offences against, with or in the presence of a child</li> <li>• sexual misconduct against, with or in the presence of a child</li> <li>• physical violence against, with, or in the presence of a child</li> <li>• behaviour that causes significant emotional or psychological harm to a child</li> <li>• significant neglect of a child.</li> </ul> CCYP has a legal obligation to notify VIT if it receives reportable allegations about a registered teacher.	253
<b>Findings of reportable conduct</b> CCYP has a legal obligation to notify VIT once it becomes aware of the outcome of an investigation into reportable allegations made about registered teachers.	204
<b>Complaints</b> Any person or entity may make a complaint to VIT about a registered teacher if it relates to one or more of the following allegations <ul style="list-style-type: none"> <li>• the teacher is seriously incompetent</li> <li>• the teacher has engaged in misconduct or serious misconduct</li> <li>• the teacher is unfit to be a registered teacher</li> <li>• the teacher's ability to practise as a teacher is seriously detrimentally affected or likely to be seriously detrimentally affected because of an impairment.</li> </ul>	175
<b>Notifications from employers</b> Employers of registered teachers have a legal obligation to notify VIT if they have taken any action against a registered teacher in response to allegations of serious incompetence, serious misconduct, unfitness to be a teacher, or an impairment that seriously detrimentally affects a person's ability to teach.	45
<b>Victoria Police notifications</b> Victoria Police notifies VIT if it is conducting an investigation into a registered teacher who may have committed a criminal offence. It also notifies VIT if a registered teacher has been charged or found guilty of a criminal offence.	210
<b>WWC notifications</b> WWCCV notifies VIT if it issues an interim WWC exclusion or WWC exclusion. It also notifies VIT if an interim WWC exclusion or WWC exclusion has been revoked.	1,231

As at June 2022, VIT was assessing and investigating 1,496 matters that originated from notifications and complaints.

## CASE STUDY – VIT AT WORK

*Pseudonyms have been used and details have been altered to protect personal privacy.*

The impact of the Betrayal of Trust Inquiry and Royal Commission into Institutional Responses to Child Sexual Abuse has fundamentally changed the public expectations of teacher conduct and behaviour. A crucial role for teachers and early childhood teachers is to be able to respond effectively to children and young people whose safety and wellbeing may be at risk, or who are in need of protection.

All registered teachers in Victoria are required by law to report physical and sexual abuse of children to the Department of Families, Fairness and Housing (DFFH), Child Protection. Further to this, the Victorian Teaching Profession's Code of Conduct (principle 3.2) stipulates that teachers must be aware of, and comply with, the legal requirements that pertain to their profession. Specifically, teachers must comply with the requirements of mandatory reporting and other reporting obligations. The Code also requires teachers to be aware of child safe standards, reportable conduct, and any other relevant legislation, policies or regulations that pertain to the role of a teacher in child safety and wellbeing.

The VIT recently suspended a teacher whose failure to understand, and act on, their mandatory obligations caused significant harm to the safety and wellbeing of a student. You can read about the case below. Details have been altered to protect personal privacy.

A registered teacher was told by a student in her class that he had been severely physically abused by a member of his family. The teacher did not know the correct reporting procedure and sought guidance from a colleague, who gave her incorrect advice. It took almost a week for the teacher to correctly determine that she was required to report the information to the DFFH, Child Protection.

During the period of delay in reporting, the boy suffered further, and substantial, abuse. Victoria Police subsequently became aware of the delayed notification that the teacher had made to DFFH, and she was charged with failing to make a mandatory report, contrary to the *Children Youth and Families Act 2005* (Vic).

### Immediate action

Based on the information provided to the VIT by Victoria Police, it was apparent that the teacher was not aware of when she was required to make a mandatory report. While the teacher sought, and eventually obtained correct advice on the procedure to be followed, as a registered teacher and mandatory reporter, it is an expectation that the teacher be aware of the correct procedures to follow in circumstances such as this and that mandatory reports are made timely and in line with legal requirements.

The VIT formed a reasonable belief that her lack of awareness posed an unacceptable risk of harm to children, and suspended her registration on an interim basis to allow time for the teacher to undertake mandatory reporting professional learning prior to returning to teaching. A teacher's interim suspension must be reviewed every 30 days to determine whether it should be continued.

### The review

The VIT investigated the teacher's conduct using information gathered from the teacher, DFFH and Victoria Police to determine the appropriate next steps. During the investigation, the teacher provided evidence that she had attended a professional learning activity that focussed on identifying and responding to children and young people at risk. The teacher also provided a reflective statement about what she had learned

and how she would apply this knowledge if her suspension was revoked.

### **The decision**

The VIT considered this information and determined it was sufficient to address the unacceptable risk of harm to children. The teacher's registration was reinstated, and she was able to continue teaching.

During 2021-22, VIT launched a conduct reporting guide to help teachers to understand and act on child safety matters. The guide also assists parents, learners, the general public, schools and early childhood services in reporting concerns about the conduct of any person employed in a Victorian education setting.

The guide was developed in collaboration with the Victorian Registration and

Qualifications Authority (VRQA), the Commission for Children and Young People (CCYP) and the Quality Assessment and Regulation Division of the Victorian Department of Education and Training (QARD). These organisations frequently work together to protect the safety and wellbeing of children and young people.

The guide includes a wide range of practical scenarios and various conduct concerns individuals may be obligated to report on, such as criminal behaviour (sexual and non-sexual), inappropriate conduct, teacher registration concerns, and school / service-based concerns. The guide outlines who to report your concerns to, maps out which organisations are involved following a report, and explains the relationship between the VIT and other co-regulators.



Mikaila Colla (registered teacher) with learners Carrington Primary School



## Suspension of registration

The VIT has the power to suspend a teacher's registration on an interim basis where the person poses an unacceptable risk of harm to children, and the suspension is necessary to protect children. This suspension has immediate effect. The VIT must review the basis of these decisions every 30 days and determine whether to continue with the suspension or revoke it.

The VIT has exercised this option in varying circumstances, including where the teacher is the subject of a police investigation for serious criminal offences related to children or other serious criminal offences, where teachers have failed to comply with their mandatory reporting obligations, and where teachers have been suffering from drug dependence or alcohol dependence that seriously detrimentally affects their ability to perform the duties of a teacher.

The VIT suspended 32 teachers on an interim basis this year and has conducted 403 reviews of interim suspensions at the relevant 30-day interval.

The VIT must also suspend the registration of a teacher if they have been charged with a category A offence. The VIT suspended 9 teachers on this basis in 2021–22.

The VIT must also suspend the registration of a teacher if they have been given an interim WWC exclusion (previously known as an interim negative notice). The VIT suspended 2 teachers on this basis in 2021–22.

The VIT may also suspend the registration of a teacher if they have been charged with a category B offence. The VIT is more likely to suspend a teacher on this basis if the teacher poses an unjustifiable risk to children, or they may be considered unfit to teach pending the outcome of the criminal charges. The VIT suspended 2 teachers on this basis in 2021–22.

When VIT makes these decisions, it publishes them on the Register of Disciplinary Action (RODA). The VIT also notifies employers and WWCCV of these decisions.

This is an important part of the process as it ensures that WWCCV can notify the organisations for which the teacher engages in child-related work (other than teaching) of the suspension. It also ensures that our co-regulators are aware.

Table 6 summarises all of the decisions to suspend teachers' registrations in 2021–22.

**Table 6**  
**Suspension actions in 2021–22**

Action	No.
<b>Interim suspension</b>	
The VIT may suspend the registration or permission to teach of a person if it holds a reasonable belief that the person poses an unacceptable risk of harm to children and the suspension is necessary to protect children.	32
<b>Suspensions for interim WWC exclusions</b>	
The VIT must suspend the registration or permission to teach of a person if that person has been given an interim WWC exclusion.	2
<b>Suspensions for Category A offences</b>	
The VIT must suspend the registration or permission to teach of a person if that person is charged with a category A offence in Victoria or an equivalent offence in another jurisdiction.	9
<b>Suspensions for Category B offences</b>	
The VIT may suspend the registration or permission to teach of a person if that person is charged with a category B offence in Victoria or an equivalent offence in another jurisdiction.	2



Michael Burrows (registered teacher) with learners  
McClelland College

## Cancellation of registration

The VIT must cancel a teacher's registration if they have been found guilty of a category A offence. During the reporting period, VIT cancelled the registration of 3 teachers on this basis. These teachers are disqualified from making any further applications for registration as a teacher.

The VIT must also cancel a teacher's registration if the teacher has been given a WWC exclusion. The VIT cancelled the registration of 9 teachers during 2021-22 on this basis. These teachers are disqualified from applying for registration as a teacher for a period of 5 years or until they are issued a WWC clearance.

These decisions are also published on the RODA. The VIT also notifies a number of entities about these decisions including the employer, WWCCV and other teacher regulatory authorities in Australia.

Table 7 summarises all of the cancellation decisions made in 2021-22.

**Table 7**  
**Cancellation actions in 2021-22**

Action	No.
<b>Cancellations for Category A offences</b>	
The VIT must cancel the registration or permission to teach of a person if that person is convicted or found guilty of a Category A offence in Victoria or an equivalent offence in another jurisdiction.	3
<b>Cancellations for WWC exclusions</b>	
The VIT must cancel the registration or permission to teach of a person if that person has been given a WWC exclusion.	9

## Agreements

A teacher may request that VIT enter into an agreement to impose conditions on their registration, suspend their registration or cancel their registration.

A teacher may make these requests if they believe they are seriously incompetent, have engaged in misconduct or serious misconduct, are not fit to teach or have an impairment that seriously detrimentally affects their ability to practise as a teacher.

Table 8 summarises the agreements that VIT has entered into with registered teachers in 2021-22.

**Table 8**  
**Agreements with teachers in 2021-22**

Action	No.
Agreement with teacher to impose conditions on their registration	3
Agreement with teacher to suspend their registration	2
Agreement with teacher to cancel their registration	4

## Hearings

At the end of an investigation, the investigator may recommend that VIT refer the matter to an informal, formal or medical panel hearing.

An investigator may also recommend that VIT refer a matter to a formal hearing if they reasonably believe that a person may have obtained their registration by fraud or misrepresentation.

Table 9 outlines the decisions made by VIT to refer matters to hearing in 2021-22.

**Table 9**  
**Referral to hearings in 2021-22**

Action	No.
Professional conduct matters referred to formal hearing	3

## Prosecutions

There are a number of criminal offences in the *Education and Training Reform Act 2006*. The VIT may prosecute individuals or employers for committing these criminal offences.



In 2021-22, VIT commenced 1 prosecution under the Act. This prosecution was still before the courts at the time of preparing this annual report.

### Appeals

The Act provides that in certain circumstances a person may apply to the Victorian Civil Administrative Review Tribunal (VCAT) for review of certain decisions made by an informal, formal or medical hearing panel, or a VIT determination to refuse a person's application for registration or renewal of registration.

In 2021-22, 14 new applications were lodged at VCAT, and 3 existing applications continued to be managed during this year. By the end of the reporting period, 8 applications were finalised / withdrawn and a further 9 applications are ongoing.

In some cases, a person may seek leave to make an application to the Supreme Court of Victoria to have a decision made by VCAT reviewed. In 2021-22, VIT was involved in 4 such applications before the Supreme Court of Victoria.



Marwa Abdul-Al (registered teacher) with learner Al-Taqwa College



### CASE STUDY – VIT AT WORK

*Pseudonyms have been used and details have been altered to protect personal privacy.*

Under the *Education and Training Reform Act (2006)* (the Act), the VIT has the power to suspend the registration of a teacher on an interim basis in circumstances where VIT has formed a reasonable belief that the teacher poses an unacceptable risk of harm to children, and the suspension of the teacher's registration is necessary to protect children.

The interim suspension of registration prevents the person from undertaking the duties of a teacher in a school or early childhood setting.

The interim suspension also prevents the person from relying on their registration as a teacher to engage in child-related work in lieu of a Working With Children clearance.

If the VIT suspends the registration of a teacher on an interim basis, it must investigate whether the teacher has engaged in misconduct or serious misconduct, is unfit to be a registered teacher, or has such an impairment that the person's ability to practise as a registered teacher is seriously detrimentally affected or likely to be seriously detrimentally affected.



Suzanne Playfoot (registered teacher) with learners  
Albert Park College

If a person's registration has been suspended on an interim basis, the VIT must review the basis of the interim suspension every 30 days. The VIT will only revoke these suspensions if the person no longer poses an unacceptable risk of harm to children, and the suspension is no longer necessary to protect children.

The VIT recently cancelled the registration of a teacher who was initially suspended on an interim basis and later found guilty of committing category A offences. The teacher was also disqualified from holding registration in Victoria indefinitely. You can read about the case below. Details have been altered to protect personal privacy.

### Scenario

The VIT was notified by Teacher Y's employer that the parent of a 14-year-old student had made an allegation that Teacher Y had made inappropriate physical contact with the student.

Upon receiving this information, VIT immediately conducted inquiries and found out that Teacher Y was under investigation by police in relation to allegations that they had groomed the student. It was alleged that Teacher Y had been communicating in a sexualised manner privately with the student via social media, text message and in letters.

Teacher Y had been stood down from their employment when their employer became aware of the allegation.

The VIT received copies of these communications. The frequency, nature and volume of the communications indicated that Teacher Y had formed an overly familiar and inappropriate relationship with the student.

### Immediate action

Based on the information provided, VIT formed a reasonable belief that Teacher Y posed an unacceptable risk of harm to children, and the suspension of their registration was necessary to protect children.

The VIT used its discretionary power to suspend Teacher Y's registration on an interim basis. The suspension of Teacher Y's registration was reviewed every 30 days to determine whether it should be continued.

In accordance with VIT's legal obligations under the Act, the interim suspension was recorded on the Register of Disciplinary Action (RODA), which is publicly available on VIT's [website](#). The VIT also informed Working with Children Check Victoria of the suspension of the teacher's registration.

### The outcome

The VIT maintained contact with police in relation to the progress of the investigation. At the conclusion of the investigation, Victoria Police informed VIT that it had charged Teacher Y with grooming a child under the age of 16 and with sexual assault of a child under the age of 16.

These are charges for category A offences under the Act. Accordingly, the basis for Teacher Y's interim suspension of registration was converted to an ongoing suspension. This ongoing suspension of registration remained in place until Teacher Y was convicted of the offences. Following the conviction, the VIT cancelled Teacher Y's registration. Teacher Y is also disqualified from holding registration in Victoria indefinitely.

As mandated by law, the VIT notified a number of other regulators about this outcome. This included other state and territory teacher regulators in Australia and New Zealand, and Working with Children Check Victoria. The VIT also published this outcome in the Government Gazette and on the Register of Disciplinary Action on its website.

### Reflection

This case study reflects how VIT's interim suspension of registration power contributes to child safety and wellbeing in cases where a teacher is subject to serious allegations, but an investigation is yet to be completed.



Elise Meehan (registered teacher) with learners  
Saint Ignatius College



## Professional Conduct Committee

The Professional Conduct Committee has been established pursuant to section 2.6.66 of the *Education and Training Reform Act 2006*.

The Council has delegated certain powers to the Committee. These include the power to decide whether to accept the recommendations of an investigator at the end of an investigation into whether a teacher is seriously incompetent, has engaged in misconduct or serious misconduct, is unfit to teach, or whether the teacher's ability to practise as a teacher has been seriously detrimentally affected or is likely to be seriously detrimentally affected because of an impairment. These recommendations may include that no further action is required or that the teacher be referred to an informal, formal or medical panel hearing.

The Committee also has the power to decide whether to enter into an agreement with the teacher to cancel, suspend or impose conditions on their registration.

During 2021–22, the Committee met nine times.

### Members

Lesley Lamb – Council Chairperson  
**Committee Chairperson**

Michael Butler – Council member

Anthony Sheumack – Council member  
**(ceased February 2022)**

Angela Stringer – Council member

Raelene Vine – Council member

Graeme Young – Council member

**Table 10**  
**Decisions of the Professional Conduct Committee in 2021–22**

Decision	No.
Issue teacher with a notice of intention to impose conditions	9
Renew registration with an educative letter	22
No further action	1
Refer matter to Formal Hearing	1
Refer matter to Council	2
Defer matter and commence health investigation	1
Agreement with teacher for imposition of conditions and / or voluntary suspension	1
Agreement with teacher to cancel registration	3
Revoke conditions on registration	1
Refer back to for further information from teacher	1



# Summary of financial position

The financial report and accompanying notes are for the financial year ended 30 June 2022.

**Table 11**  
**Financial results 2021–22**

	2021–22 \$
<b>OPERATIONS</b>	
Registration and application fees	17,563,308
Interest income	54,850
Other income	1,902
<b>Total income</b>	<b>17,620,060</b>
<b>Operating expenses</b>	<b>17,609,695</b>
<b>Net result</b>	<b>10,365</b>
<b>Total other economic flows included in net result</b>	
Net (gain)/loss on non-financial assets	0
<b>Comprehensive result</b>	<b>10,365</b>
	2021–22 \$
<b>FINANCIAL POSITION</b>	
Financial assets	13,859,194
Non-financial assets	5,793,724
<b>Total assets</b>	<b>19,652,918</b>
Provisions and payables	5,327,682
Income received in advance	4,265,219
<b>Total liabilities</b>	<b>9,592,902</b>
<b>Total equity</b>	<b>10,060,016</b>

## Revenue

In 2021-22, the annual registration fee increased to \$108. Teacher registration fees are prorated for each of the 12 months of the registration period (1 October to 30 September). Accordingly, fees from 1 July to 30 September are treated as revenue in advance in the balance sheet at year end.

A rise in teacher registrations and a 10% fee increase contributed to increased revenue in 2021-22. NCCHC revenue increased as a result of a significant number of new applications and a higher proportion of registered teachers requiring criminal record checks during the year.

**Figure 2**  
Revenue for 2021-22



	Registration fees
	<b>\$15,026,470</b>
	Nationally Coordinated Criminal History Check (NCCHC)
	<b>\$2,390,055</b>
	Late registration payment
	<b>\$94,027</b>
	Interest income
	<b>\$54,850</b>
	Other income
	<b>\$54,658</b>

## Expenses

There was an increase in operating expenses in 2021-22 as a result of higher employee expenses, a higher depreciation and amortisation expense, and an increase in administrative expenses.

In summary, a surplus of \$10,365 was reported in 2021-22 compared with a deficit of \$857,381 in the previous year. Accordingly, VIT's balance sheet and cash position have improved in comparison with last year, maintaining appropriate levels to meet its current and future obligations.

**Figure 3**  
Expenses for 2021-22



	Payroll
	<b>\$12,097,899</b>
	Supplies and services
	<b>\$3,361,539</b>
	Depreciation and amortisation
	<b>\$1,855,554</b>
	Occupancy expenses
	<b>\$258,026</b>
	Interest expenses
	<b>\$36,677</b>

## Audit, Risk Management and Finance Committee

The Audit, Risk Management and Finance Committee oversees the financial, risk management, audit and general administrative functions of VIT. It makes recommendations to Council on the financial requirements of VIT's governing legislation and other legislation regulating the financial and risk management and accountability of VIT.

The Committee maintains effective communication with external and internal auditors, and reviews their scope of work, independence and performance. It also receives, discusses and monitors significant findings and recommendations from reports by internal and external auditors.

On behalf of Council, the Committee reviews and recommends the development and implementation of VIT's strategic and business plan budgets. In addition, the Committee advises Council on the adequacy and effectiveness of VIT's financial and accounting policies, related control systems and management information systems.

During 2021-22, the Committee met seven times.

### Members

Gail Owen – Independent external member  
**Committee Chairperson**

Lesley Lamb – Council Chairperson

Michael Butler – Council member  
**(attended Committee meetings from March 2022 to replace Danielle Harrison and re-appointed as Committee member June 2022)**

Danielle Harrison – Council member  
**(leave of absence January 2022)**

Angela Stringer – Council member

Lisa Tripodi – Independent external member

Mary-Anne Pontikis – Council member  
**(commenced June 2022)**

## Remuneration Committee

The Remuneration Committee implements Victorian Independent Remuneration Tribunal (VIRT) – formerly known as Government Sector Executive Remuneration Panel (GSERP) – policies and guidelines for the employment of VIT's executive officers. Specifically, the Remuneration Committee determines the performance criteria of the Chief Executive Officer, conducts their annual performance review and advises Council of any other relevant matters in the jurisdiction of VIRT.

The Committee also ensures compliance with the Victorian Public Sector Commission (VPSC).

During 2021-22, the Committee met two times.

### Members

Lesley Lamb – Council Chairperson  
**Committee Chairperson**

Paul Desmond – Council Deputy Chairperson

Michael Butler – Council member



Danny Davis (registered teacher) with learners  
Carey Baptist Grammar School



# Business operations

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## Banking

The VIT operates a corporate cheque account, and invests in term deposits held with the Victorian Government Centralised Banking System (CBS), implemented by VIT from May 2019 as per the DTF Standing Directions 2018.

The VIT uses the CBS to hold all excess cash funds while retaining a minimum cash balance in its operating bank account for day to day expenses.

The VIT seeks to minimise risk and maximise return on funds available to meet its future needs.

As at 30 June 2022, all excess funds were held in the CBS account (managed by Westpac Banking Corporation).

## Mail house services

The VIT contracts its mail house operations to Lane Print and Post. Most letter printing and mailing is carried out by Lane Print and Post using encrypted files provided by VIT under strict privacy arrangements. The arrangement enables VIT to access favourable bulk postage rates.

## Records management

Enterprise Content Management (ECM) is VIT's official recordkeeping system for managing documents and records regardless of format. The information is created, managed and disposed of in accordance with Public Record Office Victoria standards and relevant legislation.

## Consultancies and other major contracts

No major contract greater than \$10m was entered into in 2021–22.

In 2020–21, VIT engaged one consultancy where the total fees payable to the consultants were less than \$10,000, with a total expenditure of \$11,151 (excl. GST).

There were no contracts related to the Victorian Industry Participation Policy.

## Compliance with the *Building Act 1993*

The VIT does not own or control any government buildings and consequently is exempt from notifying its compliance with the building and maintenance provisions of the *Building Act 1993*.

## Compliance with the *Public Interest Disclosures Act 2012*

The VIT complies with the *Public Interest Disclosures Act 2012*. Our policy can be viewed on VIT's website: [www.vit.vic.edu.au](http://www.vit.vic.edu.au).

## National Competition Policy

The VIT is the sole registration authority for teachers in all Victorian primary and secondary schools and early childhood services.

## Environmental sustainability

The VIT office building is well rated for environmental sustainability and incorporates a range of sustainable features (including advanced environmental lighting and water system controls).

The VIT continues to further refine its practices to reduce its carbon footprint by

- limiting all disposable products in the staff kitchen and using reusable items instead
- reducing waste by setting up proper signage for waste and recycling receptacles
- reducing and replacing the existing printer fleet with machines that have a lower carbon footprint
- recycling printer consumables, paper and cardboard
- reducing paper consumption through the use of soft copy documentation where possible
- encouraging green commuting by walking, biking or taking public transport to the office.

Like many organisations, VIT has had to limit its operations from its building premises in 2020–21 owing to pandemic restrictions. Staff members work a hybrid model from home and from the office. This pattern has continued during 2021–22, with a commensurate reduction in office consumables and utilities.

### Freedom of information

The *Freedom of Information Act 1982* grants the community access to some information held by VIT. The Freedom of Information Officer determines right of access on a document-by-document basis in accordance with the Act. All decisions were made within the allotted time frame.

**Table 12**  
**Analysis of freedom of information requests in 2021–22**

Action	No.
Personal (relating to a single identified person)	36
Non-personal (request for non-specific and / or summative information)	0
Outcome: Full access	26
Outcome: Partial access	0
Outcome: Denied	2
Outcome: Pending	1
Request for internal review, partial access granted	0
Internal review confirmed initial FOI decision	0
Appeal of internal decision to VCAT	1
Carried forward to next year	1
Lapsed	5

### Occupational health and safety

The VIT has an active Occupational Health and Safety (OHS) Committee that is committed to providing a safe and secure environment for staff, contractors and visitors, and complies with statutory obligations.

The Committee hosts regular online meetings to review and contribute to safety and wellbeing in the workplace, and adopts a risk-based approach to hazard reduction and prevention.

The VIT has in place an incident management system to address OHS incidents, hazards and near misses for all staff to identify and escalate to management. There are education and training programs to support staff in fulfilling their obligations in OHS.

The Committee has been vigilant in addressing OHS issues with the identification of specific risks from the COVID-19 pandemic. The Committee has responded to these risks by ensuring staff are regularly reminded of the importance of a safe work environment at home. The Committee has been active in continuously reviewing VIT's CovidSafe plan in line with any changes as outlined by Government pandemic orders.

### Staff and community wellbeing

The VIT has continued to support staff during the COVID-19 pandemic by offering remote and flexible working arrangements supported by the CovidSafe plan.

The CovidSafe plan was regularly reviewed in-line with Government advice, and all updates were communicated to staff verbally and online. Staff have been supported to work from home using VIT equipment and have been provided with a working from home allowance as well as ergonomic advice on their work setup. More recently, VIT has engaged in an approach to support staff to return to the office that enables staff to work more closely with their colleagues and managers. This has been particularly welcomed after so long working from home.

Feedback obtained from Councillors and through the Staff Consultative Committee, pulse surveys and the People Matter Survey has guided our approach to managing staff and Council wellbeing. The VIT provides wellbeing sessions and communications to staff through its e-learning platform, Staff Hub, Employee Assistance Program provider and psychologists employed by VIT on a sessional basis.

### Merit and equity

The VIT continued to apply the Victorian Public Sector employment principles relating to merit and equity in selecting, recruiting and training staff throughout the COVID-19 pandemic.

The VIT developed a Gender Equity Action plan, and looks forward to implementing the plan in 2022–23.

### Professional development

The VIT undertakes an ongoing professional development program that builds on VIT's induction program; significant staff development through informal and formal development opportunities took place, despite COVID-19 related restrictions. This includes an expression of interest initiative that allows staff to gain experience acting in other roles to cover short term vacancies.

The following mandatory compliance courses were completed by all staff as part of the annual performance development process: code of conduct, understanding diversity and inclusion, and risk management.

### Human Rights Charter

Every care is taken to ensure that all acknowledged human rights of the individual are recognised by the operations, policies and procedures of VIT.

### Advertising expenditure

VIT's advertising expenditure did not meet the minimum threshold required for reporting.

**Table 13**  
**Staff by operation**

Staff	No. of staff	Full-time equivalent
Accreditation and Professional Practice	13	12.40
Executive and Governance	3	3.0
Professional Conduct	23	22.87
Shared Services	18	17.20
Stakeholder Engagement and Communications	4	3.80
Teacher Engagement and Registration	33	31.51
<b>TOTAL</b>	<b>94</b>	<b>90.78</b>

### Social Procurement Framework

The VIT utilises a social procurement framework to enable greater benefits from our procurement spend by delivering social and sustainable outcomes that benefit our community. During the period, VIT's expenditure on procurement was approximately \$3.4 million.

The VIT has complied with Victorian Government Purchasing Board (VGPB) guidelines in all purchasing decisions as best practice. From 1 July 2021 VIT was mandated to comply. The VIT has developed a Social Procurement and Contract Management Policy to guide its operations. This framework is part of VIT's Financial Management Compliance Framework and was audited in the 2021–22 year.

There has been no abnormal procurement spend in the reporting period to 30 June 2022.

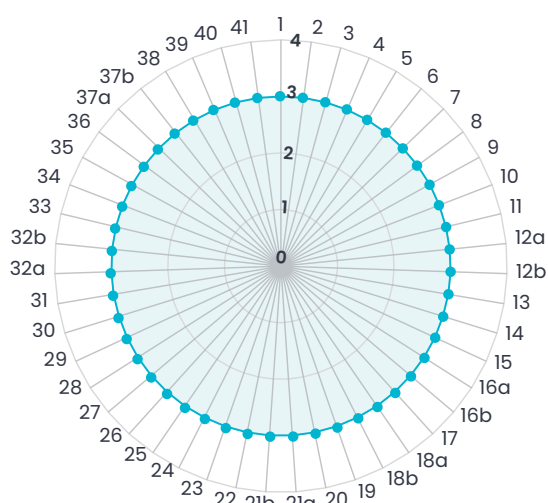
## Asset management maturity assessment

The following sections summarise the VIT's assessment of maturity against the requirements of the Asset Management Accountability Framework (AMAF). The AMAF is a non-prescriptive, devolved accountability model of asset management that requires compliance with 41 mandatory requirements. These requirements can be found on the DTF website: [www.dtf.vic.gov.au](http://www.dtf.vic.gov.au).

The VIT's target maturity ratings are rated with a maturity assessment status of 'competence'.

'Competence' means systems and processes are fully in place, consistently applied and systematically meeting the AMAF requirement, including a continuous improvement process to expand system performance above AMAF minimum requirements.

**Figure 4**  
**Asset management maturity rating**



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

The VIT, where practicable, will set a goal to achieve a maturity assessment of 'Optimising'.

'Optimising' meaning systems and processes are leading practice, exceeding the AMAF mandatory requirement, and constantly being improved to align with, support and drive organisational objectives.

The 41 mandatory requirements are grouped under several headings and scored individually as depicted in Figure 4. The groupings are summarised below.

### Leadership and Accountability (requirements 1-19)

The VIT has met its target maturity levels of competence. The VIT has no material compliance deficiencies within this category. The VIT has plans in place, or in progress, that are designed to increase maturity ratings and achieve sustainable long-term compliance against the requirements within this category. The VIT is working towards optimising awareness across the organisation and improving the asset management system performance.

### Planning (requirements 20-23)

The VIT has met its target maturity levels and is compliant within this category. The VIT has plans in place, or in progress, that are designed to increase maturity ratings against the requirements within this category. Plans in progress include optimising the VIT Asset Management Strategy.

### Acquisition (requirements 24 and 25)

The VIT has met its target maturity levels and is compliant within this category. The VIT has plans in place, or in progress, that are designed to increase maturity ratings against the requirements within this category. Plans in progress include optimising the VIT acquisition process.

### Operation (requirements 26-40)

The VIT has met its target maturity levels and is compliant within this category.

### Disposal (requirement 41)

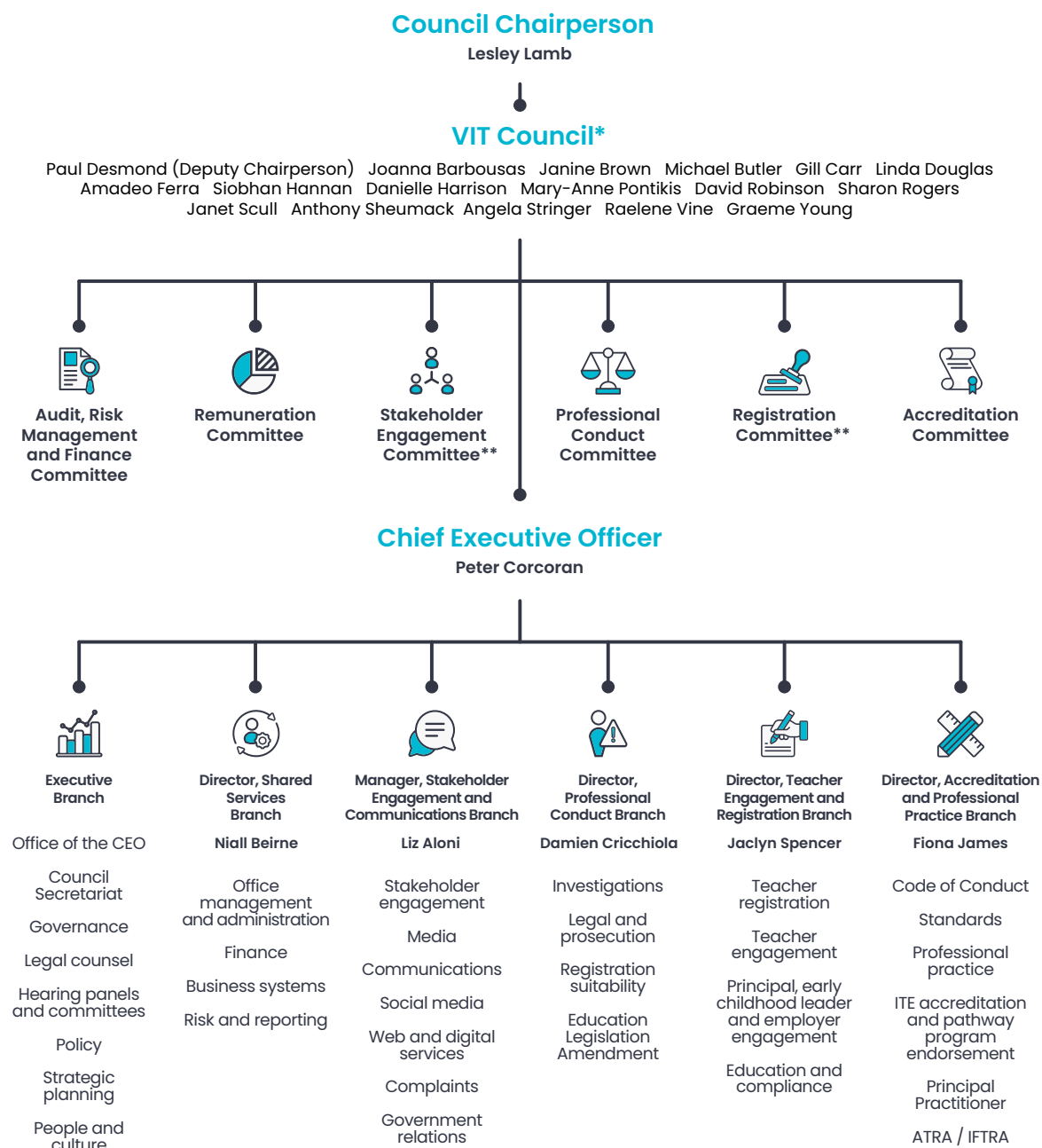
The VIT has met its target maturity level and is compliant within this category.





Robyn Croucher (registered teacher) with learners  
Carey Early Learning Centre

# Organisational and governance structure



\*Appointment and cessation dates can be found on the following page

\*\*No committee meetings held during the reporting period

# Council report

The VIT Council is responsible for managing the affairs of VIT and, when carrying out its functions, considers the safety and wellbeing of children and young people including by taking into account community expectations.

During the reporting period, the Council had its full complement of 14 members, save for the period from 1 February 2022 (when Council Member Sheumack resigned) to 8 March 2022 when Council Member Douglas was appointed. Thirteen members (including the Chairperson) are appointed by the Governor-in-Council on the recommendation of the Minister. The remaining member is the nominee of the Secretary of the Department of Education and Training.

A new Council was appointed on 1 June 2022 – the seventh since VIT's inception.

## Key relationships

The VIT is required to give due regard to any advice provided by the Minister in relation to its powers and functions, and the Minister has powers to issue policies, guidelines and directions to VIT.

Based upon the Council's recommendations, the Minister

- approves the qualifications, criteria and standards for the registration and renewal of teacher registration in Victorian schools and early childhood services
- fixes the registration fees for a period of 12 months, and may amend the fee at the end of that period
- recommends to the Governor-in-Council the appointment of members to the Hearing Panel Pool
- consults with VIT on issues of importance to teacher registration and standards
- approves policies for the qualifications, criteria and standards for registration or renewal of registration that have been recommended by VIT under the *Education and Training Reform Act 2006*.

**Table 14**  
**Number of Council meetings attended**

Name	2021	2022	Total
Lesley Lamb Chairperson	9	5	14
Paul Desmond Deputy Chairperson	9	5	14
Joanna Barbousas	7	3	10
Janine Brown	7	3	10
Michael Butler	9	5	14
Gill Carr	7	7	14
Linda Douglas#	-	3	3
Amadeo Ferra	7	3	10
Siobhan Hannan	9	5	14
Danielle Harrison**	7	-	7
Mary-Anne Pontikis^	-	1	1
David Robinson*	6	5	11
Sharon Rogers^	-	1	1
Janet Scull^	-	1	1
Anthony Sheumack***	9	-	9
Angela Stringer	9	4	13
Raelene Vine	9	5	14
Graeme Young	9	4	13

\*Appointed 16 August 2021 (Secretary, Department of Education and Training nomination)

\*\* Leave of absence 1 January 2022

\*\*\* Resigned 1 February 2022

# Appointed 8 March 2022

^ Appointed 1 June 2022



# Council members



**Lesley Lamb**  
Chairperson



**Paul Desmond**  
Deputy  
Chairperson



**Joanna  
Barbousas**  
Chair, Council of  
Deans



**Janine Brown**  
Early childhood  
employer



**Michael  
Butler**  
Registered  
teacher



**Gill Carr**  
Registered  
teacher



**Linda Douglas**  
Principal



**Amadeo Ferra**  
Principal



**Siobhan Hannan**  
Registered  
early childhood  
teacher



**Danielle Harrison**  
Registered  
teacher



**Mary-Anne  
Pontikis**  
Registered  
teacher



**David Robinson**  
Delegate, Secretary  
of the Department  
of Education and  
Training



**Sharon Rogers**  
Early Learning  
Association  
Australia



**Janet Scull**  
Deputy Dean  
Education



**Anthony  
Sheumack**  
Principal



**Angela  
Stringer**  
Registered  
teacher



**Raelene Vine**  
Parent



**Graeme Young**  
Deputy Head of  
Senior School





## Attestation for financial management compliance with Ministerial Standing Direction 5.1.4

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### The Victorian Institute of Teaching Financial Management Compliance Attestation Statement

I, Lesley Lamb, on behalf of the Responsible Body, certify that the Victorian Institute of Teaching has no Material Compliance Deficiency with respect to the applicable Standing Directions under the *Financial Management Act 1994*, and Instructions.

A handwritten signature in grey ink that reads "L Lamb".

**Lesley Lamb**  
Chairperson

Docklands, in the State of Victoria  
5 October 2022



Joshua Long (registered teacher) with learners  
Beaconhills College

## Comprehensive operating statement <sup>(ii)</sup> for the year ended 30 June 2022

	Notes	2022 \$	2021 \$
<b>Continuing operations</b>			
<b>Income from transactions</b>			
Registration and application fees	2.2.1	17,563,308	15,861,174
Interest income	2.2.2	54,850	55,292
Grants	2.2.3	–	868,000
Other income	2.2.4	1,902	148
<b>Total income from transactions</b>		<b>17,620,060</b>	<b>16,784,614</b>
<b>Expenses from transactions</b>			
Employee expenses	3.1.1	12,097,899	11,879,898
Depreciation and amortisation	4.1.2, 4.2	1,855,554	1,721,246
Interest expenses (i)	6.1	36,677	46,179
Supplies and services	3.2.1	3,361,539	3,736,754
Occupancy expenses	3.2.2	258,026	253,998
<b>Total expenses from transactions</b>		<b>17,609,695</b>	<b>17,638,075</b>
<b>Net result from transactions (net operating balance)</b>		<b>10,365</b>	<b>(853,461)</b>
<b>Other economic flows included in net results</b>			
Net (gain) / loss on non-financial assets (iii)		–	3,920
<b>Total other economic flows included in net result</b>		<b>–</b>	<b>3,920</b>
<b>Comprehensive result</b>		<b>10,365</b>	<b>(857,381)</b>

The accompanying notes form part of these financial statements.

(i) Interest expenses includes the interest paid / payable on leased property and equipment as per AASB 16 Leases.

(ii) This format is aligned to AASB 1049 Whole of Government and General Government Sector Financial Reporting.

(iii) Net (gain) / loss on non-financial assets' includes realised (gain) / loss on the disposals of all physical assets.

## Balance sheet <sup>(ii)</sup> as at 30 June 2022

	Notes	2022 \$	2021 \$
<b>Assets</b>			
<b>Financial assets</b>			
Cash and deposits	6.3	13,753,666	11,868,933
Receivables	5.1	105,528	120,704
<b>Total financial assets</b>		<b>13,859,194</b>	<b>11,989,637</b>
<b>Non-financial assets</b>			
Plant and equipment (i)	4.1	1,724,729	2,206,127
Intangible assets	4.2	3,764,136	4,930,842
Other non-financial assets	5.3	304,859	347,862
<b>Total non-financial assets</b>		<b>5,793,724</b>	<b>7,484,831</b>
<b>Total assets</b>		<b>19,652,918</b>	<b>19,474,468</b>
<b>Liabilities</b>			
Payables	5.2	636,721	347,645
Lease liabilities	6.1	1,850,877	2,405,035
Employee provision	3.1.2	2,388,384	2,535,518
Other provisions	5.4	451,701	459,658
Income received in advance	2.3	4,265,219	3,676,961
<b>Total liabilities</b>		<b>9,592,902</b>	<b>9,424,817</b>
<b>Net assets</b>		<b>10,060,016</b>	<b>10,049,651</b>
<b>Equity</b>			
Accumulated surplus / (deficit)		10,060,016	10,049,651
<b>Net worth</b>		<b>10,060,016</b>	<b>10,049,651</b>
Commitments for expenditure	6.4	5,080,244	448,028

The accompanying notes form part of these financial statements.

(i) Plant and equipment includes Right of Use Assets covered under AASB 16 Leases.

(ii) This format is aligned to AASB 1049 Whole of Government and General Government Sector Financial Reporting.



## Cash flow statement <sup>(iii)</sup> for the year ended 30 June 2022

	Notes	2022 \$	2021 \$
<b>Cash flows from operating activities</b>			
<b>Receipts</b>			
Receipts from customers and registration fees		18,154,429	15,862,705
Receipts from Government		-	868,000
Goods and Services Tax recovered from the ATO (i)		405,416	551,548
Interest received		47,185	57,702
<b>Total Receipts</b>		<b>18,607,030</b>	<b>17,339,955</b>
<b>Payments</b>			
Payments to suppliers and employees		(15,924,013)	(16,312,960)
Interest paid		(36,677)	(46,179)
<b>Total payments</b>		<b>(15,962,031)</b>	<b>(16,359,139)</b>
<b>Net cash flows from / (used in) operating activities</b>	6.3.1	<b>2,648,068</b>	<b>980,816</b>
<b>Cash flows from investing activities</b>			
Payments for plant and equipment		(89,493)	-
Payments for intangible assets	4.2	(117,956)	(564,356)
<b>Net cash flows from / (used in) investing activities</b>		<b>(207,448)</b>	<b>(564,356)</b>
<b>Cash flows from financing activities</b>			
Repayment of principal portion of lease liabilities (ii)	6.2.3	(554,158)	(525,203)
<b>Net cash flows from / (used in) financing activities</b>		<b>(554,158)</b>	<b>(525,203)</b>
<b>Net increase / (decrease) in cash and cash equivalents held</b>		<b>1,884,733</b>	<b>(108,743)</b>
Cash and cash equivalents at the beginning of the financial year		11,868,933	11,977,676
<b>Cash and cash equivalents at the end of the financial year</b>	6.3	<b>13,753,666</b>	<b>11,868,933</b>

The accompanying notes form part of these financial statements.

- (i) Goods and Services Tax received from the ATO is presented on a net basis.
- (ii) The VIT has recognised cash payments for the principal portion of lease payments as financing activities. Cash payments for the interest portion as operating activities consistent with the presentation of interest payments as operating activities
- (iii) This format is aligned to AASB 1049 *Whole of Government and General Government Sector Financial Reporting*.

## Statement of changes in equity <sup>(i)</sup> for the year ended 30 June 2022

	Accumulated surplus \$	Total \$
<b>Balance at 1 July 2020</b>	<b>10,907,032</b>	<b>10,907,032</b>
Comprehensive result for the year	(857,381)	(857,381)
<b>Balance at 30 June 2021</b>	<b>10,049,651</b>	<b>10,049,651</b>
Comprehensive result for the year	10,365	10,365
<b>Balance at 30 June 2022</b>	<b>10,060,016</b>	<b>10,049,651</b>

The accompanying notes form part of these financial statements.

(i) This format is aligned to AASB 1049 *Whole of Government and General Government Sector Financial Reporting*.

# Note 1

## About this report

The Victorian Institute of Teaching is an independent statutory authority, established in December 2002 by Part 2.6 of the *Education and Training Reform Act 2006* and reporting to Parliament through the Minister for Education.

During the reporting period, its principal address was

Victorian Institute of Teaching  
Level 9, 628 Bourke Street  
Melbourne VIC 3008

A description of the nature of its operations and its principal activities is included in the 'Report of Operations' which does not form part of these financial statements.

### Basis of preparation

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

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

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

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

Estimates and associated assumptions are based on professional judgements derived from historical experience and various other factors that are believed to be reasonable under the circumstances. Actual results may differ from these estimates.

Revision to accounting estimates are recognised in the period in which the estimate is revised and also in future periods that are affected by the revision.

Judgements and assumptions made by management in applying Australian Accounting Standards (AASs) that have significant effects on the financial statements and estimates are disclosed in the notes under the heading 'Significant judgement or estimates'.

These financial statements cover the Victorian Institute of Teaching as an individual reporting entity.

The amounts in the financial statements have been rounded to the nearest \$1 unless otherwise stated.

### Compliance information

These general purpose financial statements have been prepared in accordance with the *Financial Management Act 1994* (FMA) and applicable AASs which include Interpretations, issued by the Australian Accounting Standards Board (AASB).

In particular, they are presented in a manner consistent with the requirements of *AASB 1049 Whole of Government and General Government Sector Financial Reporting*.

Where appropriate, those AASs paragraphs applicable to not-for-profit entities have been applied.

Accounting policies selected and applied in these financial statements ensure the resulting financial information satisfies the concepts of relevance and reliability, thereby ensuring the substance of the underlying transactions or other events is reported.

These annual financial statements were authorised for issue by the VIT Chairperson on 5 October 2022.

## Note 2

### Funding of service delivery

The VIT's primary function is to regulate members of the teaching profession to ensure quality teaching, and provide for the safety and wellbeing of children.

To enable VIT to fulfil its objective and maintain high standards for the Victorian teaching profession, VIT receives income predominately from registered teachers in the payment of their annual registration fees. The VIT also receives fees for service and departmental grants for specific purposes.

#### 2.1 Summary of revenue and income that funds the delivery of VIT services

	Notes	2022 \$	2021 \$
Registration and application fees	2.2.1	17,563,308	15,861,174
Interest income	2.2.2	54,850	55,292
Grants	2.2.3	-	868,000
Other income	2.2.4	1,902	148
<b>Total income from transactions</b>		<b>17,620,060</b>	<b>16,784,614</b>

#### 2.2 Revenue and Income from transactions

##### 2.2.1 Registration and application fees

	2022 \$	2021 \$
Registration and application fee	15,026,470	13,744,269
Nationally Coordinated Criminal Record Check fee	2,390,055	1,956,721
Replacement card fee	12,725	10,864
Late registration fee	94,027	96,375
Statement of good standing fee	11,814	6,808
Course accreditation assessment fee	28,217	46,136
<b>Total registration and application fees</b>	<b>17,563,308</b>	<b>15,861,174</b>

Registration and application fees are raised annually (for the period October to September) and application for registration fees are raised on request. Revenue is recognised in the year to which the application / registration relates in accordance with *AASB 15 Revenue from Contracts with Customers*. Application for registration and registration fees are recognised with reference to the stage of completion method, based on the registration period that has expired. The unexpired portion is recognised as unearned income.

The VIT does not recognise debtors in relation to registration fees, as non-payment of registration fees results in suspension or expiry of registration and cancellation of the registration fee invoice. Revenue relating to a future period, in accordance with the above income recognition policy, is carried forward in the balance sheet as Revenue received in advance.

Nationally Coordinated Criminal History Check fees are charged to prospective and renewing teachers every 5 years. This charge covers the registrant for the next 5 years from the date of successful completion of criminal record check and the same year the income is recognised.

Late registration fees are recognised in the same year they received. The late fees are charged only when the payment is not received on or before 30 September of every year.



### 2.2.2 Interest income

	2022 \$	2021 \$
<b>Interest from financial assets not at fair value through comprehensive operating statement</b>		
Interest on bank deposits	773	774
Interest on money at call	54,077	54,518
<b>Total Interest income</b>	<b>54,850</b>	<b>55,292</b>

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

### 2.2.3 Grants

	2022 \$	2021 \$
<b>Income recognised as income of not-for-profit entities</b>		
General purpose	-	868,000
<b>Total grants income</b>	<b>-</b>	<b>868,000</b>

No grants were received during 2021-22. In 2020-21, VIT received grants from the Department of Education and Training which were earned under arrangements that are not enforceable in line with AASB 1058 *Income of Not-for-Profit Entities*.

### 2.2.4 Other income

	2022 \$	2021 \$
Other income	1,902	148
<b>Total other income</b>	<b>1,902</b>	<b>148</b>

## 2.3 Income received in advance

	2022 \$	2021 \$
Nationally Coordinated Criminal Record Check fees	277,964	155,306
Unearned teacher registration fees	3,987,256	3,521,655
<b>Total income received in advance</b>	<b>4,265,220</b>	<b>3,676,961</b>

## Note 3

### The costs of delivering services

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

#### 3.1 Expenses incurred in the delivery of services

	Notes	2022 \$	2021 \$
Employee expenses	3.1.1	12,097,899	11,879,898
Supplies and services	3.2.1	3,361,539	3,736,754
Occupancy expenses	3.2.2	258,026	253,998
<b>Total expenses incurred in the delivery of services</b>		<b>15,717,464</b>	<b>15,870,650</b>

##### 3.1.1 Employee expenses – comprehensive operating statement

	Notes	2022 \$	2021 \$
Salaries and wages		10,566,445	10,403,932
Superannuation	3.1.3	957,313	901,478
On costs (payroll tax, fringe benefit tax and WorkCover)		569,163	570,841
Ex gratia payments for separation (i)		4,977	3,647
<b>Total employee expenses</b>		<b>12,097,898</b>	<b>11,879,898</b>

(i) Includes payments to staff of a bona fide redundancy payment.

Employee expenses include all costs related to employment including salaries, fringe benefits tax, leave entitlements, termination payments including ex gratia payments and WorkCover premiums.

The amount recognised in the comprehensive operating statement in relation to superannuation is the employer contributions for members of both defined benefit and defined contributions superannuation plans that are paid or payable during the reporting period.

The VIT does not recognise any defined benefit liabilities because it has no legal or constructive obligation to pay future benefits relating to its employees. Instead, the Department of Treasury and Finance (DTF) discloses in its annual financial statements, the net defined benefit cost related to the members of these plans as an administered liability (on behalf of the State as the sponsoring employer).

Termination benefits are payable when employment is terminated before normal retirement date, or when an employee accepts an offer of benefits in exchange for the termination of employment. Termination benefits are recognised when VIT 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.

### 3.1.2 Employee benefits – in the balance sheet

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

	2022 \$	2021 \$
<b>Current provisions</b>		
<i>Annual leave</i>		
Unconditional and expected to settle within 12 months	749,046	829,084
<i>Long service leave</i>		
Unconditional and expected to settle within 12 months	141,779	170,372
Unconditional and expected to settle after 12 months	695,192	700,905
<i>Provision for on-costs</i>		
Unconditional and expected to settle within 12 months	166,402	281,914
Unconditional and expected to settle after 12 months	112,712	109,867
<b>Total current provisions for employee benefits</b>	<b>1,865,131</b>	<b>2,092,142</b>
<b>Non-current provisions</b>		
Long service leave	450,253	383,294
On-costs	73,000	60,082
<b>Total non-current provisions for employee benefits</b>	<b>523,253</b>	<b>443,376</b>
<b>Total provision for employee benefits</b>	<b>2,388,384</b>	<b>2,535,518</b>

#### Salaries, annual leave and long service leave

Liabilities for salaries (including non-monetary benefits, annual leave and on-costs) are recognised in the provision for employee benefits provision as current liabilities, because VIT does not have an unconditional right to defer settlement of these liabilities.

Unconditional long service leave is disclosed as a current liability; even where VIT does not expect to settle the liability within 12 months because it will not have the unconditional right to defer the settlement of the entitlement should an employee take leave within 12 months.

The components of the current LSL liability are measured at

- undiscounted value – if VIT expects to wholly settle within 12 months; or
- present value – if VIT does not expect to wholly settle within 12 months.

Conditional long service leave is disclosed as a non-current liability. There is an unconditional right to defer the settlement of the entitlement until the employee has completed the requisite years of service. This non-current long service liability is measured at present value.

Any gain or loss following revaluation of the present value of non-current LSL liability is recognised as a transaction, except to the extent that a gain or loss arises due to changes in bond interest rates for which it is then recognised as an 'other economic flow' in the net result.

### 3.1.3 Superannuation contributions

The VIT's employees are entitled to receive superannuation benefits. The VIT contributes to both defined benefit and defined contribution plans. The defined benefit plan(s) provide benefits based on years of service and final average salary. The defined benefits liability is recognised by DTF, as the sponsoring employer, as an administered liability. Superannuation contributions paid or payable for the reporting period are included as part of employee benefits in the comprehensive operating statement.

The name, details and amounts expensed in relation to the major employee superannuation funds and contributions made by VIT are as follows.

	Contribution for the year	
	2022 \$	2021 \$
<b>Defined benefit plans</b>		
State Superannuation Fund revised and new	12,106	12,250
ESS Super	26,822	19,347
<b>Defined contribution plans</b>		
Vic Super	481,213	428,634
Other	437,172	441,247
<b>Total</b>	<b>957,313</b>	<b>901,478</b>

Contributions include accruals for 20–30 June for fixed term and on-going employees. These accruals are outstanding at balance date \$41,803.

## 3.2 Other operating expenses

### 3.2.1 Supplies and services

	2022 \$	2021 \$
Human resources	110,805	114,640
Council and committee	105,310	110,556
Consultancy and contractor	117,655	20,820
Communication	660,445	787,080
Finance	78,123	44,250
Legal	202,629	194,871
Printing and stationery	97,783	100,122
Travel and accommodation	17,534	50,513
Marketing	3,150	6,068
Administration	989,033	1,388,747
Nationally Coordinated Criminal History Checks	979,073	919,087
<b>Total supplies and services expenses</b>	<b>3,361,539</b>	<b>3,736,754</b>

Supplies and services generally represent costs of services delivered and the day-to-day running costs, including maintenance costs, incurred in the normal operations of VIT. These items are recognised as an expense in the reporting period in which they are incurred.



### 3.2.2 Occupancy expenses

Occupancy expenses include rental expense, provision for make good, outgoings, and repairs and maintenance charges. The lease on Level 9 628 Bourke Street commenced 1 September 2014, with a lease term of eight years.

	2022 \$	2021 \$
Outgoings, cleaning and utilities	255,684	243,075
Maintenance and repairs	2,342	10,923
<b>Total occupancy expenses</b>	<b>258,026</b>	<b>253,998</b>

There were no short term or low value leases for 2021-22.

## Note 4

### Key assets available to support output delivery

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

#### Fair value measurement

Where the assets included in this section are carried at fair value, additional information is disclosed in Note 7.3 in connection with how those fair values were determined.

#### 4.1 Expenses incurred in the delivery of services

	Carrying value		Accumulated depreciation		Net carrying amount	
	2022 \$	2021 \$	2022 \$	2021 \$	2022 \$	2021 \$
Leasehold improvements	5,878,050	5,878,050	4,248,109	3,696,740	1,629,941	2,181,310
Furniture and fittings	78,550	53,790	54,043	47,436	24,508	6,354
Plant and equipment	410,199	393,848	339,919	375,385	70,281	18,463
<b>Total carrying amount of plant and equipment</b>	<b>6,366,800</b>	<b>6,325,688</b>	<b>4,642,071</b>	<b>4,119,561</b>	<b>1,724,730</b>	<b>2,206,127</b>

The following tables are subsets of leasehold improvements including ROU asset Leased building and plant and equipment by right-of-use assets.

##### 4.1.1 Total right-of-use assets: building, plant and equipment

	Carrying value	Accumulated depreciation	Net carrying amount	Carrying value	Accumulated depreciation	Net carrying amount
	2022 \$	2021 \$	2022 \$	2021 \$	2022 \$	2021 \$
Leasehold improvements	5,379,343	3,380,744	1,548,599	5,379,343	3,404,052	1,975,291
Plant and equipment	-	-	-	63,106	46,278	16,828
<b>Net carrying value</b>	<b>5,379,343</b>	<b>3,830,744</b>	<b>1,548,599</b>	<b>5,442,449</b>	<b>3,450,330</b>	<b>1,992,119</b>

	Leasehold improvements	Plant and equipment
Opening balance - 1 July 2021	2,037,630	16,828
Additions	-	-
Disposals	-	14,724
Depreciation	489,031	2,104
<b>Closing balance 30 June 2022</b>	<b>1,548,599</b>	<b>-</b>
Opening balance - 1 July 2020	2,526,661	29,449
Additions	-	-
Disposals	-	-
Depreciation	489,031	12,621
<b>Closing balance 30 June 2021</b>	<b>2,037,630</b>	<b>16,828</b>

Initial recognition: Items of plant and equipment are measured initially at cost and subsequently revalued at fair value less accumulated depreciation and impairment. Where an asset is acquired for no or nominal cost, the cost is its fair value at the date of acquisition. The cost of leasehold improvements is capitalised and depreciated over the shorter of the remaining term of the lease or the estimated useful life. The initial cost for non-financial physical assets under a finance lease is measured at amounts equal to the fair value of the leased asset or, if lower, the present value of the minimum lease payments, each determined at the inception of the lease.

#### **Right-of-use asset acquired by lessees (under AASB 16 Leases from 1 July 2019) – Initial measurement**

The VIT recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost which comprises the initial amount of the lease liability adjusted for

- any lease payments made at or before the commencement date less any lease incentive received; plus
- any initial direct costs incurred; and
- an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located.

Subsequent measurement: Fair value is determined with regard to the asset's highest and best use (considered legal or physical restrictions imposed on the asset, public announcements or commitments made in relation to the intended use of the asset) and is summarised below by asset category.

#### **Right-of-use asset – Subsequent measurement**

The VIT depreciates the right-of-use assets on a straight-line basis from the lease commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The right-of-use assets are also subject to revaluation.

In addition, the right-of-use asset is periodically reduced by impairment losses, if any and adjusted for certain remeasurements of the lease liability.

Fair value for plant and equipment which is specialised in use (such that it is rarely sold other than as part of a going concern) is determined using the current replacement cost method. Note 7.3 includes additional information in connection with fair value determination of plant and equipment.

### **4.1.2 Depreciation**

	2022 \$	2021 \$
<b>Charge for the period (i)</b>		
Leasehold improvements	551,370	551,370
Furniture and fittings	6,607	10,269
Plant and equipment	12,915	14,327
<b>Total depreciation</b>	<b>570,891</b>	<b>575,966</b>

(i) The table incorporates depreciation of right-of-use assets as *AASB 16 Leases*.

Depreciation is generally calculated on a straight-line basis at rates that allocate the asset's value, less any estimated residual value, over its estimated useful life. Typical estimated useful lives for the different asset classes for current and prior years are included in the following table.

Asset	Useful life years	Rates	
		2022	2021
		%	%
Leasehold improvements	8	12.5	12.5
Furniture and fittings	8	12.5	12.5
Plant and equipment	4	20.41	20.41

The estimated useful lives, residual values and depreciation method are reviewed at the end of each annual reporting period and adjustments made where appropriate.

Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term. Where VIT obtains ownership of the underlying leased asset or if the cost of the right-of-use asset reflects that the entity will exercise a purchase option, the entity depreciates the right-of-use asset over its useful life.

Leasehold improvements are depreciated over the lease term, which is considered to be their useful life.

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.

The assets concerned are tested as to whether their carrying value exceeds their recoverable amount. Where an asset's carrying value exceeds its recoverable amount, the difference is written off as an 'other economic flow', except to the extent that it can be debited to an asset revaluation surplus amount applicable to that class of asset.

If there is an indication there has been a reversal in impairment, the carrying amount shall be increased to its recoverable amount. However, this reversal should not increase the asset's carrying amount above what would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised in prior years.

#### 4.1.3 Reconciliation of movements in carrying values of plant and equipment

	Leasehold improvements		Furniture and fittings		Plant and equipment		Total	
	2022 \$	2021 \$	2022 \$	2021 \$	2022 \$	2021 \$	2022 \$	2021 \$
Opening balance	2,181,310	2,732,680	6,355	20,544	18,462	32,789	2,206,127	2,786,013
Recognition of right-of-use assets on initial application of AASB 16	-	0	-	-	-	0	-	0
Additions / transfers	-	0	24,760	-	79,458	-	104,218	-
Adjustments	-	-	-	(3,920)	-	-	-	(3,920)
Disposals	-	-	-	-	(14,724)	-	(14,724)	-
Depreciation expense	(551,370)	(551,370)	(6,607)	(10,269)	(12,915)	(14,327)	(570,891)	(575,966)
<b>Closing balance</b>	<b>1,629,941</b>	<b>2,181,310</b>	<b>24,507</b>	<b>6,355</b>	<b>70,281</b>	<b>18,462</b>	<b>1,724,730</b>	<b>2,206,127</b>



## 4.2 Intangible assets

	Work in progress		CRM development		Other software		Total	
	2022	2021	2022	2021	2022	2021	2022	2021
	\$	\$	\$	\$	\$	\$	\$	\$
<b>Software and capitalised software development</b>								
<b>Carrying amount</b>								
Opening balance	105,080	4,927,974	2,028,918	2,028,918	6,881,053	1,493,803	9,015,051	8,450,695
Additions	117,956	564,356	-	-	-	-	117,956	564,356
Disposals	-	-	-	-	-	-	-	-
Transfers	(105,080)	(5,387,250)	-	-	105,080	5,387,250	-	-
<b>Closing balance</b>	<b>117,956</b>	<b>105,080</b>	<b>2,028,918</b>	<b>2,028,918</b>	<b>6,986,133</b>	<b>6,881,053</b>	<b>9,133,007</b>	<b>9,015,051</b>
<b>Accumulated amortisation and impairment</b>								
Opening balance	-	-	(2,028,918)	(2,028,918)	(2,055,290)	(910,011)	(4,084,209)	(2,938,929)
Disposals	-	-	-	-	-	-	-	-
Adjustments	-	-	-	-	-	-	-	-
Amortisation expense	-	-	-	-	(1,284,662)	(1,145,280)	(1,284,662)	(1,145,280)
<b>Closing balance</b>	<b>-</b>	<b>-</b>	<b>(2,028,918)</b>	<b>(2,028,918)</b>	<b>(3,339,952)</b>	<b>(2,055,290)</b>	<b>(5,368,871)</b>	<b>(4,084,208)</b>
<b>Net book value at end of financial year</b>	<b>117,956</b>	<b>105,080</b>	<b>-</b>	<b>-</b>	<b>3,646,180</b>	<b>4,825,762</b>	<b>3,764,136</b>	<b>4,930,842</b>

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

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

- technical feasibility of completing the intangible asset so that it will be available for use or sale;
- intention to complete the intangible asset and use or sell it;
- availability of adequate technical, financial and other resources to complete development and use / sell the intangible asset;
- ability to use or sell the intangible asset;
- intangible asset will generate probable future economic benefits; and
- ability to measure reliably the expenditure attributable to the intangible asset during its development.

Subsequent measurement: Intangible produced assets with finite useful lives are depreciated as an 'expense from transactions' on a straight-line basis over their useful lives. Produced intangible assets have useful lives of between 3 and 7 years.

Impairment of intangible assets: Goodwill and intangible assets with indefinite useful lives (and intangible assets not yet available for use) are tested annually for impairment and whenever there is an indication that the asset may be impaired. Intangible assets with finite useful lives are tested for impairment whenever an indication of impairment is identified. The policy in connection with testing for impairment is outlined in section 4.1.1.

Significant intangible assets: VIT has developed a new customer relationship management system (CRM) which is built on a Salesforce platform (referred to as Nexus) to replace its legacy Microsoft CRM4 and CRM6 systems. This new capability went live on 1 September 2020. This platform has now become the primary resource in managing VIT's regulatory, engagement and legislated functions. Both legacy systems (CRM4 and CRM 6) are still maintained as data repositories and will remain operational until such time as a single data storage solution is developed.

## Note 5

### Other assets and liabilities

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

#### 5.1 Receivables

	2022 \$	2021 \$
<b>Current receivables</b>		
<b>Contractual</b>		
Debtors	14,895	14,046
Accrued investment income	10,245	2,580
<b>Total current contractual receivables</b>	<b>25,140</b>	<b>16,627</b>
<b>Statutory</b>		
Net GST receivables	80,388	104,078
<b>Total current statutory receivables</b>	<b>80,388</b>	<b>104,078</b>
<b>Total current receivables</b>	<b>105,528</b>	<b>120,704</b>
<b>Total receivables</b>	<b>105,528</b>	<b>120,704</b>

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

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

Details about VIT's impairment policies, VIT's exposure to credit risk, and the calculation of the loss allowance are set out in note 7.1.3.

##### 5.1.1 Ageing analysis of contractual receivables

	Past due but not impaired					
	Carrying amount \$	Not past due and not impaired \$	< 1 month \$	1-3 months \$	3-12 months \$	1-5 years \$
<b>Receivables</b>						
<b>2022</b>						
Debtors	14,895	-	12,685	2,210	-	-
Accrued investment income	10,245	10,245	-	-	-	-
<b>Total contractual receivables</b>	<b>25,140</b>	<b>10,245</b>	<b>12,685</b>	<b>2,210</b>	<b>-</b>	<b>-</b>
<b>2021</b>						
Debtors	14,046	-	2,307	1,580	-	10,160
Accrued investment income	2,580	2,580	-	-	-	-
<b>Total contractual receivables</b>	<b>16,626</b>	<b>2,580</b>	<b>2,307</b>	<b>1,580</b>	<b>-</b>	<b>10,160</b>

The carrying amounts disclosed here exclude statutory amounts (e.g. amounts owing from Victorian Government and GST input tax credits recoverable).

## 5.2 Payables

	2022 \$	2021 \$
<b>Current payables</b>		
<b>Contractual</b>		
Trade creditors and accruals	636,721	347,645
<b>Total current contractual payables</b>	<b>636,721</b>	<b>347,645</b>
<b>Total payables</b>	<b>636,721</b>	<b>347,645</b>

Contractual payables are classified as financial instruments and are measured at amortised cost. Accounts payable represent liabilities for goods and services provided to VIT prior to the end of the financial year that are unpaid.

Payables for supplies and services have an average credit period of 30 days. No interest is charged on the payables.

### Maturity analysis of contractual payables

	Maturity dates					
	Carrying amount \$	Nominal amount \$	< 1 month \$	1-3 months \$	3-12 months \$	1-5 years \$
<b>2022</b>						
Payables	636,721	636,721	-	-	-	-
	<b>636,721</b>	<b>636,721</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>2021</b>						
Payables	347,645	606,587	-	-	-	-
	<b>347,645</b>	<b>606,587</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

## 5.3 Other non-financial assets

	2022 \$	2021 \$
<b>Current other non-financial assets</b>		
Prepayments	304,859	347,862
<b>Total other non-financial assets</b>	<b>304,859</b>	<b>347,862</b>

Other non-financial assets include prepayments which represent 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.

## 5.4 Other provisions

	2022 \$	2021 \$
<b>Non-current provisions</b>		
Make good provision	451,700	459,658
<b>Total other provisions</b>	<b>451,700</b>	<b>459,658</b>

Other provisions are recognised when VIT has a present obligation, the future sacrifice of economic benefits is probable and the amount of the provision can be measured reliably. The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at reporting date, taking into account the risks and uncertainties surrounding the obligation.

Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows, using a discounted rebate that reflects the time, value of money and risks specific to the provision.

### 5.4.1 Reconciliation of movement in other provisions

	2022 \$	2021 \$
<b>Opening balance</b>	<b>459,658</b>	<b>486,266</b>
Increase / (decrease) of provisions recognised	(7,958)	(26,608)
<b>Closing balance</b>	<b>451,701</b>	<b>459,658</b>
Non-current	451,701	459,658
<b>Closing balance</b>	<b>451,701</b>	<b>459,658</b>

The make good provision is recognised in accordance with the lease agreement for VIT's office facilities. The VIT must remove any leasehold improvements from the leased premises and restore the floor to its original condition at the end of the lease term.



## Note 6

### How VIT financed operations

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

#### 6.1 Lease liabilities

	2022 \$	2021 \$
<b>Current lease liabilities</b>		
<b>Contractual</b>		
Lease liabilities (i)	554,055	554,158
<b>Total current contractual lease liabilities</b>	<b>554,055</b>	<b>554,158</b>
<b>Non-current lease liabilities</b>		
<b>Contractual</b>		
Lease liabilities (i)	1,296,822	1,850,877
<b>Total non-current contractual lease liabilities</b>	<b>1,296,822</b>	<b>1,850,877</b>
<b>Total contractual lease liabilities</b>	<b>1,850,877</b>	<b>2,405,035</b>
<b>Total lease liabilities</b>	<b>1,850,877</b>	<b>2,405,035</b>

(i) Lease liabilities are effectively secured as the rights to the leased assets revert to the lessor in the event of default.

#### Maturity analysis of lease liabilities

	Maturity dates					
	Carrying amount \$	Nominal amount \$	< 1 month \$	1-3 months \$	3-12 months \$	1-5 years \$
<b>2022</b>						
Lease liabilities	1,850,877	1,850,877	45,803	1,805,074	-	5,217,377
	<b>1,850,877</b>	<b>1,850,877</b>	<b>45,803</b>	<b>1,805,074</b>	<b>-</b>	<b>5,217,377</b>
<b>2021</b>						
Lease liabilities	2,405,035	2,405,035	43,358	88,545	422,255	1,850,877
	<b>2,405,035</b>	<b>2,405,035</b>	<b>43,358</b>	<b>88,545</b>	<b>422,255</b>	<b>1,850,877</b>

Lease liabilities are classified as financial instruments. Interest bearing liabilities are classified at amortised cost unless VIT elects to irrevocably designate them at fair value through profit or loss at initial recognition. The election depends on the nature and purpose of the interest-bearing liabilities.

#### 6.2 Leases

Information about leases for which VIT is a lessee is presented below.

##### The VIT's leasing activities

The VIT leases a property and ICT equipment. The lease contracts are typically made for fixed periods of 1-8 years with an option to renew the lease after that date. Lease payments for properties are renegotiated every eight years to reflect market rentals.

### 6.2.1 Right-of-use assets

ROU assets are presented in note 4.1.1.

### 6.2.2 Amounts recognised in the Statement of Comprehensive Statement

The following amounts are recognised in the Statement of Comprehensive Operating Statement relating to leases.

	2022 \$	2021 \$
Interest expense on lease liabilities	36,677	46,179
	<b>36,677</b>	<b>46,179</b>

Interest expense includes the interest component of lease repayments. Interest expense is recognised in the period in which it is incurred.

### 6.2.3 Amounts recognised in the Cash Flow Statement

The following amounts are recognised in the Cash Flow Statement for the year ending 30 June 2022 relating to leases.

	2022 \$	2021 \$
Total cash outflow for leases	(554,158)	(525,203)
	<b>(554,158)</b>	<b>(525,203)</b>

For any new contracts entered into, VIT considers whether a contract is, or contains a lease. A lease is defined as 'a contract, or part of a contract, that conveys the right to use an asset (the underlying asset) for a period of time in exchange for consideration'. To apply this definition, VIT assesses whether the contract meets three key evaluations

- whether the contract contains an identified asset, which is either explicitly identified in the contract or implicitly specified by being identified at the time the asset is made available to VIT and for which the supplier does not have substantive substitution rights;
- whether VIT has the right to obtain substantially all of the economic benefits from use of the identified asset throughout the period of use, considering its rights within the defined scope of the contract and VIT has the right to direct the use of the identified asset throughout the period of use; and
- whether VIT has the right to take decisions in respect of 'how and for what purpose' the asset is used throughout the period of use.

This policy is applied to contracts entered into, or changed, on or after 1 July 2019.

#### Separation of lease and non-lease components

At inception or on reassessment of a contract that contains a lease component, the lessee is required to separate out and account separately for non-lease components within a lease contract and exclude these amounts when determining the lease liability and right-of-use asset amount.

#### Recognition and measurement of leases as a lessee (under AASB 16 from 1 July 2019)

##### Lease liability – initial measurement

The lease liability is initially measured at the present value of the lease payments unpaid at the commencement date, discounted using the interest rate implicit in the lease if that rate is readily determinable or VIT's incremental borrowing rate.

Lease payments included in the measurement of the lease liability comprise the following

- fixed payments (including in-substance fixed payments) less any lease incentive receivable;
- variable payments based on an index or rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee; and
- payments arising from purchase and termination options reasonably certain to be exercised.

#### Lease liability – subsequent measurement

Subsequent to initial measurement, the liability will be reduced for payments made and increased for interest. It is remeasured to reflect any reassessment or modification, or if there are changes in-substance fixed payments.

When the lease liability is remeasured, the corresponding adjustment is reflected in the right-of-use asset, or profit and loss if the right-of-use asset is already reduced to zero.

#### Presentation of right of use assets and lease liabilities

The VIT presents right-of-use assets as 'plant and equipment'. Lease liabilities are presented as 'lease liabilities' in the balance sheet.

### 6.3 Cash flow information and balances

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

	2022 \$	2021 \$
<b>Reconciliation of cash and cash equivalents</b>		
Total cash and cash equivalents disclosed in the balance sheet	13,753,666	11,868,933
<b>Balance as per cash flow statement</b>	<b>13,753,666</b>	<b>11,868,933</b>

#### 6.3.1 Reconciliation of net results for the period to cash flow from operating activities

	2022 \$	2021 \$
<b>Net result for the period</b>	10,365	(857,381)
<b>Non-cash movements</b>		
Future value of make good provision	(7,958)	(26,608)
(Gain) / loss on sale or disposal of non-current assets	-	3,920
Depreciation and amortisation of non-current assets	1,855,554	1,721,246
<b>Movements in assets and liabilities</b>		
(Increase) / decrease in current receivables	15,175	132,944
(Increase) / decrease in other current assets	43,004	51,250
Increase / (decrease) in current payables	588,259	(6,500)
Increase / (decrease) in unearned fees	289,076	(258,942)
Increase / (decrease) in provisions	(147,135)	220,887
<b>Net cash flows from / (used in) operating activities</b>	<b>2,646,340</b>	<b>980,816</b>

## 6.4 Commitments for expenditure

Commitments for future expenditure include operating and capital commitments arising from contracts. These commitments are recorded below at their nominal value and inclusive of GST. Where it is considered appropriate and provides additional relevant information to users, the net present values of significant individual projects are stated. These future expenditures cease to be disclosed as commitments once the related liabilities are recognised in the balance sheet.

### Expenditure commitments

	2022 \$	2021 \$
<b>Payables</b>		
Not longer than 1 year	666,089	381,418
Longer than 1 year but not longer than 5 years	2,549,325	111,412
Longer than 5 years	2,372,853	-
<b>Total commitments for expenditure (inclusive of GST)</b>	<b>5,588,268</b>	<b>492,830</b>
Less GST recoverable from the Australian Taxation Office	508,024	44,802
<b>Total commitments for expenditure (exclusive of GST)</b>	<b>5,080,244</b>	<b>448,028</b>



## Note 7

### Risks, contingencies and valuation judgements

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

#### 7.1 Financial instruments specific disclosures

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

#### Categories of financial assets

##### Financial assets at amortised cost

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

- the assets are held by VIT to collect the contractual cash flows; and
- the assets' contractual terms give rise to cash flows that are solely payments of principal and interests.

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

The VIT recognises the following assets in this category

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

##### Categories of financial liabilities

Financial liabilities at amortised cost are initially recognised on the date they are originated. They are initially measured at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, these financial instruments are measured at amortised cost, with any difference between the initial recognised amount and the redemption value being recognised in profit and loss over the period of the interest bearing liability, using the effective interest rate method.

Financial instrument liabilities measured at amortised cost include payables.

Reclassification of financial instruments: Subsequent to initial recognition, and under rare circumstances, non-derivative financial instrument assets that have not been designated at fair value through profit or loss upon recognition, may be reclassified out of the fair value, through profit and loss category, if they are no longer held for the purpose of selling or repurchasing in the near term.

Financial assets that meet the definition of receivables may be reclassified out of the fair value, through profit and loss category into the loans and receivables category, where they would have met the definition of receivables had they not been required to be classified as fair value through profit and loss. In these cases, the financial instrument assets may be reclassified out of the fair value through profit and loss category, if there is the intention and ability to hold them for the foreseeable future or until maturity.

### 7.1.1 Financial instruments: categorisation

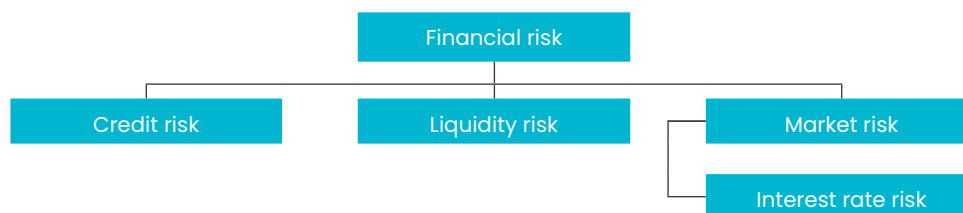
	Cash and deposits	Financial assets at amortised cost	Financial liabilities at amortised cost	Total
	\$	\$	\$	\$
<b>2022</b>				
<b>Contractual financial assets</b>				
Cash and deposits	13,753,666	-	-	13,753,666
<b>Receivables</b>				
Debtors	-	14,896	-	14,895
Accrued investment income	-	10,245	-	10,245
<b>Total contractual financial assets</b>	<b>13,753,666</b>	<b>25,140</b>	<b>-</b>	<b>13,778,806</b>
<b>Contractual financial liabilities</b>				
Payables	-	-	636,721	-
<b>Total contractual financial liabilities</b>	<b>-</b>	<b>-</b>	<b>636,721</b>	<b>-</b>
<b>2021</b>				
<b>Contractual financial assets</b>				
Cash and deposits	11,868,933	-	-	11,868,933
<b>Receivables</b>				
Debtors	-	14,047	-	14,047
Accrued investment income	-	2,580	-	2,580
<b>Total contractual financial assets</b>	<b>11,868,933</b>	<b>16,627</b>	<b>-</b>	<b>11,885,560</b>
<b>Contractual financial liabilities</b>				
Payables	-	-	347,645	347,645
<b>Total contractual financial liabilities</b>	<b>-</b>	<b>-</b>	<b>347,645</b>	<b>347,645</b>

### 7.1.2 Financial instruments – net holding gain / (loss) on financial instruments by category

	Net interest income / (expense) \$	Total \$
<b>2022</b>		
<b>Contractual financial assets</b>		
Financial assets at amortised cost	54,850	54,850
<b>Total contractual financial assets</b>	<b>54,850</b>	<b>54,850</b>
<b>Contractual financial liabilities</b>		
Financial liabilities at amortised cost	(36,677)	(36,677)
<b>Total contractual financial liabilities</b>	<b>(36,677)</b>	<b>(36,677)</b>
<b>2021</b>		
<b>Contractual financial assets</b>		
Financial assets at amortised cost	55,292	55,292
<b>Total contractual financial assets</b>	<b>55,292</b>	<b>55,292</b>
<b>Contractual financial liabilities</b>		
Financial liabilities at amortised cost	(46,179)	(46,179)
<b>Total contractual financial liabilities</b>	<b>(46,179)</b>	<b>(46,179)</b>

### 7.1.3 Financial risk management objectives and policies

The VIT is exposed to a number of financial risks.



As a whole, VIT's financial risk management program seeks to manage these risks and the associated volatility of its financial performance.

Details of the significant accounting policies and methods adopted, including the criteria for recognition, the basis of measurement, and the basis on which income and expenses are recognised, with respect to each class of financial asset, financial liability and equity instrument above are disclosed in Note 7.3 to the financial statements.

The main purpose in holding financial instruments is to prudentially manage VIT's financial risks within the government policy parameters.

The VIT's main financial risks include credit risk, liquidity risk and interest rate risk. The VIT manages these financial risks in accordance with its financial risk management policy.

The VIT uses varying methods to measure and manage the risks to which it is exposed. Primary responsibility for the identification and management of financial risks rests with the VIT Council.

**Financial instruments: credit risk**

Credit risk arises from the financial assets of VIT, which comprise cash and deposits, trade and other receivables. The VIT's exposure to credit risk arises from the potential default of counterparties on their contractual obligations resulting in financial loss to VIT. Credit risk is measured at fair value and is monitored on a regular basis.

The VIT has adopted the policy of only dealing with authorised deposit-taking institutions (ADIs) and to obtain sufficient collateral or credit enhancements where appropriate. In addition, VIT does not engage in hedging for its financial assets and mainly obtains financial assets that are on fixed interest, except for cash assets, which are mainly cash at bank.

The VIT does not have any significant credit risk exposure to any single counterparty or any group of counterparties having similar characteristics.

**Impairment of financial assets under AASB 9**

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

The carrying amount of financial assets recorded in the balance sheet, net of any provision for losses, represents VIT's maximum exposure to credit risk, without taking account of the value of collateral or other security obtained.

**Financial instruments: liquidity risk**

Liquidity risk is the risk that VIT would be unable to meet its financial obligations as and when they fall due. The VIT operates under the Government Fair Payments Policy of settling financial obligations within 30 days, and in the event of a dispute, making payments within 30 days from the date of resolution.

The VIT's maximum exposure to liquidity risk is the carrying amounts of financial liabilities as disclosed in the face of the balance sheet. VIT manages its liquidity risk via

- maintaining an adequate level of uncommitted funds that can be drawn at short notice to meet its short-term obligations;
- careful maturity planning of its financial obligations based on forecasts of future cash flows; and
- a high credit rating for the State of Victoria (Moody's Investor Services and Standard & Poor's AAA), which assists in assessing debt market at a lower interest rate.

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

The carrying amounts detailed in the table of contractual financial liabilities recorded in the financial statements at note 7.1.1 represents VIT's maximum exposure to liquidity risk.

**Financial instruments: market risk**

The VIT's exposures to market risk are primarily through interest rate risk, with minimum exposure to foreign currency and other price risks. Objectives, policies and processes used to manage interest rate risk are disclosed below.

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

*Cash flow interest rate risk* is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The VIT has minimal exposure to cash flow interest rate risks through its cash and deposits, term deposits and bank overdrafts that are at floating rates.

The VIT manages this risk by mainly undertaking fixed rate or non-interest bearing financial instruments with relatively even maturity profiles, with only insignificant amounts of financial instruments at floating rates. Management has concluded that cash at bank, as a financial asset, can be left at floating rates without necessarily exposing VIT to significant bad risk. Management monitors movement in interest rates on a daily basis.



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

**Interest rate exposure of financial instruments**

	Weighted average effective interest rate %	Carrying amount \$	Fixed interest rate \$	Variable interest rate \$	Non-interest bearing \$
<b>2022</b>					
<b>Financial assets</b>					
Cash and deposits	0.31	13,753,666	-	13,752,766	900
<b>Receivables</b>					
Debtors	-	14,895	-	-	14,895
Accrued investment income	-	10,245	-	-	10,245
<b>Total financial assets</b>		<b>13,778,806</b>	<b>-</b>	<b>13,752,766</b>	<b>26,040</b>
<b>Financial liabilities</b>					
Payables	-	636,721	-	-	636,721
<b>Total financial liabilities</b>	<b>-</b>	<b>636,721</b>	<b>-</b>	<b>-</b>	<b>636,721</b>
<b>2021</b>					
<b>Financial assets</b>					
Cash and deposits	0.35	11,868,933	-	11,868,033	900
<b>Receivables</b>					
Debtors	-	14,047	-	-	14,047
Accrued investment income	-	2,580	-	-	2,580
<b>Total financial assets</b>		<b>11,885,559</b>	<b>-</b>	<b>11,868,033</b>	<b>17,526</b>
<b>Financial liabilities</b>					
Payables	-	347,645	-	-	347,645
<b>Total financial liabilities</b>	<b>-</b>	<b>347,645</b>	<b>-</b>	<b>-</b>	<b>347,645</b>

**Interest rate risk sensitivity**

		Interest rate	
		-0.1% (10 basis points)	0.1% (10 basis points)
	Carrying amount \$	Net result \$	Net result \$
<b>2022</b>			
<b>Contractual financial assets</b>			
Cash and deposits (i)	13,752,766	(137,528)	137,528
<b>Total impact</b>		<b>(137,528)</b>	<b>137,528</b>
<b>Contractual financial liabilities</b>			
<b>Total impact</b>		<b>-</b>	<b>-</b>
<b>2021</b>			
<b>Contractual financial assets</b>			
Cash and deposits (i)	11,868,033	(118,680)	118,680
<b>Total impact</b>		<b>(118,680)</b>	<b>118,680</b>
<b>Contractual financial liabilities</b>			
<b>Total impact</b>		<b>-</b>	<b>-</b>

(i) Cash and cash deposits include a deposit of \$13,114 (2021: \$18,033) that is exposed to floating rates movements.

Sensitivities to these movements are calculated as follows

- 2022:  $\$13,114 \times -(0.01) = (\$131)$  and  $\$13,114 \times 0.01 = \$131$
- 2021:  $\$18,033 \times -(0.01) = (\$180)$  and  $\$18,033 \times 0.01 = \$180$

Foreign currency risk: All foreign currency transactions during the financial year are brought to account using the exchange rate in effect at the date of the transaction. The VIT is exposed to foreign currency risk through their engagement of a US-based organisation for the fulfilment of its payment card compliance work. The VIT has no outstanding foreign exchange exposure.

## 7.2 Contingent assets and contingent liabilities

As at 30 June 2022, VIT had no contingent assets and liabilities (2021: \$0).

## 7.3 Fair value determination

### Significant judgement: Fair value measurements of assets and liabilities

Fair value determination requires judgement and the use of assumptions.

This section discloses the most significant assumptions used in determining fair values. Changes to assumptions could have a material impact on the results and financial position of VIT.

This section sets out information on how VIT determined fair value for financial reporting purposes. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants and the measurement date.

The following assets and liabilities are carried at fair value

- furniture and fittings
- plant and equipment
- leasehold improvements.

The VIT determines the policies and procedures for determining fair values for both financial and non-financial assets and liabilities as required.

### Fair value hierarchy

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

The levels are as follows

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

The VIT considers the carrying amount of financial assets and liabilities recorded in the financial instruments to be a fair approximation of their fair values, because of the short-term nature of the financial instruments and the expectation that they will be paid in full.

### Description of significant unobservable inputs to Level 3 valuations

	Valuation technique	Significant unobservable inputs
Furniture and fittings	Current replacement cost	Cost per unit
		Useful life of furniture and fittings
Plant and equipment	Current replacement cost	Cost per unit
		Useful life of plant and equipment
Leasehold improvements	Current replacement cost	Cost per unit
		Useful life of furniture and fittings

## Note 8

### Other disclosures

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

#### 8.1 Changes in accounting policies

There were no changes to accounting policies during 2021-22.

#### 8.2 Responsible persons

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

##### Names

The Hon. J Merlino, MP – Deputy Premier and Minister for Education – 1 July 2021 to 30 June 2022

Mr P Corcoran – Accountable officer (Chief Executive Officer) – 1 July 2021 to 30 June 2022

##### Members of the responsible body – 1 July 2021 to 30 June 2022

Ms L Lamb (i) – Council Chairperson	Ms L Douglas (i) (8 March 2022 to 30 June 2022)	Ms S Rogers (i) (1 June 2022 to 30 June 2022)
Mr P Desmond (i) – Deputy Chairperson	Mr A Ferra (i)	Ms J Scull (1 June 2022 to 30 June 2022)
Ms J Barbousas	Ms S Hannan (i)	Mr A Sheumack (i) (1 July 2021 to 31 January 2022)
Ms J Brown (i)	Ms D Harrison (i) (1 July 2021 to 31 December 2021)	Ms A Stringer (i)
Mr M Butler (i)	Ms M Pontikis (i) (1 June 2022 to 30 June 2022)	Ms R Vine (i)
Ms G Carr (i)	Mr D Robinson (i) (16 August 2021 to 30 June 2022)	Mr G Young (i)

(i) The above Councillors have paid teacher registration fees to VIT in the amount of \$108. Total receipts are disclosed at Note 8.4 Related parties.

Remuneration received or receivable by the Accountable Officer in connection with the management of VIT during the reporting period was in the range of \$300,000 – \$309,999 (\$290,000 – \$299,000 in 2020-21).

Income range \$	2022	2021
0-9,999	15	13
10,000-19,999	2	1
20,000-29,999	-	-
40,000-49,999	1	1
290,000-299,999	-	1
300,000-309,999	1	-
<b>Total</b>	<b>19</b>	<b>16</b>



## 8.3 Remuneration of executives and other personnel

### 8.3.1 Remuneration of executives

The number of executive officers, other than ministers and accountable officers, and their total remuneration during the reporting period are shown below. Total annualised employee equivalents provide a measure of full-time equivalent executive officers over the reporting period. The key management personnel are not included in this note.

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

Short-term employee benefits include amounts such as wages, salaries, annual leave or sick leave, bonuses (if payable within 12 months of the end of the period), as well as non-monetary benefits such as allowances and free or subsidised goods or services.

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

Other long-term benefits include long service leave, other long service benefits or deferred compensation and bonuses (not payable wholly within 12 months).

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

As per *FRD21C Disclosure of responsible persons and executive officers in the financial report* (May 2017), the only VIT staff member at VIT who is employed as an executive under Part 3 of the *Public Administration Act 2004* or is a person whom the Victorian Government's Policy on Executive Remuneration in Public Entities applies, is the Chief Executive Officer. The Chief Executive Officer's remuneration is covered in Note 8.4.

### 8.3.2 Remuneration of other personnel

VIT did not engage any contractors charged with significant management responsibilities during the reporting period (2021: \$0).

## 8.4 Related parties

The VIT is a wholly-owned and controlled statutory authority. Related parties for VIT include

- all key management personnel, their close family members and personal business interests (controlled entities, joint ventures and entities they have significant influence over);
- all Council members and their close family members;
- all departments and public sector entities that are controlled and consolidated into the whole of state consolidated financial statements; and
- Minister for Education, Skills and Training and his close family members.

All related party transactions have been entered into on an arm's length basis.

### Significant transactions with government-related entities

VIT received no funding from the Department of Education and Training (2021: \$870,161) or Victoria Police (2021: \$14,589).

VIT incurred expenditure with the Australian Criminal Intelligence Agency of \$929,959 (2021: \$868,457), Victorian Management Insurance Authority of \$28,082 (2021: \$22,481), Victorian Public Service commission of \$2,251 (2021: \$2,251) and the Victorian Police of \$49,887 (2020: \$50,357) during 2021-22.

### Significant transactions with other-related entities

The Minister's remuneration and allowances is set by the *Parliamentary Salaries and Superannuation Act 1968* and is reported within the Department of Parliamentary Services' Financial Report.

The VIT received an aggregate of \$108 from KMPs in the form of teacher registration and other (NCCHC fees) payments from Council members, as indicated in Note 8.2 Responsible persons.

Key management personnel of VIT include

- Minister for Education
- Council members
- Chief Executive Officer.

	2022 \$	2021 \$
<b>Compensation</b>		
Short-term employee benefits	344,199	362,692
Post-employment benefits	30,056	28,120
Other long-term benefits	6,599	6,501
<b>Total key management personnel compensation</b>	<b>380,854</b>	<b>397,313</b>

#### Transactions and balances with key management personnel and other related parties

Given the breadth and depth of state government activities, related parties transact with the Victorian public sector in a manner consistent with other members of the public (e.g. stamp duty and other government fees and charges). Further employment of processes within the Victorian public sector occur on terms and conditions consistent with the *Public Administration Act 2004* and Codes of Conduct and Standards issued by the Victorian Public Sector Commission. Procurement processes occur on terms and conditions consistent with the Victorian Government Procurement Board requirements.

Outside normal citizen type transactions, there were no related party transactions that involved key management personnel, their close family members and / or their personal business interests.

No provision has been required, nor any expense recognised, for impairment of receivables from related parties.

### 8.5 Remuneration of auditors

	2022 \$	2021 \$
<b>Victorian Auditor-General's Office</b>		
Audit of financial statements	31,000	30,660
<b>Total remuneration of auditors</b>	<b>31,000</b>	<b>30,660</b>

### 8.6 Subsequent events

No significant events occurred after Balance Sheet date to materially impact on the operations.

### 8.7 Australian Accounting Standards issued that are not yet effective

The following Australian Accounting Standards become effective for reporting periods commencing after the operative dates stated.

Certain new standards have been published that are not mandatory for the 30 June 2022 reporting period. DTF assess the impact of all these new standards and advises VIT of its early adoption, where applicable.

## 8.8 Glossary of technical terms

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

### AMORTISATION

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

### COMMITMENTS

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

### COMPREHENSIVE RESULT

The comprehensive result is the net result of all items of income and expense recognised for the period. It is the aggregate of operating result and other comprehensive income.

### DEPRECIATION

Depreciation is an expense that arises from the consumption through wear or time of a produced physical asset. This expense is classified as a 'transaction' and so reduces the 'net result from transaction'.

### EMPLOYEE BENEFITS EXPENSES

Employee benefits expenses include all costs related to employment including wages and salaries, fringe benefits tax, leave entitlements, redundancy payments, defined benefits superannuation plans and defined contribution superannuation plans.

### EX-GRATIA EXPENSES

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

### FINANCIAL ASSET

A financial asset is any asset that is

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

### FINANCIAL INSTRUMENT

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Financial assets or liabilities that are not contractual are not financial instruments.

### FINANCIAL LIABILITY

A financial liability is any liability that is a contractual obligation to

- deliver cash or another financial asset to another entity
- exchange financial assets or financial liabilities with another entity under conditions that are potentially unfavourable to the entity.

### FINANCIAL STATEMENTS

Financial statements in the Model Report comprises

- balance sheet as at the end of the period
- comprehensive operating statement for the period
- statement of changes in equity for the period
- cash flow statement for the period
- notes, comprising a summary of significant accounting policies and other explanatory information
- comparative information in respect of the preceding period as specified in paragraph 38 of *AASB 101 Presentation of Financial Statements*
- statement of financial position as at the beginning of the preceding period when an entity applies an accounting policy retrospectively or makes a retrospective restatement of items in its financial statements, or when it reclassifies items in its financial statements in accordance with paragraphs 41 of *AASB 101*.

### INTANGIBLE ASSETS

Intangible assets represent identifiable non-monetary assets without physical substance.

### INTEREST EXPENSE

Costs incurred in connection with the borrowing of funds include interest on bank overdrafts and short- and long-term borrowings, amortisation of discounts or premiums relating to borrowings, interest component of finance leases repayments, and the increase in financial liabilities and non-employee provisions due to the unwinding of discounts to reflect the passage of time.

### INTEREST INCOME

Interest revenue includes interest earned on bank term deposits, interest from investments and other interest received.

### LEASE LIABILITIES

Lease liabilities refers to interest-bearing liabilities mainly raised from public borrowings raised through the lease liabilities arrangements and other interest-bearing arrangements. Lease liabilities also include non-interest-bearing advances from government that are acquired for policy purposes.

**LEASES**

Leases are rights conveyed in a contract, or part of a contract, the right to use an asset (the underlying asset) for a period of time in exchange for consideration.

**NET RESULT**

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

**NET RESULT FROM TRANSACTIONS / NET OPERATING BALANCE**

Net result from transactions or net operating balance is a key fiscal aggregate, and is revenue from transactions minus expenses from transactions. It is a summary measure of the ongoing sustainability of operations. It excludes gains and losses resulting from changes in price levels and other changes in the volume of assets. It is the component of the change in net worth that is due to transactions and can be attributed directly to government policies.

**NET WORTH**

Assets less liabilities, which is an economic measure of wealth.

**NON-FINANCIAL ASSETS**

Non-financial assets are all assets that are not 'financial assets'. They include plant and equipment, and intangible assets.

**OTHER ECONOMIC FLOWS**

Other economic flows are changes in the volume or value of an asset or liability that do not result from transactions. They include gains and losses from disposals, revaluations and impairments of non-current physical and intangible assets; actuarial gains and losses arising from defined benefit superannuation plans; fair value changes of financial instruments and agricultural assets; and depletion of natural assets (non-produced) from their use or removal. In simple terms, other economic flows are changes arising from market re-measurements.

**PAYABLES**

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

**RECEIVABLES**

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

**SALES OF GOODS AND SERVICES**

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

**SUPPLIES AND SERVICES**

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

**TRANSACTIONS**

Transactions are those economic flows that are considered to arise as a result of policy decisions, usually an interaction between two entities by mutual agreement. They also include flows within an entity (such as depreciation where the owner is simultaneously acting as the owner of the depreciating asset and as the consumer of the service provided by the asset). Taxation is regarded as mutually-agreed interactions between the government and taxpayers.

Transactions can be in-kind (e.g. assets provided / given free of charge or for nominal consideration) or where the final consideration is cash. In simple terms, transactions arise from the policy decisions of the government.

**STYLE CONVENTIONS**

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

The notation used in the tables is as follows

-	zero or rounded to zero
(xxx)	negative numbers
20xx	year period
20xx-xx	year period

The financial statements and notes are presented based on the illustration for a government department in the 2021-22 Model Report for Victorian Government departments. The presentation of other disclosures is generally consistent with the other disclosures made in earlier publications of VIT's annual reports.





Val Landewee (registered teacher) with learner  
Richmond West Primary School





## Declaration in the financial statements

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

We further state that in our opinion, the information set out in the comprehensive operating statement, balance sheet, statement of changes in equity, cash flow statement and accompanying notes presents fairly the financial transactions during the year ended 30 June 2022 and financial position of the Victorian Institute of Teaching as at 30 June 2022.

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

We authorise the attached financial statements for issue on 5 October 2022.

**Lesley Lamb**  
Chairperson

Docklands, in the State of Victoria  
5 October 2022

**Peter Corcoran**  
Chief Executive Officer

Docklands, in the State of Victoria  
5 October 2022

**Anshul Malhotra**  
(Acting) Chief Financial Officer

Docklands, in the State of Victoria  
5 October 2022



## Independent Auditor's Report

### To the Council of the Victorian Institute of Teaching

<b>Opinion</b>	<p>I have audited the financial report of the Victorian Institute of Teaching (the entity) which comprises the:</p> <ul style="list-style-type: none"> <li>• balance sheet as at 30 June 2022</li> <li>• comprehensive operating statement for the year then ended</li> <li>• statement of changes in equity for the year then ended</li> <li>• cash flow statement for the year then ended</li> <li>• notes to the financial statements, including significant accounting policies</li> <li>• declaration in the financial statements.</li> </ul> <p>In my opinion the financial report presents fairly, in all material respects, the financial position of the entity as at 30 June 2022 and its financial performance and cash flows for the year then ended in accordance with the financial reporting requirements of Part 7 of the <i>Financial Management Act 1994</i> and applicable Australian Accounting Standards.</p>
<b>Basis for Opinion</b>	<p>I have conducted my audit in accordance with the <i>Audit Act 1994</i> which incorporates the Australian Auditing Standards. I further describe my responsibilities under that Act and those standards in the <i>Auditor's Responsibilities for the Audit of the Financial Report</i> section of my report.</p> <p>My independence is established by the <i>Constitution Act 1975</i>. My staff and I are independent of the entity in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 <i>Code of Ethics for Professional Accountants</i> (the Code) that are relevant to my audit of the financial report in Victoria. My staff and I have also fulfilled our other ethical responsibilities in accordance with the Code.</p> <p>I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.</p>
<b>Council's responsibilities for the financial report</b>	<p>The Council of the entity is responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards and the <i>Financial Management Act 1994</i>, and for such internal control as the Council determines is necessary to enable the preparation and fair presentation of a financial report that is free from material misstatement, whether due to fraud or error.</p> <p>In preparing the financial report, the Council is responsible for assessing the entity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless it is inappropriate to do so.</p>

**Auditor's  
responsibilities  
for the audit  
of the financial  
report**

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

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

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

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

MELBOURNE  
11 October 2022



Charlotte Jeffries  
*as delegate for the Auditor-General of Victoria*

# Appendix A

## Disclosure index

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

Legislation	Requirement	Page reference
<b>Standing directions and financial reporting directions</b>		
<b>Report of operations</b>		
<b>Charter and purpose</b>		
FRD 22	Manner of establishment and the relevant Ministers	1, 5
FRD 22	Purpose, functions, powers and duties	7–60
FRD 22	Key initiatives and projects	11–12
FRD 22	Nature and range of services provided	7–60
<b>Management and structure</b>		
FRD 22	Organisational structure	58
<b>Financial and other information</b>		
FRD 8	Performance against output performance measures	n/a
FRD 8	Budget portfolio outcomes	n/a
FRD 10	Disclosure index	101–102
FRD 12	Disclosure of major contracts	107
FRD 15	Executive disclosures	93–94
FRD 22	Employment and conduct principles	55
FRD 22	Occupational health and safety policy	54
FRD 22	Summary of the financial results for the year	49–50
FRD 22	Significant changes in financial position during the year	49–50
FRD 22	Major changes or factors affecting performance	n/a
FRD 22	Subsequent events	94
FRD 22	Application and operation of <i>Freedom of Information Act 1982</i>	54
FRD 22	Compliance with building and maintenance provisions of <i>Building Act 1993</i>	n/a
FRD 22	Statement on National Competition Policy	53
FRD 22	Application and operation of the <i>Public Interest Disclosures Act 2012</i>	53
FRD 22	Application and operation of the <i>Carers Recognition Act 2012</i>	n/a
FRD 22	Details of consultancies over \$10,000	107
FRD 22	Details of consultancies under \$10,000	107
FRD 22	Disclosure of government advertising expenditure	n/a
FRD 22	Disclosure of ICT expenditure	108
FRD 22	Statement of availability of other information	109
FRD 22	Asset Management Accountability Framework (AMAF) maturity assessment	56
FRD 24	Reporting of office-based environmental impacts	53
FRD 29	Workforce Data disclosures	55
SD 5.2	Specific requirements under Standing Direction 5.2	i–60

**Compliance attestation and declaration**

SD 5.4.1	Attestation for compliance with Ministerial Standing Direction	61
SD 5.2.3	Declaration in report of operations	ii

**Financial statements****Declaration**

SD 5.2.2	Declaration in financial statements	98
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**Other requirements under Standing Directions 5.2**

SD 5.2.1(a)	Compliance with Australian Accounting Standards and other authoritative pronouncements	67
SD 5.2.1(a)	Compliance with Standing Directions	67
SD 5.2.1(b)	Compliance with Model Financial Report	67-97

**Other disclosures as required by FRDs in notes to the financial statements\***

FRD 9	Departmental Disclosure of Administered Assets and Liabilities by Activity	n/a
FRD 11	Disclosure of Ex-gratia Expenses	n/a
FRD 13	Disclosure of Parliamentary Appropriations	n/a
FRD 21	Disclosures of Responsible Persons, Executive Officers and other Personnel (Contractors with Significant Management Responsibilities) in the Financial Report	84
FRD 103	Non-Financial Physical Assets	74-80
FRD 110	Cash Flow Statements	65, 82, 83
FRD 112	Defined Benefit Superannuation Obligations	72

\*References to FRDs have been removed from the Disclosure Index if the specific FRDs do not contain requirements that are of the nature of disclosure.

**Legislation**

<i>Education and Training Reform Act 2006</i>	5-6
<i>Victorian Privacy and Data Protection Act 2014</i>	5-6
<i>Health Records Act 2001</i>	5-6
<i>Freedom of Information Act 1982</i>	54
<i>Building Act 1993</i>	53
<i>Financial Management Act 1994</i>	67



# Appendix B

## Australian Accounting Standards Board reporting requirements for for-profit and not-for-profit entities in the Victorian public service

The following table provides guidance on reporting requirements under Australian Accounting Standards applicable for for-profit entities (FP) and not-for-profit entities (NFP).

Y Standard is applicable  
 N Standard is not applicable  
 NR Standard is applicable but is not relevant to the entity

AASB	Description	For-profit	Not-for-profit
1	First-time adoption of Australian Accounting Standards	Y	Y
2	Share-based payment	NR	NR
3	Business combinations	Y	Y
4	Insurance contracts <sup>5</sup>	Y	NR
5	Non-current assets held for sale and discontinued operations	Y	Y
6	Exploration for and evaluation of mineral resources	N	N
7	Financial instruments: disclosures	Y	Y
8	Operating segments	N	N
9	Financial instruments	Y	Y
10	Consolidated financial statements	Y	Y
11	Joint arrangements	Y	Y
12	Disclosure of interests in other entities	Y	Y
13	Fair value measurement	Y	Y
14	Regulatory deferral accounts	NR	NR
15	Revenue from contracts with customers	Y	Y
16	Leases	Y	Y
17	Insurance contracts <sup>1</sup>	Applicable from reporting periods beginning on or after 1 January 2023	The AASB is reviewing to replace AASB 1023 and AASB 1038 with this standard
101	Presentation of financial statements	Y	Y
102	Inventories	The cost of inventories comprises all costs of purchase, costs of conversion and other costs incurred	Where inventories are acquired at no cost, or for nominal consideration, the cost shall be the current replacement cost as at the date of acquisition
107	Statement of cash flows	Y <sup>2</sup>	Y
108	Accounting policies, changes in accounting estimates and errors	Y	Y
110	Events after the reporting period	Y	Y

<sup>1</sup> AASB 17 Insurance Contracts will supersede AASB 4 Insurance Contracts and will apply to the for-profit entities for periods beginning on or after 1 January 2023.

<sup>2</sup> Treasury Corporation of Victoria report their cash flows on a net basis as it satisfies the criteria in AASB 107.22.

AASB	Description	For-profit	Not-for-profit
112	Income taxes	A deferred tax asset can arise on non-taxable government grant related to an asset	A deferred tax asset does not arise on a non-taxable government grant related to an asset
116	Property, plant and equipment	Revaluation increments and decrements are offset by individual asset	Revaluation increments and decrements are offset by class of assets
119	Employee benefits	Employee benefit obligations shall be determined using market yields on high quality corporate bonds	Employee benefit obligations shall be determined using market yields on government bonds
120	Accounting for government grants and disclosure of government assistance	Y	N
121	The effects of changes in foreign exchange rates	NR	NR
123	Borrowing costs	Y	Y <sup>3</sup>
124	Related party disclosures	Y	Y
127	Separate financial statements	Y	Y
128	Investments in associates and joint ventures	Y	Y
129	Financial reporting in hyperinflationary economies	NR	NR
132	Financial instruments: presentation	Y	Y
133	Earnings per share	NR	NR
134	Interim financial reporting	Y	N
136	Impairment of assets	Value in use is determined by the present value of future cash flows associated with asset	Value in use shall be determined by current replacement cost
		Impairment loss on a revalued asset can be applied against revaluation reserve for the same asset	Impairment loss on a revalued asset can be applied against revaluation reserve by class of assets
137	Provisions, contingent liabilities and contingent assets	Y	Y
138	Intangible assets	Revaluation increments and decrements are offset by individual asset	Revaluation increments and decrements are offset by class of assets
140	Investment property	Y	Y
141	Agriculture <sup>4</sup>	Y	Y

<sup>3</sup>Under AASB 123 *Borrowing Costs*, NFP entities can elect to recognise borrowing cost as an expense regardless of how the borrowings are applied. However, *FRD 105B Borrowing costs* requires entities to expense all borrowing costs.

<sup>4</sup>For periods beginning on or after 1 January 2018, for-profit entity grants will need to be assessed under AASB 15 and other related accounting guidance. For periods beginning on or after 1 January 2019, the not-for-profit entities will need to assess and apply the appropriate accounting treatment under AASB 15, AASB 1058 and other related accounting standards.

AASB	Description	For-profit	Not-for-profit
1004	Contributions <sup>5</sup>	NR	Y
1023	General insurance contracts <sup>6</sup>	Y	Y
1038	Life insurance contracts <sup>6</sup>	Y	N
1039	Concise financial reports	N	N
1048	Interpretation of standards	Y	Y
1049	Whole of government and general government sector financial reporting	Y	Y
1050	Administered items	NR	Y
1051	Land under roads	Y	Y
1052	Disaggregated disclosures	Y	Y
1053	Application of tiers of Australian Accounting Standards	Y	Y
1054	Australian additional disclosures	Y	Y
1055	Budgetary reporting	N	Y
1056	Superannuation entities	N	N
1057	Application of Australian Accounting Standards	Y	Y
1058	Income of not-for-profit entities	N	Y
1059	Service concession arrangements: grantors <sup>7</sup>	Y	Y

<sup>5</sup>The majority of income recognition requirements in *AASB 1004* have been superseded by *AASB 15* and *AASB 1058* for periods beginning on or after 1 January 2019. However, *AASB 1004* retains the accounting requirements in relation to parliamentary appropriations by government departments, restructures of administrative arrangements for other government controlled NFP entities and contributions by owners and distributions to owners by whole of government and local government.

<sup>6</sup>*AASB* is reviewing to replace *AASB 1023* and *AASB 1038* with *AASB 17* standard.

<sup>7</sup>*AASB 1059* applies to annual periods beginning on or after 1 January 2020, with earlier application permitted. The State early adopted the standard and was applied to annual periods beginning on or after 1 January 2019.

## Appendix C

### Australian accounting standards issued that are not yet effective

Certain Australian accounting standards have been issued but are not effective for the 2021-22 reporting period. These accounting standards have not been applied to the financial statements.

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

In addition to the new standards and amendments above, the AASB has issued a list of other amending standards that are not effective for the 2021-22 reporting period (as listed below). In general, these amending standards include editorial and reference changes that are expected to have insignificant impacts on public sector reporting.

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

## Appendix D

### Details of consultancies

#### Details of consultancies (valued at \$10,000 or greater)

In 2021-22, there were three consultancies where the total fees payable to the consultants were \$10,000 or greater. The total expenditure incurred during 2021-22 in relation to these consultancies was \$196,852.10 (excl GST). Details of individual consultancies are outlined below.

Consultant	Purpose of consultancy	Total approved project fee \$ (excl. GST)	Expenditure 2018-2019 \$ (excl. GST)	Future expenditure \$ (excl. GST)
Bliss Media Pty Ltd	VIT Website development	21,367.10	21,367.10	-
Brooke Institute Pty Ltd	Software maintenance and Support charges - Salesforce	50,400.00	50,400.00	-
Bond Consultancy Pty Ltd	Advice - Legal & Investigations	12,000.00	10,450.00	1,550.00
Brash Consulting Pty Ltd	Advice & training - TER	20,000.00	14,635.00	5,365.00
Department of Premier & Cabinet	Digital ID functionality for Salesforce	300,000.00	100,000.00	-
TOTAL		403,767.10	196,852.10	6,915.00

#### Details of consultancies under \$10,000

In 2021-22, there was 1 consultancy engaged during the year, where the total fees payable to the individual consultancy was less than \$10,000. The total expenditure incurred during 2021-22 in relation to this consultancy was \$1,960 (excl GST). There were no contracts related to the Victorian Industry Participation Policy.



## Appendix E

### Information and communications technology expenditure

#### Details of Information and Communication Technology (ICT) expenditure for the 2021-22 reporting period

The Victorian Institute of Teaching had a total ICT expenditure of \$4,253,010 with the details shown below.

Business as usual (BAU) ICT expenditure \$	Non-business as usual (non-BAU) ICT expenditure \$	Operational expenditure (OPEX) \$	Capital expenditure (CAPEX) \$
3,970,351	282,660	72,512	210,148

## Appendix F

### Additional information available on request

Relevant information not included in this report is available on request to VIT and includes

- declarations of pecuniary interests
- shares held beneficially by senior officers as nominees of a statutory authority
- publications produced by VIT and where they can be obtained
- overseas visits undertaken
- industrial relations issues.

Enquiries should be made to

Chief Executive Officer  
Victorian Institute of Teaching  
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