

Annual Report

2020-2021



Samiksha Sharma (registered teacher) with learners
KU Craigieburn Children's Centre

1 July 2020 - 30 June 2021

2020–21 at a glance



138,340
REGISTERED
TEACHERS*



109,301
RENEWED
REGISTRATION



7,295
FIRST TIME
REGISTRANTS



112
CONDUCT MATTERS
RESOLVED



37,570
REGISTRATIONS
ASSESSED



37,570
NATIONALLY COORDINATED
CRIMINAL HISTORY CHECKS



19 INCIDENTS
OF UNREGISTERED
TEACHING



44,895 CALLS
RESPONDED TO



1,824 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

The Hon. James Merlino, MP
Minister for Education
2 Treasury Place
East Melbourne
Victoria 3002

Dear Minister

In accordance with the *Financial Management Act 1994*, I am pleased to present the Victorian Institute of Teaching's Annual Report for the year ending 30 June 2021.

Yours sincerely



Lesley Lamb
Chairperson

Melbourne
11 August 2021



Raminderdeep Bangar (registered teacher) with learner Fairhaven Kindergarten

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Statement of Expectations

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.

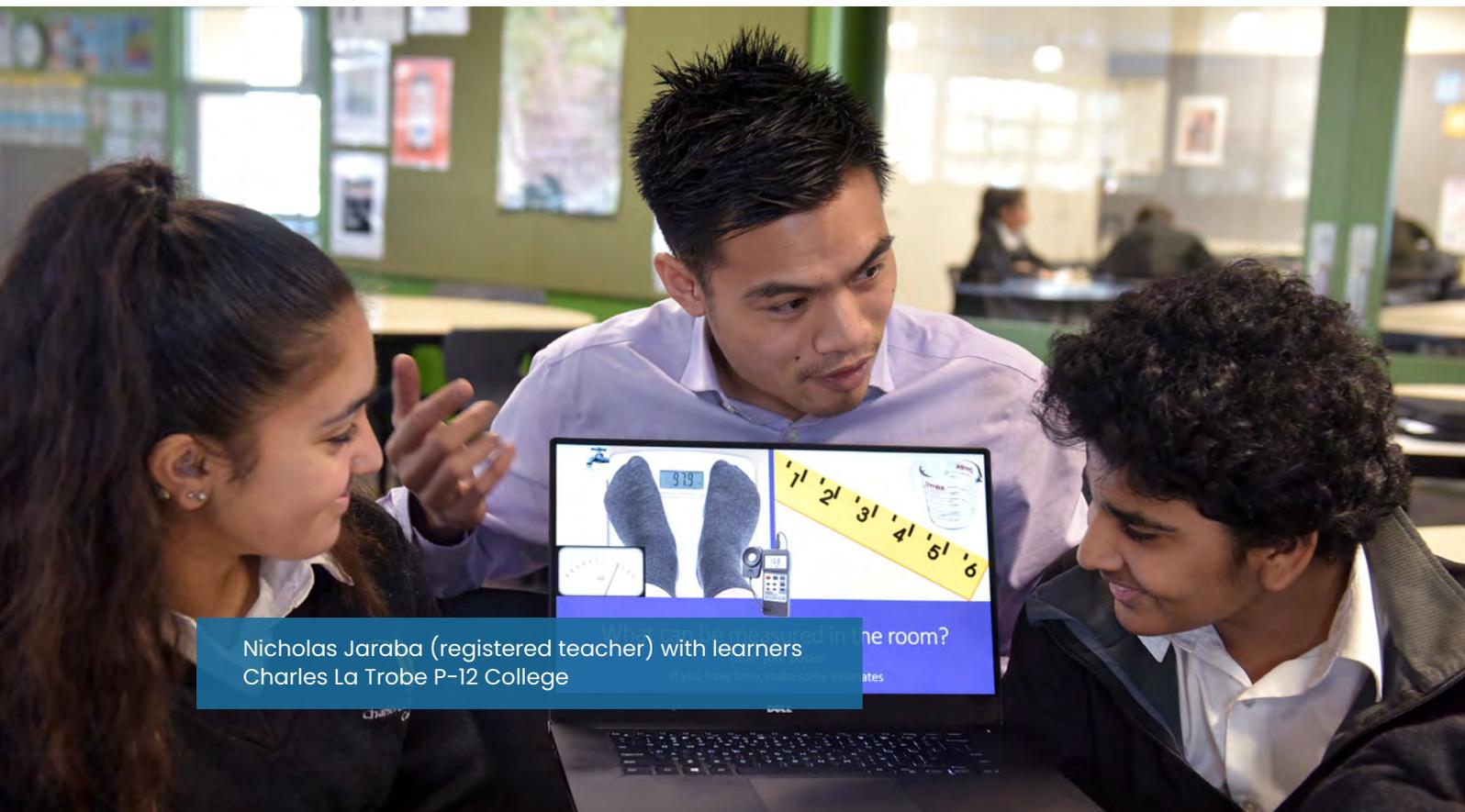
On 26 June 2018, the Hon. James Merlino MP, Deputy Premier and Minister for Education provided the VIT with a statement of expectations for the period 1 July 2018 to 30 June 2020.

An evaluation of VIT's implementation of the Statement of Expectations 2018–2020 was undertaken by the Department of Education and Training in conjunction with the VIT in the second half of 2020.

On 4 December 2020, Andrew Nipe, Acting Deputy Secretary, Policy, Strategy and Performance, provided Peter Corcoran, VIT CEO a copy of the final evaluation report, stating:

I note a number of evaluation findings which provide an indication of the VIT's success in improving the timeliness of decision-making for teacher registration and disciplinary action, setting consistent and transparent teacher quality standards, and providing effective compliance advice.

A full copy of the evaluation report can be found on the [VIT website](#).



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 the [VIT website](#).

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.



Mia Williamson (registered teacher) with learner
Albert Park Secondary College

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 well-being 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.

VIT's 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 the [VIT website](#).



Pardeep Samra (registered teacher) with learners
KU Craigieburn Children's Centre

VIT: Our strategic direction 2020-2021

The Victorian Institute of Teaching (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

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 functions

register teachers and assist compliance
 accredit teacher education programs
 ensure all teachers maintain standards
 investigate misconduct and take appropriate regulatory action

Our principles

accountable and transparent
 efficient and timely
 intelligence-led and expert
 risk-based and proportionate

Our strategic objectives



Performance measures

Provide for the safety and wellbeing of children and young people

- pre-service teachers and teachers are aware of and comply with the Codes of Conduct and Ethics with high number of resources accessed
- framework for the assessment of teacher suitability is applied consistently and transparently, leading to improved compliance
- regulatory actions aligned with those of Working With Children Victoria
- school and early childhood centre leadership are aware of and actively implementing the code in their schools and centres, resulting in a reduction in misconduct / serious misconduct
- reduced rate of recidivism
- school and early childhood centre leadership are aware of reporting obligations and are actively doing so.



Enable quality teaching and the best educational outcomes

- Code of Conduct adhered to and part of profession's shared vocabulary
- APST embedded in practice by the profession
- teachers are satisfied and compliant with trusted and appropriate professional learning framework
- audits show increased compliance
- increased educational outcomes measures for Victorian students
- increased efficacy of professional learning requirements for teachers
- all Victorian ITE programs for school teachers accredited by VIT
- new professional learning measurement and recording system at renewal.



Engage actively with and learn from stakeholders

- improved understanding of, and engagement with, the teaching profession
- improved mechanisms for listening to community and stakeholders, leading to increased input from, and outreach to, key stakeholders
- increased number of stakeholders knowing and understanding our purpose and a reduction in complaints against VIT processes and practices.



Strengthen governance and accountability

- improved use of data through business system development
- strengthened governance capability, with reporting requirements to Council fulfilled and delegations operating as effectively as possible within existing legislative framework
- strategic relationships built with co-regulators and education sector, leading to increased VIT involvement in the development and implementation of state education policy and legislative initiatives.



Be a capable, high performing regulator

- business systems built to increase ability to manage key regulatory functions
- high performing workforce built with high levels of engagement and satisfaction, completed probation and performance development plans in place
- performance management issues resolved
- positive outcomes from learning and development activity.

Our legislation

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.

Further substantial amendments to the legislation were enacted in 2010, with effect from 1 January 2011. VIT continues in operation under, and subject to, the Act (as amended).

In 2018, legislation added an overarching function that VIT, when performing any regulatory function, must consider the wellbeing and safety of children, including by taking into account 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 'pathway' programs and continuing professional development programs.

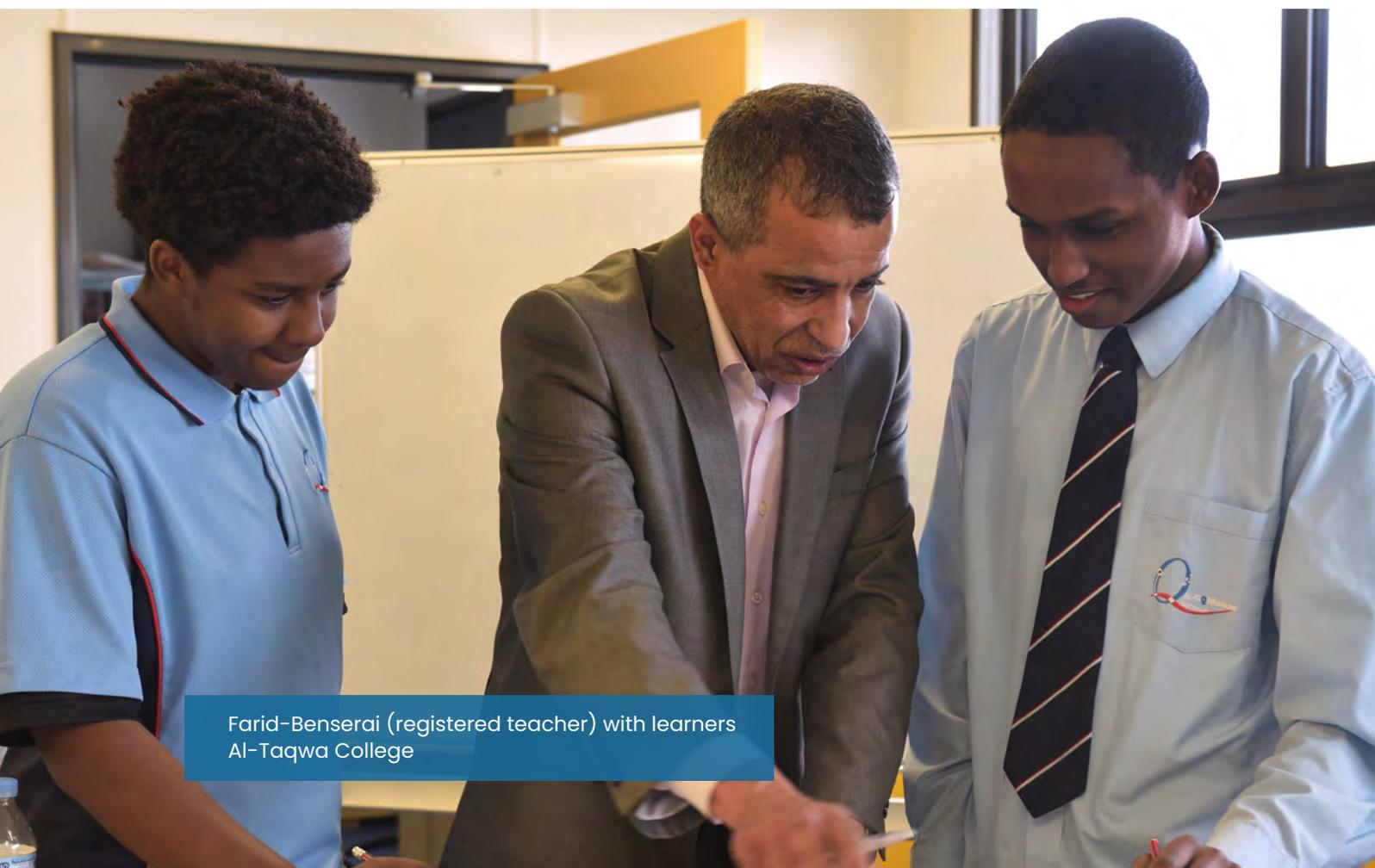


Rhiannon Hercus (registered teacher) with learners
Catherine McAuley College

The amending Act also improved VIT's information sharing powers. The Minister's general powers were also amended to allow the issuing of policies, guidelines and directions to the Institute.

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.



Farid-Benserai (registered teacher) with learners
Al-Taqwa College

Strategic priorities and key achievements



Provide for the safety and wellbeing of children and young people

Key achievements

- published the revised Victorian Teaching Profession's Code of Conduct and Ethics, along with guidance material
- developed additional resources and seminars to support teachers working remotely to create a safe working environment for learners online
- reduced unregistered teaching practice through targeted education and communications
- produced video case studies, podcasts and de-identified regulatory decisions covering teacher conduct issues, professional boundaries and fitness to teach
- introduced new proof of identity requirements to meet Australian Criminal Intelligence Commission (ACIC) requirements for identity validation.



Enable quality teaching and the best educational outcomes

Key achievements

- supported ITE providers to implement national reforms in early reading instruction to strengthen the capacity of graduate teachers to teach reading
- monitored the implementation of the Victorian Selection Framework to assure the ongoing clarity and transparency of the required selection criteria for entrants into initial teacher education (ITE) programs
- promoted excellence in teaching through videos, podcasts and newsletter articles
- supported providers to embed the Teaching Performance Assessment (TPA) in their programs
- educated teachers about the Australian Professional Standards for Teachers and the Victorian Teaching Profession's Code of Conduct and Ethics
- worked collaboratively with subject experts to deliver targeted standards-based professional learning on identified needs.



Engage actively with and learn from stakeholders

Key achievements

- actively contributed to Australasian Teacher Regulatory Authorities (ATRA) and Australian Institute for Teaching and School Leadership (AITSL) meetings and workshops, promoting VIT's position in relation to the national reform agenda
- created and redesigned resources in response to feedback from teachers
- supported ITE providers and panellists in transitioning to the use of new AITSL Guidelines for the Accreditation of ITE programs in Australia
- increased engagement with school principals and early childhood leaders through improved readership and click through rates of circulars

- participated in the Marrung Central Governance roundtable
- supported the implementation of the Victorian government's Innovative ITE program initiative
- contributed to the pilot of the Victorian government's Graduate Teacher Induction pilot (Career Start)
- introduced targeted circulars for specific stakeholder groups.



Strengthen governance and accountability

Key achievements

- evaluated VIT's response to the Minister for Education's 2018-2020 Statement of Expectations and responded to the 2020-2022 Statement of Expectations
- VIT Council reviewed its strategic plan and developed the framework for a 2021-2023 plan
- VIT Council reviewed and revised its financial and non-financial delegations for greater efficiency and accountability
- undertook a major legislative revision of VIT's investigations powers and processes
- completed Activity Based Costing analysis
- achieved Victorian Protective Data Security Framework compliance
- actively contributed to the Victorian Automatic Mutual Registration Reference Group
- implemented a remote platform for conducting Hearing Panel cases
- continued the policies and policy framework review
- continued a major transformation of business systems
- undertook internal audit program and leave balance review.



Be a capable, high performing regulator

Key achievements

- participated in national forums and events, including attending national panellist training to provide advice and guidance to facilitators and identify opportunities for improvements
- continued annual reporting on Victorian ITE data for the third consecutive year, providing advice and feedback on nationally-developed guidance materials and reporting forms
- supported ITE providers' internship models, allowing an innovative approach to professional experience - especially in areas of workforce shortage and rural communities
- made adjustments to regulatory requirements to support registered teachers in maintaining their registration in light of COVID-19
- extended temporary regulatory measures for pre-service teachers and ITE providers in light of COVID-19
- continued to support staff wellbeing and manage remote work arrangements without compromising functions or service through the pandemic
- continued to attract, recruit and induct staff with appropriate skill sets and alignment with VIT's values.

Chairperson's message



Maintaining 'the still point' in our turning world demands continuous readjustment

2020 and 2021 have been challenging years for the Victorian education system: handling COVID-19, re-engaging learners and recognising the extraordinary professional contribution of teachers in the face of unprecedented, and apparently permanent, uncertainty. VIT has sought to support the education system and profession by providing a point of certainty, of professional integrity, with a continual focus on improvement.

COVID-19 could not stop our State's nor the VIT's social commitment to the provision of a high-quality education for our children and young people. Teachers in Victoria were amazingly resilient and resourceful, employing new pedagogic strategies and participating in collegiate, professional development even while confined to their homes.

The VIT acknowledged the professionalism of teachers in these challenging circumstances and adjusted professional learning and recency of practice requirements accordingly. The VIT also gave an additional grant of provisional registration to teachers unable to complete the transition to (full) registration due to COVID-19.

The Victorian government's commitment to assisting students whose learning was affected by remote learning saw the introduction of the Tutor Learning Initiative, and the VIT again pivoted to include an appropriate method of ensuring reliable standards for tutors employed under this scheme.



VIT has sought to support the education system and profession by providing a point of certainty, of professional integrity, with a continual focus on improvement.



Upholding high standards of teacher education

COVID-19 lockdowns didn't just impact on school settings, they also affected the next generation of teachers in training. Once again, the VIT, in consultation with the relevant tertiary institutions and education leaders, implemented adjustments to ensure that pre-service teachers (PSTs) were not unreasonably restricted from gaining the professional practice required to prepare them for such a demanding profession. In another interim measure, and with strict quality assurance requirements, VIT reduced the number of practical experience days required of PSTs and included days undertaken in an online environment.

Initial teacher education is under constant review and reform, and the VIT continues to liaise with other teacher regulatory authorities as well as participate in the reviews to ensure broader impacts on schools and the profession are considered.

Recent legislation has given VIT the responsibility to accredit pathway programs into education studies and to endorse ongoing professional learning programs. These nascent initiatives reflect both the government and VIT's strong focus on upholding high standards of teacher education and ongoing learning; a spotlight which is only growing stronger within the broader community.



Hayley Murphy (registered teacher) with learner
Carey Baptist Grammar School

Engaging with, and learning from, our stakeholders

The VIT developed online forums with parent organisations, co-regulators, Australian and international teacher regulators, ITE providers, industrial organisations, student organisations and numerous others. This networking ensured VIT maintained its current knowledge and connection with community. It was gratifying to see our presentation at the international teacher regulatory association virtual conference was well-received.

A Conduct Reporting Guide was created in collaboration with parent organisations in government, independent and Catholic sectors, the Victorian Registration and Qualifications Authority, the Commission for Children and Young People, Early Childhood regulation and Quality Assessment and Victoria Police. This guide provides a clear and consistent template for the profession and community to report to the relevant body.

The VIT supported and presented to specific cohorts of teachers as well as individual schools to learn from as broad a range of stakeholders as possible. Our Professional Practice team continued a busy program of engaging with the profession through promoting the Code of Conduct as well as conducting mentor training and seminars to support provisionally registered teachers move to (full) registration.

Meanwhile, the Stakeholder Engagement and Communications team has been incredibly productive, publishing podcasts on topics of high teacher relevance, video case studies and online showcasing of excellent teaching practice.

The VIT recognises when it doesn't meet the high standards it sets itself. Our website did not provide a user-friendly or appropriately sophisticated interface and so we spent the past 12 months developing a new website, which is in the final stages of user acceptance testing, having been reviewed in consultation with stakeholders across the profession. We expect the new site will be more reflective of our aim to support the profession and promote its quality and integrity in broader community.

Ensuring high standards of teacher conduct

As a regulator of teachers, the VIT must not just uphold standards but also work to ensure there is a process of continual reflection and improvement. The VIT welcomed new legislation in 2019 which solidified information-sharing protocols among relevant bodies and aligned processes between the VIT and Working with Children Check Victoria. This alignment necessitated the investigation of a substantial number of teachers with disclosable court outcomes so we could identify the (much smaller) number of individuals who no longer meet community expectations under this new measure.

This project, occurring at the same time as growing community awareness and empowerment, has led to burgeoning numbers of notifications of potential teacher misconduct. This is core business and the alignment project team and the Professional Conduct Branch worked tirelessly over the past 12 months to balance the rights of the identified teachers with our overarching commitment to child safety.



The VIT supported and presented to specific cohorts of teachers as well as individual schools to learn from as broad a range of stakeholders as possible.



Building the systems to support the work

The 2020–21 reporting period put significant demands on all staff and their branches at VIT. To this end, the VIT's Shared Services team organised for all staff to be resourced to work from home while also ensuring that the offices were reconfigured and equipped to allow for new density and COVID-safe requirements. In addition, new telephone services, equipment for securing highly confidential material, more versatile IT platforms and a host of other measures were put in place.

Of course, working remotely in a pandemic made demands of staff that were not so easily 'fixed'. Staff were not able to socialise together and enjoy that sense of collective efficacy that is so important in mitigating the negative effects of high-pressure work. So, the VIT also had to ensure staff morale and wellbeing was maintained. Amongst many initiatives was an online wellbeing 'room' for staff and Council alike to share ideas and resources in a light hearted manner. Regular online social club activities kept teams engaged across the business. Staff were also provided with access to professional services.

Council would like to recognise the superb efforts of staff, management and executive in compassionately and capably navigating the VIT through such demanding times.

Planning for continuous improvement

Our Council, juggling their own demanding careers and personal circumstances, has continued to make wise policy decisions to support the VIT team despite being unable to meet face-to-face as often as we would have liked. It was wonderful that we were able to meet in person to reflect, debate and build our new Strategic Plan with no 'you're on mute' comments to temporarily interrupt the work!

The Council saw two member departures during the reporting period. I would like to thank the Secretary's nominee, Susan McDonald, as well as experienced Councillor and nominee of the Independent Education Union (IEU), Kevin Moloney, for their work on VIT Council. Susan's measured and wise contribution to policy and decision-making was always appreciated. In addition to being qualified in Law, Kevin's experience as a teacher and VIT Councillor brought great balance to our discussions, and we are delighted to continue to benefit from his work in the legislative alignment project team.

Graeme Young has joined us as the new nominee for the IEU. Graham is Deputy Head of Senior School at Carey Grammar and is already bringing his unique perspective and breadth of teaching and leadership experience to Council. We anticipate the appointment of the Secretary's nominee will be made shortly so we can maintain our close working relationship with the Department of Education and Training.

The quality (and quantity!) of VIT's work has been formidable. That it was achieved in the already 'turning world' accelerated by COVID-19, is inspiring. Under the leadership of CEO, Peter Corcoran, and his positive and hugely capable team, we move into 2022 with renewed faith in our capacity to deliver the best teachers for the children and young people of Victoria.



Lesley Lamb

CEO's report



Recognising the impact of COVID-19

2020-21 will always be associated with COVID-19 and the dramatic impact it has had on our lives. For Victorians, it will be remembered for the lengthy lockdown and the resultant effect this had on families, employment, schooling and early childhood services. The rapid shift to remote learning showcased – like never before – the important role of teachers, and parents gained a new-found appreciation for their professionalism and hard work.

As the regulator for the teaching profession, the VIT quickly recognised the shift to remote learning impacted on the ability of some teachers, in particular casual relief teachers, to either gain employment or demonstrate their professional practice obligations. It also prevented some teachers from participating in their planned professional development activities. Remote learning also hindered pre-service teachers' ability to undertake their professional placement in schools. In recognition of these impacts, the VIT relaxed some of the annual professional practice and professional development obligations for registration renewal, and reduced the required professional placement requirements for pre-service teachers.

“As the regulator for the teaching profession, the VIT quickly recognised the shift to remote learning impacted on the ability of some teachers, in particular casual relief teachers, to either gain employment or demonstrate their professional practice obligations.”

2020-21 will also be remembered for the important role technology played in enabling remote learning and for business continuity. It was timely that we refreshed and launched the Victorian Teaching Profession Code of Conduct (the Code) to address

- increasing influence of social media, which has presented as a significant factor in relationships between teachers, learners and their families
- changing nature of teacher / learner relationships due to online educational environment
- outcomes from the Betrayal of Trust inquiry and Royal Commission into Institutional Responses to Child Sexual Abuse
- introduction of Child Safe Standards and the Reportable Conduct Scheme
- introduction of a regulatory purpose to consider the safety and wellbeing of children and young people, including by taking into account community expectations, in all VIT functions.



Lisa Lorenzen (registered teacher) with learner
Magpie Primary School

After an extensive consultation process, a consultation draft of the Code was developed and circulated among the teaching profession and key stakeholders for final comments. The feedback was overwhelmingly supportive.

The refreshed Code plays an important role in establishing a set of principles which describe the professional conduct, personal conduct and professional competence expected of all Victorian teachers by their colleagues, young people, families and the wider community. The revised Code was circulated to all teachers and employers at the start of term 2, 2021 and will come into effect on the first day of term 3, 2021.

COVID-19 and the requirement to be working from home also impacted VIT's ability to deliver its regulatory services. We had to quickly implement cloud-based telephony so that staff could answer phone calls from their home. One of our biggest challenges was that we were only halfway through completing the replacement of the teacher registration system. We had to complete the system build while working from home (with the fantastic help of our implementation partner Brooke Global).

We completed the project on time and to budget, and managed to launch it on the first day of the annual registration period. It worked well for the vast majority of teachers renewing their registration, but we recognise that some teachers had issues that required manual intervention. We have been working hard to eliminate as many of these obstacles as possible in time for the 2021-22 annual registration period.

The challenges of COVID-19 also impacted timeframes for teacher registration application assessment. The VIT experienced higher than normal numbers of teacher registration applications and resulting enquiries in 2020-21, and this caused some delays in responding to both queries and processing applications. The VIT endeavoured to prioritise applications for those applicants with a pending teaching position.

There were also some delays for ITE graduates in obtaining certificates of completion, delays in obtaining Nationally Coordinated Criminal Record Checks from the Australian Criminal Intelligence Commission (ACIC), and delays resulting from ACIC's new proof of identity obligations which impacted registration application and renewal assessments. The VIT has put on additional staff in the Teacher Engagement and Registration Branch in an effort to mitigate any future issues for the 2021-22 annual registration period.

Over the past year, the *Education and Training Reform Act 2006* has been amended to introduce new legislative responsibilities for the VIT to approve ITE pathway programs and professional development programs for teachers. We are currently recruiting additional staff to our already hardworking Accreditation and Professional Practice Branch to deliver these new functions. Additionally, we have been responsive to the Victorian government Tutor Learning initiative, by amending policy and managing the increased numbers of enquiries and registration applications from teacher tutors arising from this scheme.

I have been in awe of the flexibility and resilience shown by the VIT staff over these trying times and have been thrilled to see VIT continue to deliver its important regulatory services – despite all that COVID-19 has thrown us.

Arguably one of our most important areas of statutory responsibility is to investigate allegations or reports of teacher misconduct, competence and fitness to teach to determine whether a registered teacher's ability to practise as a teacher or an early childhood teacher is seriously detrimentally affected because of an impairment, and to impose sanctions where appropriate.

The VIT's conduct, competence and fitness to teach investigations workload continues to rapidly increase – from around 150 cases in 2017 to over 1,055 matters in June 2021. We have been compelled to put on additional staff in the Professional Conduct Branch in an effort to keep up with the increase in workload. I would like to acknowledge the incredibly high caseload of our investigators and legal personnel, and the high quality of work undertaken under significant pressure to expedite matters.

It has been a tough year for VIT staff. Working from home has some benefits (in particular the reduced commute times) but it also presents challenges for staff and management. It's been hard to complete the business transformation project remotely as well as support and train staff in the new system. It has also been hard to induct new staff; we have missed being able to quickly ask for help from nearby colleagues and benefit from the social interaction of working as a team.

I would like to pay special tribute to our Shared Services Branch who has kept VIT operational throughout the year as the vast majority of us worked from home – through the provision of technology, distribution of essential working supplies and undertaking some of the day-to-day things we take for granted – like processing the mail.

I have been in awe of the flexibility and resilience shown by VIT staff over these trying times and have been thrilled to see VIT continue to deliver its important regulatory services – despite all that COVID-19 has thrown us. I'd like to take this opportunity to formally recognise the hard work of the VIT team under the most challenging circumstances throughout the year and for rising to meet the challenges head on. I'd also like to thank the VIT Council for their support during this extraordinary year.



Peter Corcoran

Registration of Victorian teachers

As at 30 June 2021, there are 138,340 registered teachers in Victoria, of which 7,012 hold early childhood teacher (ECT) registration and 3,574 hold both teacher and ECT (dual) registration.

The total number of registered teachers increased by 0.99% from the previous year, and the total number of new registrants decreased by 16.1%.

Table 1
Number of registered teachers

Registration type	2020	2021	% change
(full) registration - school teacher	106,408	107,348	0.9
(full) registration - early childhood teacher	4,837	5,025	3.9
(full) registration - dual	1,862	2,163	16.2
Provisional registration - school teacher	14,565	14,245	-2.2
Provisional registration - early childhood teacher	1,984	1,987	0.2
Provisional registration - dual	1,233	1,411	14.4
Non-practising - school teacher	4,005	4,373	9.2
Non-practising - early childhood teacher	146	234	60.3
Non-practising - dual	33	60	81.8
Permission to teach	1,397	1,494	6.9
TOTAL	136,470	138,340	1.4

Table 2
Number of new registrants

Registration type	2020	2021	% change
Victorian qualifications	6,028	5,170	-14.2
Interstate qualifications	540	413	-23.5
Overseas qualifications	579	500	-13.6
Mutual recognition	1,000	660	-34.0
Permission to teach	545	552	1.3
TOTAL	8,692	7,295	-16.1

The revised Victorian Teaching Profession's Code of Conduct

Under the *Education and Training Reform Act 2006*, the VIT is required to develop, maintain and promote a code of conduct for the teaching profession. The Victorian Teaching Profession's Code of Conduct (the Code) identifies a set of principles which describe the professional conduct, personal conduct and professional competence expected of a teacher by their colleagues and the community.

The VIT has an overarching function to consider the safety and wellbeing of children, including by taking into account community expectations, and this underpins the principles set out in the Code. The Code recognises that the teacher-learner relationship is not equal; teachers hold a unique position of influence and trust with learners that should not be violated or compromised.

There have been significant social, technological and legislative changes in the teaching profession's landscape since the Code was first developed in 2008.

The VIT undertook an extensive review, in order to modernise the Code, taking into account these significant changes that have influenced and shaped what may now amount to appropriate professional and personal conduct by teachers.

The intention of the review was not to rewrite the Code in its entirety, rather to revise key components to ensure it is contemporary, relevant and clear to the profession, the public and VIT's key stakeholders.

The VIT's review was finalised in 2020, and included a Professional Boundaries workshop attended by over 100 stakeholders including teachers, early childhood teachers, educational leaders, parents and students. Following feedback from the workshop and 18 targeted workshops across the State, a discussion paper was developed and circulated.



Feedback from the consultation process informed the development of a draft Code, which was circulated to registered teachers and relevant stakeholders and received 581 formal responses.

Feedback on the final draft found

- 95% of respondents agreed the Code is reflective of the important role of teachers in providing for the safety and wellbeing of children and young people
- 93% of respondents agreed the Code is accessible to teachers from a broad range of teaching contexts (e.g. early childhood, primary, secondary, special schools, non-school settings)
- 91% agreed the Code's purpose and scope was clear.

The Code was published and circulated to all registered teachers, schools, early childhood services and other key stakeholders in April 2021 and comes into effect in Term 3 2021.

Key revisions to the Code include

- greater clarity on the purpose of the Code and how it is used by teachers, stakeholders, the community and VIT
- greater emphasis on teachers' requirements in providing for the safety and wellbeing of children and young people
- a recognition of the unique position of trust and the influence that teachers have over learners, and the expected professional boundaries between teachers and learners
- ensuring it reflects contemporary expectations on a teacher's professional and personal conduct, including online and on social media
- revisions to be more inclusive of the early childhood sector / varied teaching contexts.



Demi Wood (registered teacher) with learner St Mel's Kindergarten

To support teachers in engaging with the Code and reflecting on how they can meet its expectations, the VIT published supporting material including a teacher guidance pack, an educational leader support pack, case studies with reflective questions, podcasts and seminars.

The VIT will continue to develop further support materials to encourage teachers to engage with the Code.

VIT AT WORK – A CASE STUDY

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

Jenny Spears has lived and worked in rural Victoria for most of her life. She is an active member of the community, volunteering at the Rotary club, coaching local basketball with her husband and acting as secretary to the junior football club. Jenny teaches at the local high school, and knows a good proportion of the student body and their families personally. She is used to navigating this space, which is not unusual in her workplace, and has always been able to maintain appropriate professional boundaries.

After a presentation on the revised Code of Conduct, Jenny asked to speak with a member of VIT's Professional Practice team, as she now finds herself in even closer proximity to some of her learners. Jenny's older daughter, Stephanie, attends the school where she teaches. Stephanie has just started dating a local boy, who happens to be in Jenny's class.

Jenny wanted to discuss her situation with VIT, as she could see that having learners, such as Stephanie's boyfriend, at her home could be a breach of Principle 1.5: *teachers are always in a professional relationship with their learners whether they are at the place where they teach or not.*

Jenny advised her workplace leadership about her circumstances. She was transparent about her connection to some of the students, and shared the strategies she has employed to keep a professional distance.

These strategies include speaking with her daughter's friends and boyfriend about the difference between a professional and personal relationship. Jenny also set boundaries with them, for example, she asked them not to discuss school matters when they are socialising. Jenny also followed up conversations with their parents to reinforce the message that she needs to maintain professional boundaries at all times. Jenny asked them to support her in this by not asking her to discuss school-related matters outside of the workplace.

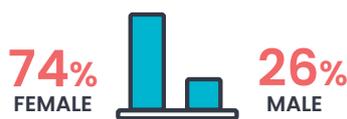
Jenny's workplace is comfortable and confident in her ability to maintain professional relationships, and knows that should any difficult situation arise, she will raise it with them directly.

Jenny felt reassured after speaking with VIT that she has taken appropriate action and these demonstrated her ability to maintain appropriate professional boundaries.

Quick facts: 2020-2021



SCHOOL TEACHERS



EARLY CHILDHOOD TEACHERS



DUAL REGISTERED TEACHERS



SCHOOL TEACHER
AVERAGE AGE

14% of school teachers
are under 30 years and
16% over 60 years



EARLY CHILDHOOD TEACHER
AVERAGE AGE

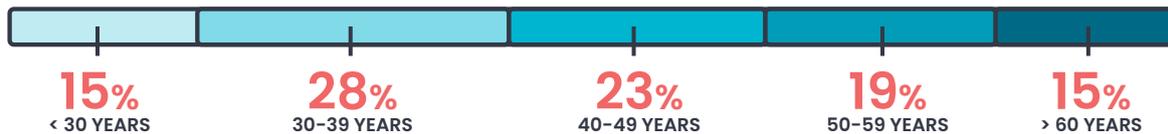
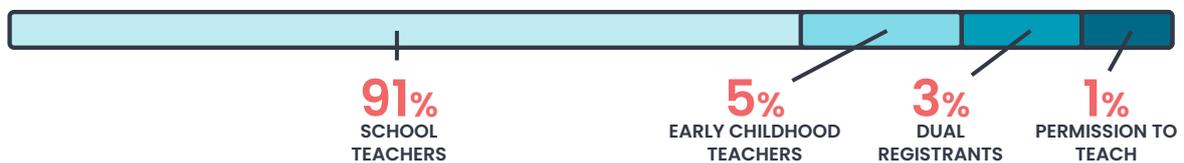
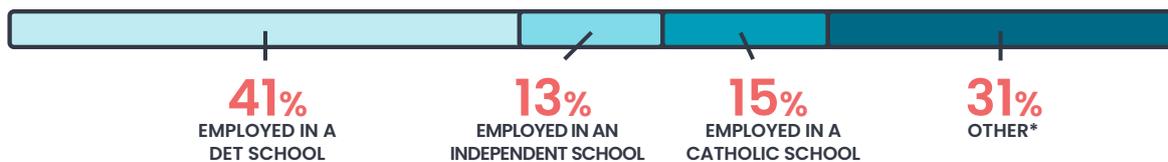
14% of early childhood
teachers are under 30 years
and 9% over 60 years



DUAL REGISTRANTS
AVERAGE AGE

40% of dual registered
teachers are under 30
years and 4% over 60 years



AGE**REGISTRATION TYPE****SECTOR**

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

VIT AT WORK – A CASE STUDY

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

Leo recently completed an undergraduate initial teacher education program in China. Leo was an exchange student from Australia and was one of the first entrants to this degree from Australia.

Leo was required to return to Australia due to the impacts of COVID-19. He contacted VIT to determine whether he could apply for teacher registration in Australia.

This was the first time the VIT had assessed a qualification from the university that Leo completed his degree at. It was a new qualification designed to attract English speaking applicants to teach in a rural setting in China. In order to assess Leo's eligibility to become registered, the VIT needed to determine whether the qualification was equivalent to an Australian ITE program.

The VIT consulted Country Education Profiles to determine whether the qualification was an accepted qualification for entry into the teaching profession in China. However, there was limited information available as this was a recently accredited degree.

The VIT requested Leo provide additional information about the course content and then assessed each element to determine whether it addressed each of the required key learning areas. The VIT also assessed whether the qualification included sufficient supervised teaching practice.

The VIT was able to determine that this degree was equivalent to an Australian qualification and Leo was able to be registered by the time he returned to Australia, in time to accept a position teaching Chinese Language in a Victorian Independent School.

Accreditation of initial teacher education programs

Accreditation of ITE 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 key 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.

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

In 2020-21, the VIT finalised the full stage one accreditation of 12 programs. There are currently 12 providers offering 163 accredited ITE programs in Victoria, 74 of which are in 'teach out'.*

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

VIT AT WORK – A CASE STUDY

Government restrictions due to COVID-19 in 2020-21 saw the VIT's Accreditation team explore how they could continue the work of accrediting initial teacher education (ITE) programs in a remote working capacity. Previously, the Accreditation Panel process was conducted in-person, and included panellists from other states and territories to ensure the nationally-agreed approach was applied.

VIT case managers took a collaborative approach and consulted with staff from another teacher regulatory authority who had piloted an online accreditation panel. Based on their advice, and with the cooperation of highly skilled panel chairs and panellists, the VIT successfully ran four online panels assessing fifteen ITE under-graduate and graduate entry programs during 2020-21.

To maximise effective online panel time, panel members were asked to complete a pre-assessment of the accreditation submission which was provided to the panel chair to guide discussion.

Panellists noted that while they enjoyed the collegiality of being face-to-face, online panels were more efficient. Some interstate panellists missed having the opportunity to travel to another city, while others were pleased not to have to spend time away from work and family.

Conducting panels online also assisted VIT staff, who were able to record the session which ensured important discussion points were accurately recorded and reported back to the provider. The learnings and successful innovations from these online panels have been incorporated into the VIT's ongoing approach to accreditation.

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 2020–21, the Committee met six times.

Members

Gillian Carr – Council member
Committee Chairperson

Paul Desmond – Council Deputy
Chairperson
Deputy Chairperson

Joanna Barbousas – Council member

Linda Blakis – Registered teacher

Anita Brown – Employer representative,
Department of Education and Training

Michael Butler – Council member
(recommended June 2021)

Deborah Corrigan – Higher education
institution representative

Kathy Jordan – Higher education institution
representative

Jim Laussen – Employer representative,
Independent Schools Victoria

Karalynn McDonnell – Registered teacher

Shauna-Maree Sykes – Employer
representative, Melbourne Archdiocese
Catholic Schools
(recommended May 2021)

VIT AT WORK – A CASE STUDY

The VIT runs regular seminars to assist provisionally registered teachers (PRTs) undertake the (full) registration process. Casual relief teachers (CRTs) who move from provisional to (full) registration may face different challenges to a teacher in a regular classroom role, and so the VIT also runs seminars that cater specifically to CRTs.

About 1,000 teachers attended a CRT PRT seminar in 2021. One teacher who attended a seminar and later successfully moved to (full) registration provided this feedback about the process.

“Thank you to everyone involved with the CRT PRT seminars. Like other CRTs, I was initially overwhelmed with the process of moving to full registration. However, in Term 1 of this year, and in partial thanks to the seminars, I successfully completed my Inquiry and was granted (full) registration. The CRT PRT seminar was of great benefit, and your work is greatly appreciated. It’s important for teachers continue our professional development.”

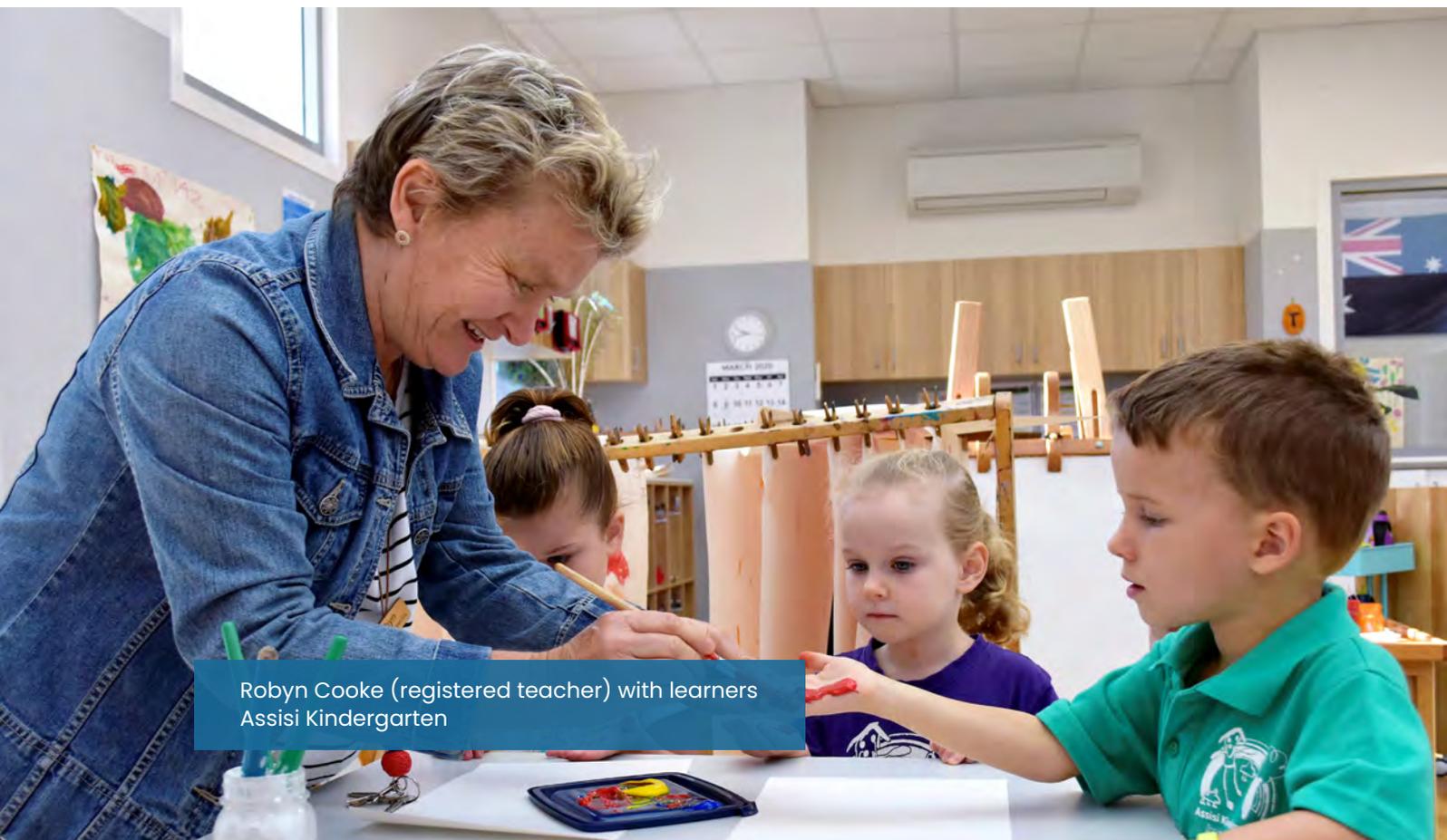
Professional conduct and regulatory compliance

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.

In September 2019, the *Education and Training Reform Act 2006* substantially changed the way in which VIT conducts these assessments by introducing category A offences, category B offences, and category C conduct, and providing guidance about what VIT must or may do in these circumstances.

These concepts more closely align VIT's registration suitability assessments with the way in which Working with Children Check Victoria (WWCCV) assess whether a person is suitable to engage in child-related work. The VIT is also able to consider whether the person has been given a Working with Children (WWC) exclusion (previously known as a negative notice) or interim exclusion (previously known as an interim negative notice).



Robyn Cooke (registered teacher) with learners Assisi Kindergarten

Table 3
Changes to suitability assessments

Type of conduct
<p>Category A offences</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>Category B offences</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>Category C conduct</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"> • 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 • 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.
<p>WWC exclusion (previously known as negative notice)</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 concepts to assess all applications since September 2019.

Education legislation amendment (ELA) suitability reassessment project

This legislation also had a significant impact on the 2020–21 annual registration period. This is because all registered teachers who applied to renew their registration were also required to be assessed against these new standards. This required VIT to identify all registered teachers with a criminal history, and assess their criminal history against these 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 VIT established an ELA suitability reassessment project team to perform this work. This consisted of a project manager, three lawyers, one investigator and five paralegals. From time to time, other administrative, legal, data analysts and support staff also supported the project team to perform this work.

VIT AT WORK – A CASE STUDY

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

Tatiana was a former provisionally registered secondary school teacher in metropolitan Melbourne. She had left the profession and decided to return to teaching in 2020.

In assessing her application for registration, VIT investigated Tatiana's extensive criminal history, which fell under category C conduct. Her criminal history involved multiple dishonesty and drug offences which spanned over a number of years. In her application for registration, Tatiana also explained that her prior criminal offending was influenced by her drug dependency during the time.

Tatiana provided medical evidence to VIT that she had subsequently taken steps to manage her drug dependency through professional assistance and that her risk of re-offending was low. The evidence indicated she did not currently suffer from any drug dependency. Tatiana also explained that she understood her previous offending was wrong and was remorseful for her conduct. Tatiana further explained that following her offending, she had undergone a significant period of transition and had been proactive in making positive lifestyle changes.

The VIT considered that it was in the public interest to allow Tatiana to teach in a school. To assist Tatiana in a smooth transition back into the teaching profession, VIT imposed conditions on her registration. These conditions involved undertaking counselling sessions and professional development targeted at addressing the Code of Conduct.

Tatiana had indicated to VIT that she had only attended one counselling session since engaging in the criminal conduct and her drug use. The VIT considered that imposing a condition which required her to attend additional counselling would help ensure Tatiana had an opportunity to reflect on the reasons she turned to criminal conduct and drug use, and develop healthier strategies to manage life stressors and significant changes.

Tatiana expressed her gratitude that VIT was taking a reasonable and proportionate approach to her situation.

She also expressed that in returning to the teaching profession and using her past experiences to motivate and model her teaching, she was able to make a positive contribution to the learners she teaches.

The project team assessed a wide range of criminal matters. Some of the more complex assessments included

- deception-related offences including theft, obtaining financial advantage by deception and receiving secret commissions – compensation orders ranged from \$100 to \$500,000
- violent offences such as intentionally and recklessly causing serious injury, unlawful assault and aggravated assault
- drug-related offences including use, possession, cultivation, trafficking and importing
- family violence-related offences including violent offences, threats to kill and persistent contravention of intervention orders
- historical sexual offences such as sexual assault, indecent assault, and willful and obscene exposure in public
- non-conviction charges for serious offences such as child sexual offences against children, possession of child pornography, incest and rape.

The project team requested and obtained historical criminal records from various sources in order to conduct these assessments. This included making requests to Victoria Police, the Office of Public Prosecutions, the Magistrates' Court of Victoria, the County Court of Victoria, the Victorian Civil and Administrative Tribunal, and Working With Children Check Victoria.

In some cases, the project team was required to assess other issues relevant to whether the person was suitable to teach, including requests for

- medical and specialist reports to determine whether the person has an impairment that seriously detrimentally affects their ability to teach
- information and documents from current and former employers to determine whether the person has engaged in misconduct or serious misconduct or is otherwise unfit to teach.

Table 4
ELA suitability reassessment project: work completed as at June 2021

Teacher status	No.
Not registered	
Assessment cannot be conducted because the person is not registered and does not have a current application for registration	1,260
No assessment required	
Has criminal history that does not include a category A offence, category B offence or category C conduct	1,942
Assessment required	
Has criminal history that includes a category B offence or category C conduct	1,843
Recent application	
A current Nationally Coordinated Criminal History Check must be conducted to determine whether an assessment is required	175
TOTAL	5,220

Outcomes of applications for registration

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

In 2020-21, VIT imposed conditions on the registration of 42 teachers and refused 20 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 2020-21 is summarised in Table 5.



Alastair Ingles (registered teacher) with learners
Carey Baptist Grammar School

Table 5
Information, complaint and notification sources in 2020-21

Source	No.
<p>Reportable allegations</p> <p>Reportable allegations are allegations that a registered teacher has engaged in any of the following</p> <ul style="list-style-type: none"> • sexual offences against, with or in the presence of a child • sexual misconduct against, with or in the presence of a child • physical violence against, with, or in the presence of a child • behaviour that causes significant emotional or psychological harm to a child • significant neglect of a child. <p>CCYP has a legal obligation to notify VIT if it receives reportable allegations about a registered teacher.</p>	243
<p>Findings of reportable conduct</p> <p>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.</p>	160
<p>Complaints</p> <p>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</p> <ul style="list-style-type: none"> • the teacher is seriously incompetent • the teacher has engaged in misconduct or serious misconduct • the teacher is unfit to be a registered teacher • the teacher's ability to practise as a teacher is seriously detrimentally affected or likely to be seriously detrimentally affected because of an impairment. 	104
<p>Notifications from employers</p> <p>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.</p>	53
<p>Victoria Police notifications</p> <p>Victoria Police notifies VIT if it is conducting an investigation into a registered teacher who may have committed a criminal offence. It also notify VIT if a registered teacher has been charged or found guilty of a criminal offence.</p>	365
<p>WWC notifications</p> <p>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.</p>	1,307

As at June 2021, VIT was assessing and investigating 1,055 matters that originated from notifications and complaints.

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 has suspended 29 teachers on an interim basis this year.

The VIT must also suspend the registration of a teacher if they have been charged with a category A offence. The VIT has suspended 9 teachers on this basis in 2020–21.

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 has suspended 3 teachers on this basis in 2020–21.

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 did not suspend anyone on this basis in 2020–21.

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

This is an important part of the process because 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 2020–21.

Table 6
Suspension actions in 2020–21

Action	No.
Interim suspension	
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.	29
Suspensions for interim WWC exclusions	
The VIT must suspend the registration or permission to teach of a person if that person has been given an interim WWC exclusion.	3
Suspensions for Category A offences	
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
Suspensions for Category B offences	
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.	0

VIT AT WORK – A CASE STUDY

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

The VIT received information from Teacher A's employer, CCYP and the Victoria Police that the teacher was being investigated for allegations that he had committed sexual offences against a child.

The VIT consulted with its co-regulators and used the available information to form a reasonable belief that Teacher A's registration should be suspended on an interim basis because he posed an unacceptable risk of harm to children, and the suspension of his registration was necessary to protect children.

The VIT published this decision on the Register of Disciplinary Action (RODA).

Teacher A moved interstate and sought to apply for registration with another teacher regulatory authority in Australia. As part of assessing the application for registration, the other teacher regulatory authority checked the VIT's RODA and found that Teacher A had been suspended by VIT. The other teacher regulatory authority used this information to refuse the application for registration.

This case study demonstrates the importance of exercising the power of interim suspension in appropriate circumstances. It also demonstrates the role that the RODA plays in protecting the safety and wellbeing of children.

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 6 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. VIT cancelled the registration of 10 teachers during 2020-21 on this basis. These teachers are disqualified from applying for registration as a teacher for a period of 5 years or until WWC issue the person with 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 2020-21.

Table 7
Cancellation actions in 2020-21

Action	No.
Cancellations for Category A offences	
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.	6
Cancellations for WWC exclusions	
The VIT must cancel the registration or permission to teach of a person if that person has been given a WWC exclusion.	10

Agreements

A teacher may request that VIT enter into an agreement to impose conditions on their registration, suspend their registration, suspend their registration and impose conditions on 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 2020–21.

Table 8
Agreements with teachers in 2020–21

Action	No.
Agreement with teacher to impose conditions on their registration	2
Agreement with teacher to suspend their registration	1
Agreement with teacher to suspend and impose conditions on their registration	6
Agreement with teacher to cancel their registration	6

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 of misrepresentation.

Table 9 outlines the decisions made by VIT to refer matters to hearing in 2020–21.

Table 9
Referral to hearings in 2020–21

Action	No.
Professional conduct matters referred to informal hearing	0
Professional conduct matters referred to formal hearing	3
Professional conduct matters referred to medical panel hearing	0

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 2020–21, VIT commenced two prosecutions under the Act. The first prosecution related to a person who held themselves out to be a registered teacher in order to obtain employment in a related sector, but was not registered with VIT. The second relates to a person who performed the duties of a teacher when they were not registered with VIT.

VIT AT WORK – A CASE STUDY

Ms Stilo applied for a job where she was asked to provide evidence that she was registered as an early childhood teacher so she could provide related services to young children. Ms Stilo created a false VIT registration card by copying templates from the VIT website and produced this to her prospective employer. The employer relied on this card, made Ms Stilo an offer of employment, and allowed her to provide the services to young children.

The VIT subsequently became aware of Ms Stilo's conduct, and charged her with the offence of holding herself out to be a registered early childhood teacher contrary to section 2.6.58(1) of the *Education and Training Reform Act 2006*. Ms Stilo pleaded guilty to this offence in the Magistrates' Court, was found guilty of the offence and was fined \$1,200.



Daniel Summerell (registered teacher) with learners
Hazel Glen College

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 2020–21, eight (8) applications were lodged at VCAT, and two (2) existing applications continued to be managed during this year. By the end of the reporting period, five (5) applications were finalised / withdrawn and a further five (5) 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 2020–21, VIT was involved in three (3) such applications before the Supreme Court of Victoria.

VIT AT WORK – A CASE STUDY

On 31 August 2015, a formal hearing panel decided to cancel Mr Taylor's registration because it had found he had obtained that registration by fraud. The panel found that Mr Taylor had

- completed his application for registration in a false name
- failed to disclose previous names
- failed to disclose findings of guilt and convictions for offences, including indictable offences, in Victoria and elsewhere
- provided a false birth certificate in support of his application.

In September 2019, Mr Taylor made an application for review of this decision to VCAT. This application was made out of time, as it should have been made within 3 months of him becoming aware of the formal hearing panel decision.

On 3 December 2020, VCAT decided it would not permit Mr Taylor to lodge his application out of time.

One of the reasons for this was the lack of merit in his substantive application. In making the decision, the VCAT member made the following comment

[95] "A teacher holds a trusted position in society. Parents trust teachers to not only competently teach their children particular subjects (such as mathematics in Mr Taylor's case), but also instil appropriate behaviour and conduct in their children. A teacher who starts their career dishonestly does not demonstrate that they deserve to be trusted in that way; rather, the teacher represents a risk to the community and to the standing of the teaching profession at large." (footnote omitted)

Mr Taylor has sought leave to appeal VCAT's decision to the Supreme Court of Victoria. That matter has not yet been heard.

Professional Conduct Committee

The Professional Conduct Committee (PCC) 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 PCC. 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 PCC also has the power to decide whether to enter into an agreement with the teacher to cancel their registration, suspend their registration, or impose conditions on their registration. During 2020–21, the Committee met ten times.

Members

Lesley Lamb – Council Chairperson
Committee Chairperson

Michael Butler – Council member

Kevin Moloney – Council member
(ceased August 2020)

Anthony Sheumack – Council member

Angela Stringer – Council member

Raelene Vine – Council member

Table 10
Decisions of the Professional Conduct Committee in 2020–21

Decision	No.
Referral to an informal, formal or medical panel hearing	5
No further action	12
No further action with guidance letter	4
Agreement with teacher for imposition of conditions and/or voluntary suspension	8
Agreement with teacher to cancel registration	2
Refer back to conduct to continue investigation	1

Regulatory compliance

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

All teachers returning from non-practising registration must provide evidence they have undertaken specific professional practice and professional learning requirements in order to obtain approval for (full) registration. In the reporting period, 437 teachers were approved for (full) registration after their applications to return from non-practising registration were audited.

Provisionally registered teachers become eligible for (full) registration when they have gained teaching experience and demonstrate they have met Australian Professional Standards for Teachers at the proficient level. As a validation process, VIT audits a sample of applications for (full) registration. During the reporting period, VIT focused on applications from teachers working in non-school settings and audited 15 applications for (full) registration.

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 52,553 government school teachers and 19,829 Catholic school teachers.

Within the independent sector, VIT works directly with each independent school to exchange teacher registration data. During the reporting period, VIT checked the registrations of 15,488 teachers employed in 222 independent schools.

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

During the reporting period, VIT received 52 notifications concerning possible unregistered practice. Of those, 19 were investigated as confirmed cases. 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 published communiques to principals, early childhood leaders and teachers regarding things to check at the start of the school year, how to confirm the registration status of graduate teachers, and the registration requirements for early childhood teachers.

VIT AT WORK – A CASE STUDY

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

Chyou is a 23 year old primary teacher, and is a trained VIT mentor. She regularly supports provisionally registered teachers (PRTs) who are employed at her school.

To update her skills, Chyou decided she should complete a VIT mentor refresher course.

During a Zoom breakout room conversation, Chyou revealed that he wasn't comfortable in guiding PRTs through Australian Professional Standards for Teachers Principle 1.4: *Strategies for teaching Aboriginal and Torres Strait Islander learners*. She had never completed any training in this area and was not sure where to start.

The VIT's Professional Practice team informed Chyou about VIT's work with the Department of Education and Training's Koorie Outcomes Division and the Victorian Aboriginal Education Association Inc. to deliver practical webinars on Principle 1.4. Chyou attended a webinar and provided the following feedback after the presentation:

"The strategies were thought provoking and made common sense when explained within context. These are good strategies for all learners, and I now have a better understanding of practical approaches to Indigenous learners that will benefit all. I would love to explore this area further and will be following up on the resources pointed out in the webinar."



Kerrie Hill (registered teacher) with learners
St Joseph's Primary School

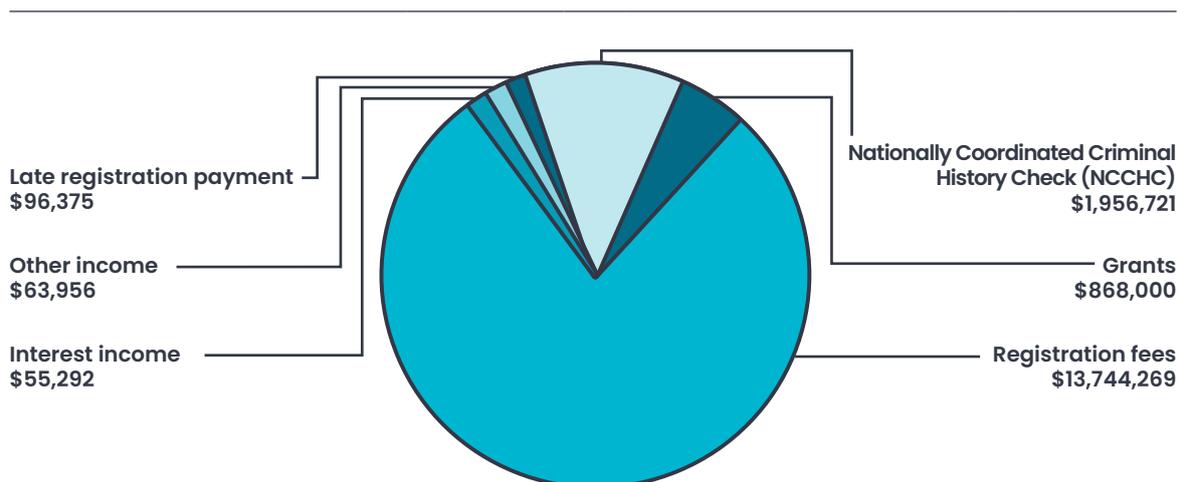
Summary of financial position

The financial report and accompanying notes are for the financial year ended 30 June 2021.

Table 11
Financial results 2020–21

	2020–21 \$		2020–21 \$
OPERATIONS		FINANCIAL POSITION	
Fees	15,861,173	Financial assets	12,337,499
Interest	55,292	Non-financial assets	7,136,969
Grants	868,000	Total assets	19,474,468
Other	148	Provisions and payables	5,747,857
Total income	16,784,614	Revenue received in advance	3,676,961
Operating expenses	17,641,995	Total liabilities	9,424,817
Net result	(857,381)	Total equity	10,049,651

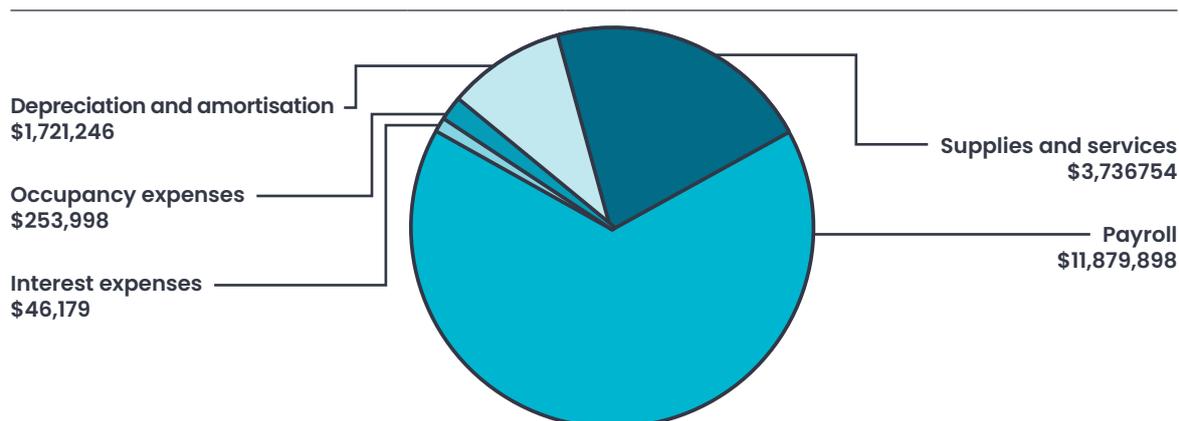
Figure 1
Revenue for 2020–21



In 2020–21, the annual registration fee remained the same as 2019–20 at \$97.94. Teacher registration fees are paid in advance and pro-rated to each of the 12 months. Fee revenue belonging to July 2021 or after is considered revenue in advance and is included as current liability in the balance sheet.

Registration revenue increased in 2020–21 due to an increase in teacher registrations. NCCHC revenue increased as a result of higher numbers of new applications and the higher proportion of registered teachers required to update their NCCHC during the year.

Figure 2
Expenses for 2020-21



Operating expenses increased in 2020-21 with an increase in employee expenses, depreciation and amortisation, and administrative expenses. In summary, 2020-21, generated a deficit of \$857,381 compared to a surplus of \$2,537,781 reported in the previous year. The VIT's balance sheet and cash position are slightly lower than the last year, and are at an appropriate level to cover VIT's current and future commitments.

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 2020-21, the Committee met seven times.

Remuneration Committee

The Remuneration Committee implements 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 GSERP. During 2020-21, the Committee met four times.

Members

Gail Owen – Independent external member
Committee Chairperson
 Lesley Lamb – Council Chairperson
 Angela Stringer – Council member
 Lisa Tripodi – Independent external member
 Danielle Harrison – Council member

Members

Lesley Lamb – Council Chairperson
Committee Chairperson
 Paul Desmond – Council Deputy Chairperson
 Michael Butler – Council member

Business operations

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 2021, 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 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 2020–21.

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 \$8,820 (excl. GST).

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

For details of consultant contracts over \$10,000, refer to Appendix D.

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 at 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; and
- 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. Given the ongoing nature of the restrictions is too early to assess the cumulative impact of these changes.

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 2020–21

Action	No.
Personal (relating to a single identified person)	22
Non-personal (request for non-specific and / or summative information)	0
Outcome: Full access	9
Outcome: Partial access	0
Outcome: Denied	12
Outcome: Pending	0
Request for internal review, partial access granted	1
Internal review confirmed initial FOI decision	0
Appeal of internal decision to VCAT	2
Carried forward to next year	0

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 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 involvement in VIT's migration to work from home and ensuring staff understood the importance of a safe work environment at home. Additionally, the Committee is advising on the implementation of VIT's COVID-safe plan in support of the business.

Staff and community wellbeing

A range of training in stress management, priority setting, health and hygiene, and ergonomics was offered to all VIT staff through VIT's learning management system. The VIT also established a Wellbeing Room to provide interaction, a range of resources and access to services like our Employee Assistance Program so that staff could be well informed and connect while in lockdown. This has been particularly relevant through the COVID-19 pandemic with staff transitioning to working from home.

Further feedback on staff wellbeing was obtained through the Staff Consultative Committee, pulse surveys, People Matter Survey and wellbeing check-in calls offered to all VIT staff.

The VIT's Social Committee hosted a series of staff events during the COVID-19 lockdown. As a result of the move to work from home arrangements, an online wellbeing forum was developed and wellbeing check-in calls were offered to staff.

Merit and equity

The VIT applies Victorian Public Sector employment principles relating to merit and equity in selecting, recruiting and training staff. Through the COVID-19 pandemic and with staff and applicants working remotely VIT was able to recruit and induct new staff and maintain high standards across all aspects of this process.

Professional development

The VIT has an ongoing professional development program for its employees. Alongside its staff induction program, training needs are identified to ensure core functions can be carried out in an effective manner. Significant development has occurred in the workplace through formal training and coaching.

Staff have also accessed external programs when applicable however this was reduced during COVID-19 due to limited opportunity for face to face workshops.

The VIT has made good use of its learning management system, which has a broad range of e-learning programs available to staff.

The following mandatory compliance courses were completed by all staff

- anti-discrimination
- human rights
- cyber security.

A broad range of programs have been developed and included as part of the performance development process, through which staff are able to select up to five e-learning courses as part of their professional development.

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 & Professional Practice	11	10.60
Executive & Governance	5	5.00
Professional Conduct	27	26.05
Shared Services	19	17.73
Stakeholder Engagement & Communications	6	5.40
Teacher Engagement & Registration	32	29.87
TOTAL	100	94.65

Social Procurement Framework

VIT's expenditure on procurement is approximately \$4 million per annum. Following a self-assessment in August 2019, VIT developed a Social Procurement Framework to enable greater benefits from our procurement spend by delivering social and sustainable outcomes that benefit our community.

There was an abnormal procurement spend in the reporting period to 30 June 2021, as a result of the major transformation of our business systems and processes. This had been undertaken as a discrete project and continued into the current period with less significant acquisitions. There has been further development as well as continued work with external business partners to realise the full benefit of the project.

The VIT has complied with Victorian Government Purchasing Board (VGPB) guidelines in all purchasing decisions as best practice. From 1 July 2021 VIT will be mandated to comply. The VIT has developed a Social Procurement and Contract Management Policy to guide its operations.

Executive

The creation of the Strategy and Policy team reporting to the CEO was established to provide a greater strategic focus for the organisation. This will ensure that we have a stronger focus on planning across VIT as well as a strategic policy and reporting function.

Professional Conduct

A new team was established within the Professional Conduct Branch to implement the legislative amendments made to the *Education and Training Reform Act 2006* by the *Education Legislation Amendment (Victorian Institute of Teaching, TAFE and Other Matters) Act 2018*. The new legislative and regulatory obligations require VIT to re-assess and categorise disclosable court outcomes for more than 3,800 teachers and to determine their ongoing suitability to teach. The VIT has been compelled to add additional investigation and legal capability to our team in an effort to address these matters in a timely way.

Teacher Engagement and Registration

The core work undertaken by the Education and Compliance Team is strongly aligned with, and supportive of, the functions undertaken by the Teacher Engagement and Registration Branch (TER).

In November 2020, the Education and Compliance Team moved from the Professional Conduct Branch into the TER Branch.

Registration Committee

The Registration Committee considers registration policy issues relating to suitability to practice, entry into the profession, the provisional to (full) process, permission to teach and return to practice. The Committee reviews registration policy and provides advice to Council on policy matters. During 2020-21, the Committee did not meet.

Members

Michael Butler – Council member
Committee Chairperson

Janine Brown – Council member

Gill Carr – Council member

Siobhan Hannan – Council member

Kevin Moloney – Council member

Angela Stringer – Council member

Stakeholder Engagement Committee

The Stakeholder Engagement Committee oversees the implementation of the VIT Strategic objective to engage with and learn from stakeholders, and provides advice to Council on community expectations. During 2020-21, the Committee did not meet.

Members

Lesley Lamb – Council Chairperson
Committee Chairperson

Janine Brown – Council member

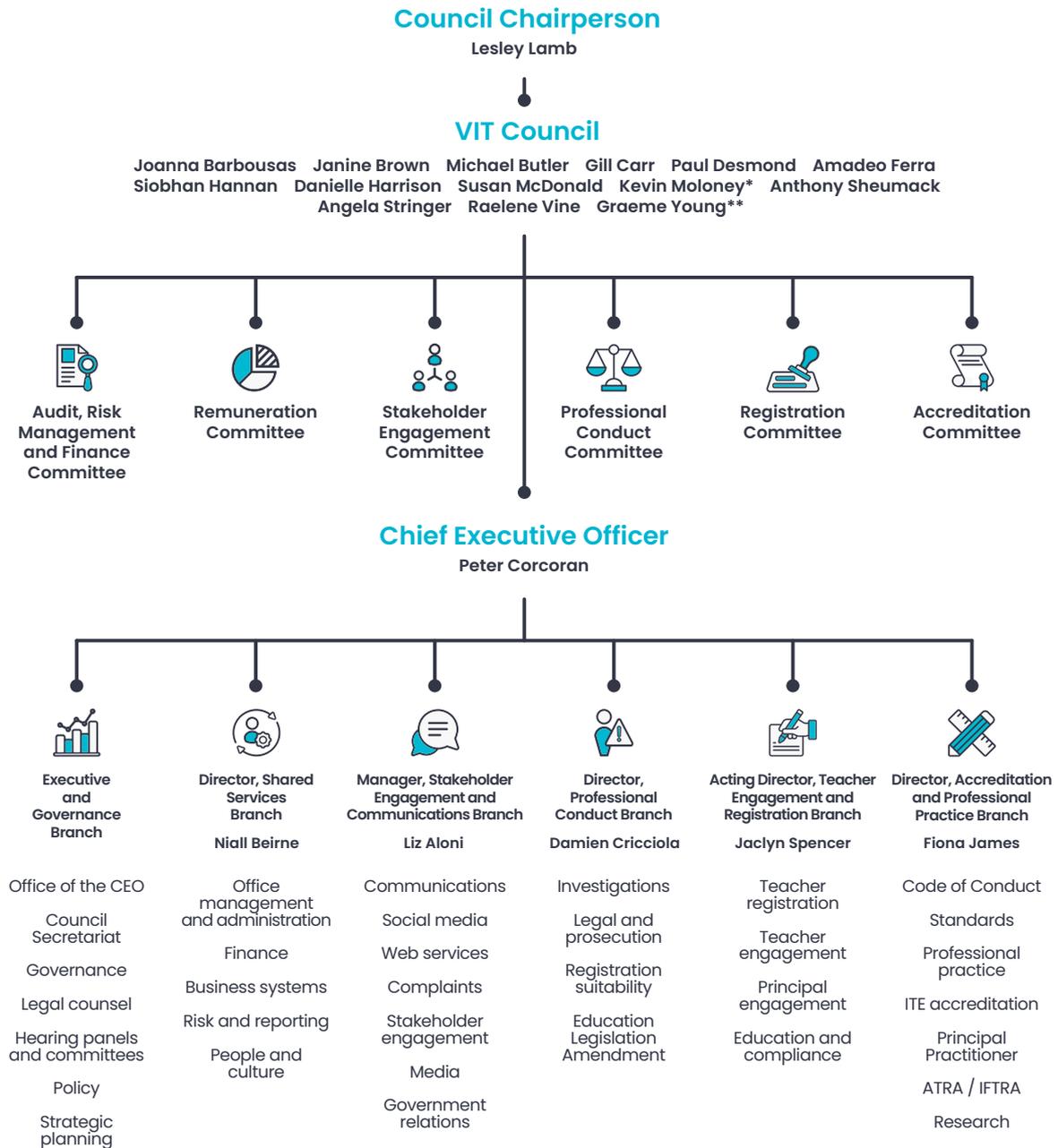
Mick Butler – Council member

Siobhan Hannan – Council member

Karalynn McDonnell – Registered teacher

Raelene Vine – Council member

Organisational and governance structure



* resigned 30 August 2020 ** appointed 4 October 2020



Edward Harris (registered teacher) with learner Albert Park College

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 including by taking into account community expectations.

A new Council was appointed in June 2019 – the sixth since VIT’s inception. During the re-reporting period, the Council had its full complement of 14 members save for the period 30 August 2020 when Council Member Moloney resigned and 4 October 2020 when Council Member Young 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.

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 the Institute.

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; and
- 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	Meetings attended		
	2020	2021	Total
Lesley Lamb	8	4	12
Paul Desmond	7	4	11
Joanna Barbousas	5	4	9
Janine Brown	6	3	9
Michael Butler	8	4	12
Gill Carr	8	4	12
Amadeo Ferra	7	4	11
Siobhan Hannan	6	4	10
Danielle Harrison	6	4	10
Susan McDonald	4	2	6
Kevin Moloney*	3	0	3
Anthony Sheumack	6	4	10
Angela Stringer	8	4	12
Raelene Vine	8	4	12
Graeme Young**	3	4	7

*Resigned August 2020

**Appointed October 2020

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



Amadeo Ferra
Principal



Siobhan Hannan
Registered early
childhood teacher



Danielle Harrison
Registered teacher



Susan McDonald
Delegate, Secretary
of the Department of
Education and Training



Kevin Moloney
Registered teacher
(resigned August 2020)



Anthony Sheumack
Principal



Angela Stringer
Registered teacher



Raelene Vine
Parent



Graeme Young
Deputy Head of
Senior School
(appointed October 2020)



Thomas Irwin (registered teacher) with learner Concord School



Attestation for financial management compliance with Ministerial Standing Direction 5.1.4

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 black ink that reads 'Lesley Lamb'.

Lesley Lamb
Chairperson – Victorian Institute of Teaching

Melbourne
11 August 2021

Comprehensive operating statement ⁽ⁱⁱ⁾ for the year ended 30 June 2021

	Notes	2021 \$	2020 \$
Continuing operations			
Income from transactions			
Registration and application fees	2.2.1	15,861,174	15,476,281
Interest income	2.2.2	55,292	176,481
Grants	2.2.3	868,000	1,600,000
Other income	2.2.4	148	201,889
Total income from transactions		16,784,614	17,454,651
Expenses from transactions			
Employee expenses	3.1.1	11,879,898	10,138,236
Depreciation and amortisation	4.1.2,4.2	1,721,246	838,613
Interest expenses (i)	6.1	46,179	55,098
Supplies and services	3.2.1	3,736,754	3,613,223
Occupancy expenses	3.2.2	253,998	271,700
Total expenses from transactions		17,638,075	14,916,870
Net result from transactions (net operating balance)		(853,461)	2,537,781
Other economic flows included in net results			
Net (gain) / loss on non-financial assets (iii)		3,920	-
Total other economic flows included in net result		3,920	-
Comprehensive result		(857,381)	2,537,781

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 ⁽ⁱⁱ⁾ as at 30 June 2021

	Notes	2021 \$	2020 \$
Assets			
Financial assets			
Cash and deposits	6.3	11,868,933	11,977,676
Receivables	5.1	120,704	253,647
Total financial assets		11,989,637	12,231,323
Non-financial assets			
Plant and equipment (i)	4.1	2,206,127	2,786,013
Intangible assets	4.2	4,930,842	5,511,766
Other non-financial assets	5.3	347,862	399,113
Total non-financial assets		7,484,831	8,696,892
Total assets		19,474,468	20,928,215
Liabilities			
Payables	5.2	347,645	606,587
Lease liabilities	6.1	2,405,035	2,930,239
Employee provision	3.1.2	2,535,518	2,314,632
Other provisions	5.4	459,658	486,266
Revenue received in advance	2.3	3,676,961	3,683,459
Total liabilities		9,424,817	10,021,183
Net assets		10,049,651	10,907,032
Equity			
Accumulated surplus / (deficit)		10,049,651	10,907,032
Net worth		10,049,651	10,907,032
Commitments for expenditure	6.4	448,028	911,790
Contingent assets and contingent liabilities	7.2	-	-

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 ⁽ⁱⁱⁱ⁾ for the year ended 30 June 2021

	Notes	2021 \$	2020 \$
Cash flows from operating activities			
Receipts			
Receipts from customers and registration fees		15,862,705	16,002,092
Receipts from Government		868,000	1,600,000
Goods and Services Tax recovered from the ATO (i)		551,548	617,177
Interest received		57,702	181,543
Total Receipts		17,339,955	18,400,812
Payments			
Payments to suppliers and employees		(16,312,960)	(14,508,507)
Interest paid		(46,179)	(55,098)
Total payments		(16,359,139)	(14,563,605)
Net cash flows from / (used in) operating activities	6.3.1	980,816	3,837,207
Cash flows from investing activities			
Payments for plant and equipment		-	(10,926)
Payments for intangible assets		(564,356)	-
Payments for intangible WIP	4.2	-	(4,927,974)
Net cash flows from / (used in) investing activities		(564,356)	(4,938,900)
Cash flows from financing activities			
Repayment of principal portion of lease liabilities (ii)	6.2.3	(525,203)	(497,405)
Net cash flows from / (used in) financing activities		(525,203)	(497,405)
Net increase / (decrease) in cash and cash equivalents held		(108,743)	(1,599,098)
Cash and cash equivalents at the beginning of the financial year		11,977,676	13,576,774
Cash and cash equivalents at the end of the financial year	6.3	11,868,933	11,977,676

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 ⁽ⁱⁱ⁾ for the year ended 30 June 2021

	Accumulated surplus \$	Total \$
Balance at 1 July 2019	8,739,642	8,739,642
Change in accounting policy (due to AASB 16) (i)	(370,391)	(370,391)
Comprehensive result for the year	2,537,781	2,537,781
Balance at 30 June 2020	10,907,032	10,907,032
Comprehensive result for the year	(857,381)	(857,381)
Balance at 30 June 2021	10,049,651	10,049,651

The accompanying notes form part of these financial statements.

(i) Changes due to leased property and equipment occurred on 01 July 2019.

(ii) 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.

Its principal address is

Victorian Institute of Teaching
Level 9, 628 Bourke Street
Melbourne VIC 3000

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 11 August 2021.

Note 2

Funding of service delivery

VIT's overall objective is to regulate the teaching profession in Victoria in the public interest by enforcing high ethical and professional standards for teachers.

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. 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

	Note	2021 \$	2020 \$
Registration and application fees	2.2.1	15,861,174	15,476,281
Interest income	2.2.2	55,292	176,481
Grants	2.2.3	868,000	1,600,000
Other income	2.2.4	148	201,889
Total income from transactions		16,784,614	17,454,651

2.2 Revenue and Income from transactions

2.2.1 Registration and application fees

	2021 \$	2020 \$
Registration and application fee	13,744,269	13,566,804
Nationally Coordinated Criminal Record Check fee	1,956,721	1,691,022
Replacement card fee	10,864	8,916
Late registration fee	96,375	191,238
Statement of good standing fee	6,809	4,629
Course accreditation assessment fee	46,136	13,672
Total registration and application fees	15,861,174	15,476,281

Registration and application fees are raised annually (for the period October to September) and application for registration fees are raised on request. Income 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.

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 Record 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

	2021 \$	2020 \$
Interest from financial assets not at fair value through comprehensive operating statement		
Interest on bank deposits	774	7,635
Interest on money at call	54,518	168,846
Total Interest income	55,292	176,481

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

	2021 \$	2020 \$
Income recognised under AASB 1058		
General purpose	868,000	1,600,000
Total grants income	868,000	1,600,000

VIT has received grants from the Department of Education and Training in June 2020 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

	2021 \$	2020 \$
Sponsorship	-	198,079
Other income	148	3,810
Total other income	148	201,889

Sponsorship is provided for various activities conducted by VIT and paid by the Department of Education and Training for support to implement and refine the new Victorian framework for initial teacher education (ITE). The project duration was from 30 June 2018 to 31 December 2019. Sponsorship revenue included in the table above has been classified as revenue from contracts with customers in accordance with AASB 15. There were no sponsorship contracts for the year 2020-21 and hence there is no revenue recorded.

2.3 Revenue received in advance

	2021 \$	2020 \$
Nationally Coordinated Criminal Record Check fees	155,306	183,239
Unearned teacher registration fees	3,521,655	3,500,220
Total revenue received in advance	3,676,961	3,683,459

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

	Note	2021 \$	2020 \$
Employee expenses	3.1.1	11,879,898	10,138,236
Supplies and services	3.2.1	3,736,754	3,613,223
Occupancy expenses	3.2.2	253,998	271,700
Total expenses incurred in the delivery of services		15,870,651	14,023,159

3.1.1 Employee expenses – comprehensive operating statement

	Note	2021 \$	2020 \$
Salaries and wages		10,403,932	8,875,310
Superannuation	3.1.3	901,478	776,838
On costs (payroll tax, fringe benefit tax and WorkCover)		570,841	486,088
Ex gratia payments for separation (i)		3,647	-
Total employee expenses		11,879,898	10,138,236

(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.

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.

	2021 \$	2020 \$
Current provisions		
<i>Annual leave</i>		
Unconditional and expected to settle within 12 months	829,084	716,507
<i>Long service leave</i>		
Unconditional and expected to settle within 12 months	170,372	148,882
Unconditional and expected to settle after 12 months	700,905	646,266
<i>Provision for on-costs</i>		
Unconditional and expected to settle within 12 months	281,914	240,337
Unconditional and expected to settle after 12 months	109,867	101,572
Total current provisions for employee benefits	2,092,142	1,853,564
Non-current provisions		
Long service leave	383,294	398,446
On-costs	60,082	62,622
Total non-current provisions for employee benefits	443,376	461,068
Total provision for employee benefits	2,535,518	2,314,632

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

VIT's employees are entitled to receive superannuation benefits. 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	
	2021	2020
	\$	\$
Defined benefit plans		
State Superannuation Fund revised and new	12,250	10,246
ESS Super	19,347	13,160
Defined contribution plans		
Vic Super	428,634	362,603
Other	441,247	390,829
Total	901,478	776,838

Contributions include accruals for 27-30 June for fixed term and on-going employees. These accruals are outstanding at balance date \$33,119.

3.2 Other operating expenses

3.2.1 Supplies and services

	2021	2020
	\$	\$
Human resources	114,640	97,957
Council and committee	110,556	83,746
Consultancy and contractor	20,820	197,171
Communication	787,080	889,347
Finance	44,250	84,013
Legal	194,871	138,357
Printing and stationery	100,122	93,657
Travel and accommodation	50,513	45,184
Marketing	6,068	65,258
Administration	1,388,747	1,179,122
Nationally Coordinated Criminal History Checks	919,087	739,411
Total supplies and services expenses	3,736,754	3,613,223

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.

	2021 \$	2020 \$
Outgoings, cleaning and utilities	243,075	227,590
Maintenance and repairs	10,923	44,110
Total occupancy expenses	253,998	271,700

From 1 July 2019, the following lease payments are recognised on a straight-line basis

- i. Short-term leases – leases with a term less than 12 months; and
- ii. Low value leases – leases with the underlying asset's fair value (when new, regardless of the age of the asset being leased) is no more than \$10 000.

There were no short term or low value leases for 2020-21.

Note 4

Key assets available to support output delivery

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 Total plant and equipment

	Carrying value		Accumulated depreciation		Net carrying amount	
	2021 \$	2020 \$	2021 \$	2020 \$	2021 \$	2020 \$
Leasehold improvements (i)	5,878,050	5,878,050	3,696,740	3,145,370	2,181,310	2,732,680
Furniture and fittings	53,790	84,697	47,436	64,153	6,354	20,544
Plant and equipment (i)	393,848	393,848	375,385	361,059	18,463	32,789
Total carrying amount of plant and equipment	6,325,688	6,356,595	4,119,561	3,570,582	2,206,127	2,786,013

(i) AASB 16 Leases has been applied for the first time from 1 July 2019.

The following tables are subsets of leasehold improvements include 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
	2021 \$	2020 \$	2021 \$	2020 \$	2021 \$	2020 \$
Leasehold improvements (i)	5,379,343	3,404,052	1,975,291	5,379,343	2,852,682	2,526,661
Plant and equipment (i)	63,106	46,278	16,828	63,106	33,657	29,450
Net carrying value	5,442,449	3,450,330	1,992,129	5,442,449	2,886,339	2,556,111

	Leasehold improvements	Plant and equipment
Opening balance - 1 July 2020	2,526,661	29,450
Additions	-	-
Disposals	-	-
Depreciation	551,370	12,621
Closing balance 30 June 2021	1,975,291	16,828
Opening balance - 1 July 2019 (i)	3,015,692	42,071
Additions	-	-
Disposals	-	-
Depreciation	489,031	12,621
Closing balance 30 June 2020	2,526,661	29,450

(i) This balance represents the initial recognition of right-of-use assets recorded on the balance sheet on 1 July 2019 along with the transfer from finance lease assets (recognised under AASB 117 at 30 June 2019) to right-of-use assets (recognised under AASB 16 at 1 July 2019).

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: Plant and equipment as well as right-of-use assets under leases are subsequently measured at fair value less accumulated depreciation and impairment. 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 depreciated replacement cost method. Note 7.3 includes additional information in connection with fair value determination of plant and equipment.

4.1.2 Depreciation

	2021 \$	2020 \$
Charge for the period (i)		
Leasehold improvements	551,370	550,571
Furniture and fittings	10,269	10,587
Plant and equipment	14,327	15,203
Total depreciation	575,966	576,361

(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.

	Useful life years	Rates	
		2021 %	2020 %
Asset			
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 the 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	
	2021 \$	2020 \$	2021 \$	2020 \$	2021 \$	2020 \$	2021 \$	2020 \$
Opening balance	2,732,680	763,375	20,544	31,131	32,789	5,921	2,786,013	800,427
Recognition of right-of-use assets on initial application of AASB 16 (i)	-	2,508,950	-	-	-	42,071	-	2,551,021
Additions / transfers	-	10,926	-	-	-	-	-	10,926
Adjustments	-	-	-	-	-	-	-	-
Disposals	-	-	(3,920)	-	-	-	(3,920)	-
Depreciation expense	(551,370)	(550,571)	(10,269)	(10,587)	(14,327)	(15,203)	(575,966)	(576,361)
Closing balance	2,181,310	2,732,680	6,355	20,544	18,462	32,789	2,206,127	2,786,013

(i) This balance represents the initial recognition of right-of-use assets recorded on the balance sheet on 1 July 2019 relating to operating leases - refer to Note 4.1.1.

4.2 Intangible assets

	Work in progress		CRM development		Other software		Total	
	2021 \$	2020 \$	2021 \$	2020 \$	2021 \$	2020 \$	2021 \$	2020 \$
Software and capitalised software development								
Carrying amount								
Opening balance	4,927,974	-	2,028,918	2,028,918	1,493,803	1,493,803	8,450,695	3,522,721
Additions	564,356	4,927,974	-	-	-	-	564,356	4,927,974
Disposals	-	-	-	-	-	-	-	-
Transfers	(5,387,250)	-	-	-	5,387,250	-	-	-
Closing balance	105,080	4,927,974	2,028,918	2,028,918	6,881,053	1,493,803	9,015,051	8,450,695
Accumulated amortisation and impairment								
Opening balance	-	-	(2,028,918)	(2,028,918)	(910,011)	(647,759)	(2,938,929)	(2,676,677)
Disposals	-	-	-	-	-	-	-	-
Adjustments	-	-	-	-	-	-	-	-
Amortisation expense	-	-	-	-	(1,145,280)	(262,252)	(1,145,280)	(262,252)
Closing balance	-	-	(2,028,918)	(2,028,918)	(2,055,291)	(910,011)	(4,084,209)	(2,938,929)
Net book value at end of financial year	105,080	4,927,974	-	-	4,825,762	583,792	4,930,842	5,511,766

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

	2021 \$	2020 \$
Current receivables		
Contractual		
Debtors	14,046	19,967
Accrued investment income	2,580	4,990
Total current contractual receivables	16,626	24,957
Statutory		
Net GST receivables	104,078	228,690
Total current statutory receivables	104,078	228,690
Total current receivables	120,704	253,647
Total receivables	120,704	253,647

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. Amounts recognised from the Victorian Government represent funding for all commitments incurred and are drawn from the consolidated fund as the commitments fall due.

Details about the VIT's impairment policies, the 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

	Carrying amount	Not past due and not impaired	Past due but not impaired			
			< 1 month	1-3 months	3-12 months	1-5 years
	\$	\$	\$	\$	\$	\$
Receivables						
2021						
Debtors	14,046	-	2,306	1,580	-	10,160
Accrued investment income	2,580	2,580	-	-	-	-
Total contractual receivables	16,626	2,580	2,306	1,580	-	10,160
2020						
Debtors	19,967	-	-	2,616	16,736	615
Accrued investment income	4,990	4,990	-	-	-	-
Total contractual receivables	24,957	4,990	-	2,616	16,736	615

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

5.2 Payables

	2021	2020
	\$	\$
Current payables		
Contractual		
Trade creditors and accruals	347,645	606,587
Total current contractual payables	347,645	606,587
Total payables	347,645	606,587

Contractual payables are classified as financial instruments and are measured at amortised cost. *Accounts payables* 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 \$
2022						
Payables	347,645	347,645	347,645	-	-	-
	347,645	347,645	347,645	-	-	-
2020						
Payables	606,587	606,587	606,587	-	-	-
	606,587	606,587	606,587	-	-	-

5.3 Other non-financial assets

	2021 \$	2020 \$
Current other non-financial assets		
Prepayments	347,862	399,113
Total other non-financial assets	347,862	399,113

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

	2021 \$	2020 \$
Non-current provisions		
Make good provision	459,658	486,266
Total other provisions	459,658	486,266

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 rate that reflects the time, value of money and risks specific to the provision.

5.4.1 Reconciliation of movement in other provisions

	2021 \$	2020 \$
Opening balance	486,266	496,274
Increase / (decrease) of provisions recognised	(26,608)	(10,008)
Closing balance	459,658	486,266
Non-current	459,658	486,266

The make good provision is recognised in accordance with the lease agreement for VIT's office facilities. 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.

Leasehold improvements - make good provision is calculated at the Department of Treasury and Finance rates.

	2021 %	2020 %
Leasehold improvements - make good provision (Level 9 628 Bourke Street)	1.491	0.872

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

	2021 \$	2020 \$
Current lease liabilities		
Contractual		
Lease liabilities (i)	554,158	525,203
Total current contractual lease liabilities	554,158	525,203
Non-current lease liabilities		
Contractual		
Lease liabilities (i)	1,850,877	2,405,036
Total non-current contractual lease liabilities	1,850,877	2,405,036
Total contractual lease liabilities	2,405,035	2,930,239
Total lease liabilities	2,405,035	2,930,239

(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 \$
2021						
Lease liabilities	2,405,035	2,405,035	43,358	88,545	422,255	1,850,877
	2,405,035	2,405,035	43,358	88,545	422,255	1,850,877
2020						
Lease liabilities	2,930,239	2,930,239	41,010	83,784	400,409	2,405,036
	2,930,239	2,930,239	41,010	83,784	400,409	2,405,036

Lease liabilities are classified as financial instruments. Interest bearing liabilities are classified at amortised cost unless the 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 the VIT is a lessee is presented below.

The VIT's leasing activities

The VIT leases a property and IT 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.

	2021 \$	2020 \$
Interest expenses		
Interest expense on lease liabilities	46,179	55,098
Total	46,179	55,098

Interest expense includes costs incurred in connection with the borrowing of funds and includes 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 2021 relating to leases.

	2021 \$	2020 \$
Cash outflow		
Total cash outflow for leases	(525,204)	(497,405)
Total	(525,204)	(497,405)

For any new contracts entered into, the 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, the 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 the VIT and for which the supplier does not have substantive substitution rights;
- whether the 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 the VIT has the right to direct the use of the identified asset throughout the period of use; and
- whether the 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 the 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 'borrowings' 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.

	2021 \$	2020 \$
Reconciliation of cash and cash equivalents		
Total cash and cash equivalents disclosed in the balance sheet	11,868,933	11,977,676
Balance as per cash flow statement	11,868,933	11,977,676

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

	2021 \$	2020 \$
Net result for the period	(857,381)	2,537,781
Non-cash movements		
Future value of make good provision	(26,608)	(10,008)
(Gain) / loss on sale or disposal of non-current assets	3,920	-
Depreciation and amortisation of non-current assets	1,721,246	838,613
Movements in assets and liabilities		
(Increase) / decrease in current receivables	132,944	(2,742)
(Increase) / decrease in other current assets	51,250	(161,492)
Increase / (decrease) in current payables	(6,498)	70,986
Increase / (decrease) in unearned fees	(258,942)	167,675
Increase / (decrease) in provisions	220,886	396,394
Net cash flows from / (used in) operating activities	980,816	3,837,207

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

	2021	2020
	\$	\$
Payables		
Not longer than 1 year	381,418	705,451
Longer than 1 year but not longer than 5 years	111,412	297,518
Total commitments for expenditure (inclusive of GST)	492,830	1,002,969
Less GST recoverable from the Australian Taxation Office	44,802	91,179
Total commitments for expenditure (exclusive of GST)	448,028	911,790

Note 7

Risks, contingencies and valuation judgements

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 the 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.

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

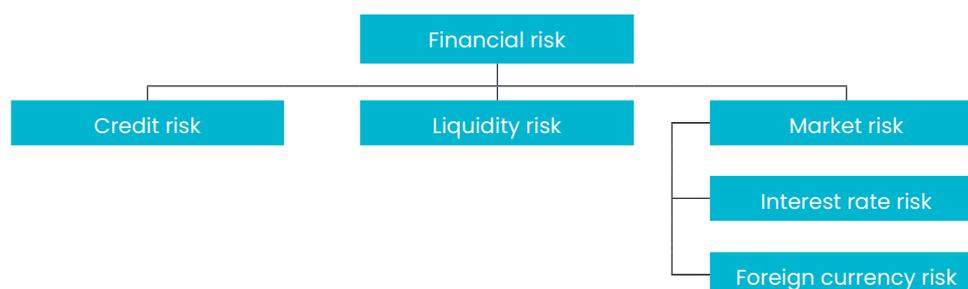
	Cash and deposits	Financial assets at amortised cost	Financial liabilities at amortised cost	Total
	\$	\$	\$	\$
2021				
Contractual financial assets				
Cash and deposits	11,868,933	-	-	11,868,933
Receivables				
Debtors	-	14,047	-	14,047
Accrued investment income	-	2,580	-	2,580
Total contractual financial assets	11,868,933	16,627	-	11,885,560
Contractual financial liabilities				
Payables	-	-	347,645	347,645
Total contractual financial liabilities	-	-	347,645	347,645
2020				
Contractual financial assets				
Cash and deposits	11,977,676	-	-	11,977,676
Receivables				
Debtors	-	19,967	-	19,967
Accrued investment income	-	4,990	-	4,990
Total contractual financial assets	11,977,676	24,957	-	12,002,633
Contractual financial liabilities				
Payables	-	-	606,587	606,587
Total contractual financial liabilities	-	-	606,587	606,587

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

	Net interest income / (expense) \$	Total \$
2021		
Contractual financial assets		
Financial assets at amortised cost	55,292	55,292
Total contractual financial assets	55,292	55,292
Contractual financial liabilities		
Financial liabilities at amortised cost	(46,179)	(46,179)
Total contractual financial liabilities	(46,179)	(46,179)
2020		
Contractual financial assets		
Financial assets at amortised cost	176,481	176,481
Total contractual financial assets	176,481	176,481
Contractual financial liabilities		
Financial liabilities at amortised cost	(55,098)	(55,098)
Total contractual financial liabilities	(55,098)	(55,098)

7.1.3 Financial risk management objectives and policies

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.

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

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. 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.

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.

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

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. VIT has grouped contractual receivables on shared credit risk characteristics and days past due and select the expected credit loss rate based on the 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 institutions (AA credit rating) \$	Government agencies (AAA credit rating) \$	Other (no credit rating) \$
2021			
Cash and deposits	11,868,033	-	900
Receivables (i)	2,580	14,047	-
Total contractual financial assets	11,870,613	14,047	900
2020			
Cash and deposits	11,976,776	-	900
Receivables (i)	4,990	19,967	-
Total contractual financial assets	11,981,766	19,967	900

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

Statutory receivables at amortised cost

The VIT's non-contractual receivables arising from statutory requirements are not financial instruments. However, they are nevertheless recognised and measured in accordance with AASB 9 requirements as if those receivables are financial instruments.

The statutory receivables are considered to have low credit risk, taking into account the counterparty's credit rating, risk of default and capacity to meet contractual cash flow obligations in the near term. As the result, the loss allowance recognised for these financial assets during the period was limited to 12 months expected losses. No loss allowance has been recognised at 30 June 2021 under AASB 139. No additional loss allowance required upon transition into AASB 9 on 1 July 2019.

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. 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.

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 7.1.2 represents VIT's maximum exposure to liquidity risk.

Financial instruments: market risk

VIT's exposures to market risk are primarily through interest rate risk, with no exposure to foreign currency and other price risks. Objectives, policies and processes used to manage interest rate risk is 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. 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. 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.

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 \$
2021					
Financial assets					
Cash and deposits	0.35	11,868,933	-	11,868,033	900
Receivables					
Debtors	-	14,047	-	-	14,047
Accrued investment income	-	2,580	-	-	2,580
Total financial assets		11,885,559	-	11,868,033	17,526
Financial liabilities					
Payables	-	347,645	-	-	347,645
Total financial liabilities	-	347,645	-	-	347,645
2020					
Financial assets					
Cash and deposits	1.07	11,977,676	-	11,976,776	900
Receivables					
Debtors	-	19,967	-	-	19,967
Accrued investment income	-	4,990	-	-	4,990
Total financial assets		12,002,633	-	11,976,776	25,857
Financial liabilities					
Payables	-	606,587	-	-	606,587
Total financial liabilities	-	606,587	-	-	606,587

Interest rate risk sensitivity

	Interest rate		
		-0.1% (10 basis points)	0.1% (10 basis points)
	Carrying amount \$	Net result \$	Net result \$
2021			
Contractual financial assets			
Cash and deposits (i)	11,868,033	(11,868)	11,868
Total impact		(11,868)	11,868
Contractual financial liabilities		-	-
Total impact		-	-

	Interest rate		
		-1% (100 basis points)	1% (100 basis points)
	Carrying amount \$	Net result \$	Net result \$
2020			
Contractual financial assets			
Cash and deposits (i)	11,976,776	(119,768)	119,768
Total impact		(119,768)	119,768
Contractual financial liabilities		-	-
Total impact		-	-

(i) Cash and cash deposits includes a deposit of \$18,033 (2020: \$476,776) that is exposed to floating rates movements.

Sensitivities to these movements are calculated as follows

- 2020: $\$476,776 \times -(0.01) = (\$4,768)$ and $\$476,776 \times 0.01 = \$4,768$
- $\$1,075,874 \times -(0.01) = (\$10,759)$ and $\$1,075,874 \times 0.01 = \$10,759$

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. VIT is exposed to foreign currency risk through their engagement of a US-based organisation for the fulfilment of its payment card compliance work. VIT has no outstanding foreign exchange exposure.

7.2 Contingent assets and contingent liabilities

Contingent assets and contingent liabilities are not recognised in the balance sheet but are disclosed and, if quantifiable, are measured at nominal value. Contingent assets and liabilities are presented inclusive of GST receivable or payable respectively.

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

As at 30 June 2021, VIT had no contingent assets (2020: \$0).

Contingent liabilities are

- possible obligations that arise from past events, whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity; or
- present obligations that arise from past events but are not recognised because
 - it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or
 - the amount of the obligations cannot be measured with sufficient reliability.

Contingent liabilities are classified as either quantifiable, where the potential economic obligation is known, or non-quantifiable.

Non-quantifiable contingent liabilities

VIT has hearings pending but not scheduled as at balance date. The timing and length of hearings can vary impacting estimated liabilities. VIT has not assigned any contingent liability in respect of possible hearings for the year ended 30 June 2021. Total contingent liabilities for 2021: \$0 (2020: \$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.

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.

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.

Fair value measurement hierarchy for assets

	Carrying amount as at	Fair value measurement at end of reporting period		
	30 June 2021	Level 1	Level 2	Level 3
	\$	\$	\$	\$
2021				
Furniture and fittings	6,355	-	-	6,355
Plant and equipment	18,462	-	-	18,462
Leasehold improvements	2,181,310	-	-	2,181,310
	2,206,127	-	-	2,206,127
2020				
Furniture and fittings	20,544	-	-	20,544
Plant and equipment	32,789	-	-	32,789
Leasehold improvements	2,732,680	-	-	2,732,680
	2,786,013	-	-	2,786,013

Reconciliation of Level 3 fair value movement

	Furniture and fittings	Plant and equipment	Leasehold improvements
	\$	\$	\$
2021			
Opening balance	20,544	32,789	2,732,680
Recognition of assets on initial application of AASB 16 Leases	-	-	-
Depreciation / impairment	(10,269)	(14,327)	(551,370)
Acquisition / (disposal)	(3,920)	-	-
Subtotal	(14,189)	(14,327)	(551,370)
Closing balance	6,355	18,462	2,181,310
2020			
Opening balance	31,131	5,921	763,375
Recognition of assets on initial application of AASB 16 Leases	-	42,071	2,508,950
Gains or losses recognised in net results	-	-	-
Depreciation / impairment	(10,587)	(15,203)	(550,571)
Acquisition / (disposal)	-	-	10,926
Subtotal	(10,587)	26,868	1,969,305
Closing balance	20,544	32,789	2,732,680

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

8.1.1 Leases

This note explains the impact of the adoption of *AASB 16 Leases* on the VIT's financial statements.

The VIT has applied *AASB 16* with a date of initial application of 1 July 2019.

The VIT has elected to apply *AASB 16* using the modified retrospective approach, as per the transitional provisions of *AASB 16* for all leases for which it is a lessee. The cumulative effect of initial application is recognised in retained earnings as at 1 July 2019.

On transition to *AASB 16*, the VIT has elected to apply the practical expedient to grandfather the assessment of which transactions are leases. It applied *AASB 16* only to contracts that were previously identified as leases. Contracts that were not identified as leases under *AASB 117* and Interpretation 4 were not reassessed for whether there is a lease. Therefore, the definition of a lease under *AASB 16* was applied to contracts entered into or changed on or after 1 July 2019.

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 2020 to 30 June 2021

Mr P Corcoran – Accountable officer (Chief Executive Officer) – 1 July 2020 to 30 June 2021

Members of the responsible body – 1 July 2020 to 30 June 2021

Ms L Lamb (i) – Council Chairperson	Ms R Vine (i)	Mr A Ferra (i)
Mr P Desmond (i) – Deputy Chairperson	Mr K Moloney (i) (1 July 2020 to 30 August 2020)	Mr G Young (i) (4 October 2020 to 30 June 2021)
Mr M Butler (i)	Ms D Harrison (i)	Ms S Hannan (i)
Ms G Carr (i)	Ms S Donald (i)	Ms A Stringer (i)
Ms J Brown	Mr A Sheumack (i)	Ms J Barbousas

The above Councillors have paid teacher registration fees to VIT in the amounts indicated below. Total receipts are disclosed at Note 8.4 Related parties.

(i) Teacher registration fee \$97.94.

Remuneration received or receivable by the Accountable Officer in connection with the management of VIT during the reporting period was in the range of \$290,000 – \$299,000 (\$290,000 – \$299,000 in 2019–20).

Income range \$	2021	2020
0–9,999	13	19
10,000–19,999	1	–
20,000–29,999	–	–
40,000–49,999	1	1
290,000–299,999	1	1
Total	16	21

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 (2020: \$0).

8.4 Related parties

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 funding from the Department of Education and Training of \$870,161 (2020: \$1,914,936) and Victoria Police of \$14,589 (2020: \$0).

VIT incurred expenditure with the Australian Criminal Intelligence Agency of \$868,457 (2020: \$713,460), Victorian Management Insurance Authority of \$22,481 (2020: \$38,412), Victorian Public Service commission of \$2,251 (2020: \$2,046) and the Victorian Police of \$50,357 (2020: \$60,429) during 2020-21.

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.

VIT received an aggregate of \$1,457 from KMPs in the form of teacher registration and other (CRC Fees) payments from Council members, as indicated in Note 8.1 Responsible persons.

Key management personnel of VIT include

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

	2021	2020
	\$	\$
Compensation		
Short-term employee benefits	362,692	341,328
Post-employment benefits	28,120	27,229
Other long-term benefits	6,501	4,751
Termination fees	-	-
Total key management personnel compensation	397,313	373,308

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

	2021 \$	2020 \$
Victorian Auditor-General's Office		
Audit of financial statements	30,660	29,310
Total remuneration of auditors	30,660	29,310

8.6 Subsequent events

The policy in connection with recognising subsequent events is as follows

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

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 2021 reporting period. DTF assess the impact of all these new standards and advises VIT of their 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

- cash
- an equity instrument of another entity
- 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
- 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 2020–21 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.



Sarah Rose (registered teacher) with learner Furlong Park School for Deaf Children



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 2021 and financial position of the Victorian Institute of Teaching as at 30 June 2021.

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

We authorise the attached financial statements for issue on 11 August 2021.

Lesley Lamb
Chairperson
Victorian Institute of Teaching

Melbourne
11 August 2021

Peter Corcoran
Chief Executive Officer
Victorian Institute of Teaching

Melbourne
11 August 2021

Mihir Thakar
Chief Finance Officer
Victorian Institute of Teaching

Melbourne
11 August 2021

Independent Auditor's Report

To the Council of the Victorian Institute of Teaching

Opinion	<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"> • balance sheet as at 30 June 2021 • comprehensive operating statement for the year then ended • statement of changes in equity for the year then ended • cash flow statement for the year then ended • notes to the financial statements, including significant accounting policies • declaration in the financial statements. <p>In my opinion the financial report presents fairly, in all material respects, the financial position of the entity as at 30 June 2021 and their financial performance and cash flows for the year then ended in accordance with the financial reporting requirements of Part 7 of the <i>Financial Management Act 1994</i> and applicable Australian Accounting Standards.</p>
Basis for Opinion	<p>I have conducted my audit in accordance with the <i>Audit Act 1994</i> which incorporates the Australian Auditing Standards. I further describe my responsibilities under that Act and those standards in the <i>Auditor's Responsibilities for the Audit of the Financial Report</i> section of my report.</p> <p>My independence is established by the <i>Constitution Act 1975</i>. My staff and I are independent of the 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>
Council's responsibilities for the financial report	<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
20 August 2021



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
Standing directions and financial reporting directions		
Report of operations		
Charter and purpose		
FRD 22H	Manner of establishment and the relevant Ministers	7
FRD 22H	Purpose, functions, powers and duties	1-51
FRD 22H	Key initiatives and projects	9-10
FRD 22H	Nature and range of services provided	1-51
Management and structure		
FRD 22H	Organisational structure	47
Financial and other information		
FRD 8D	Performance against output performance measures	n/a
FRD 8D	Budget portfolio outcomes	n/a
FRD 10A	Disclosure index	95-96
FRD 12B	Disclosure of major contracts	102
FRD 15E	Executive officer disclosures	87-89
FRD 22H	Employment and conduct principles	45
FRD 22H	Occupational health and safety policy	44
FRD 22H	Summary of the financial results for the year	41-42
FRD 22H	Significant changes in financial position during the year	41-42
FRD 22H	Major changes or factors affecting performance	n/a
FRD 22H	Subsequent events	89
FRD 22H	Application and operation of <i>Freedom of Information Act 1982</i>	44
FRD 22H	Compliance with building and maintenance provisions of <i>Building Act 1993</i>	n/a
FRD 22H	Statement on National Competition Policy	43
FRD 22H	Application and operation of the <i>Public Interest Disclosures Act 2012</i>	43
FRD 22H	Application and operation of the <i>Carers Recognition Act 2012</i>	n/a
FRD 22H	Details of consultancies over \$10,000	102
FRD 22H	Details of consultancies under \$10,000	102
FRD 22H	Disclosure of government advertising expenditure	n/a
FRD 22H	Disclosure of ICT expenditure	103
FRD 22H	Statement of availability of other information	104
FRD 24D	Reporting of office-based environmental impacts	43
FRD 29C	Workforce Data disclosures	45
SD 5.2	Specific requirements under Standing Direction 5.2	i-52

Compliance attestation and declaration

SD 5.4.1	Attestation for compliance with Ministerial Standing Direction	52
SD 5.2.3	Declaration in report of operations	ii

Financial statements

Declaration

SD 5.2.2	Declaration in financial statements	92
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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	57
SD 5.2.1(a)	Compliance with Standing Directions	57
SD 5.2.1(b)	Compliance with Model Financial Report	57-92

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

FRD 9B	Departmental Disclosure of Administered Assets and Liabilities by Activity	n/a
FRD 11A	Disclosure of Ex-gratia Expenses	n/a
FRD 13	Disclosure of Parliamentary Appropriations	n/a
FRD 21C	Disclosures of Responsible Persons, Executive Officers and other Personnel (Contractors with Significant Management Responsibilities) in the Financial Report	75
FRD 103H	Non-Financial Physical Assets	64-71
FRD 110A	Cash Flow Statements	55, 73, 74
FRD 112D	Defined Benefit Superannuation Obligations	62

*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>	7
<i>Victorian Privacy and Data Protection Act 2014</i>	7
<i>Health Records Act 2001</i>	7
<i>Freedom of Information Act 1982</i>	44
<i>Building Act 1993</i>	43
<i>Financial Management Act 1994</i>	57

Appendix B

Australian Accounting Standards Board reporting requirements for 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 ⁵	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 ¹	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 ²	Y
108	Accounting policies, changes in accounting estimates and errors	Y	Y
110	Events after the reporting period	Y	Y

¹ 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.

² 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 ³
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 ⁴	Y	Y

³Under 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.

⁴For 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 ⁵	NR	Y
1023	General insurance contracts ⁶	Y	Y
1038	Life insurance contracts ⁶	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 ⁷	Y	Y

⁵The 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.

⁶AASB is reviewing to replace *AASB 1023* and *AASB 1038* with *AASB 17* standard.

⁷*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 new and revised accounting standards have been issued but are not effective for the 2020–21 reporting period. These accounting standards have not been applied to the Model Financial Statements. The State is reviewing its existing policies and assessing the potential implications of these accounting standards which includes

- **AASB 2020–1 Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-current**

This standard amends AASB 101 to clarify requirements for the presentation of liabilities in the statement of financial position as current or non-current. It initially applied to annual reporting periods beginning on or after 1 January 2022 with earlier application permitted, however the AASB has recently issued AASB 2020–1 Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-current – Deferral of Effective Date to defer the application by one year to periods beginning on or after 1 January 2023. The VIT will not early adopt the Standard.

The VIT is in the process of analysing the impacts of this standard. However, it is not anticipated to have a material impact.

The table below is provided to assist VIT in updating their disclosure in relation to the Australian accounting standards that are issued but not yet effective for 2020–21 in accordance with paragraph 30 of AASB 108.

This disclosure should be included in the Summary of Significant Accounting Policies note of VIT's financial reports where the impact of the new accounting standard(s) are expected to have a material impact.

Entities are expected to review the relevance of the proposed disclosure based on their own circumstances.

Standard / interpretation	Summary	Applicable for annual reporting periods beginning on	Impact on public sector entity financial statements
AASB 17 <i>Insurance Contracts</i>	<p>The new Australian standard seeks to eliminate inconsistencies and weaknesses in existing practices by providing a single principle based framework to account for all types of insurance contracts, including reinsurance contract that an insurer holds. It also provides requirements for presentation and disclosure to enhance comparability between entities.</p> <p>AASB 2020–5 Amendments to Australian Accounting Standards – Insurance Contracts was issued in July 2020 with the intention to reduce the costs application and easing transition by deferring its effective date to annual periods beginning on or after 1 January 2023 instead of 1 January 2021.</p> <p>This standard currently does not apply to the not-for-profit public sector entities.</p>	1 January 2023	The assessment has indicated that there will be no significant impact for the public sector.
AASB 2020–1 Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-current	<p>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.</p> <p>AASB 2020–6 Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-current – Deferral of Effective Date was issued in August 2020 and defers the effective date to annual reporting periods beginning on or after 1 January 2023 instead of 1 January 2022, with earlier application permitted.</p>	1 January 2023	The standard is not expected to have a significant impact on the public sector.

Standard / interpretation	Summary	Applicable for annual reporting periods beginning on	Impact on public sector entity financial statements
<i>AASB 2021-3 Amendments to Australian Accounting Standards – Covid-19-Related Rent Concessions beyond 30 June 2021</i>	This standard amends AASB 16 to extend by one year the application period of the practical expedient added to AASB 16 by AASB 2020-4 Amendments to Australian Accounting Standards – Covid-19-Related Rent Concessions. The practical expedient permits lessees not to assess whether rent concessions that occur as a direct consequence of the covid-19 pandemic and meet specified conditions are lease modifications and, instead, to account for those rent concessions as if they were not lease modifications (e.g. account for as variable lease payment instead). This standard extends the practical expedient to rent concessions that reduce only lease payments originally due on or before 30 June 2022, provided the other conditions for applying the practical expedient are met.	1 April 2021	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 2020-21 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 2020-2 Amendments to Australian Accounting Standards – Removal of Special Purpose Financial Statements for Certain For-Profit Private Sector Entities.*
- *AASB 1060 General Purpose Financial Statements – Simplified Disclosures for For-Profit and Not-for-Profit Tier 2 Entities (Appendix C).*
- *AASB 2020-3 Amendments to Australian Accounting Standards – Annual Improvements 2018-2020 and Other Amendments.*
- *AASB 2020-7 Amendments to Australian Accounting Standards – Covid-19-Rent Related Concessions: Tier 2 Disclosures.*
- *AASB 2020-8 Amendments to Australian Accounting Standards – Interest Rate Benchmark Reform – Phase 2.*
- *AASB 2020-9 Amendments to Australian Accounting Standards – Tier 2 Disclosures: Interest Rate Benchmark Reform (Phase 2) and Other Amendments.*
- *AASB 2021-1 Amendments to Australian Accounting Standards – Transition to Tier 2: Simplified Disclosures for Not-for-Profit Entities.*
- *AASB 2021-2 Amendments to Australian Accounting Standards – Disclosure of Accounting Policies and Definitions of Accounting Estimates.*

Appendix D

Details of consultancies

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

In 2020-21, there were four consultancies where the total fees payable to the consultants were \$10,000 or greater. The total expenditure incurred during 2020-21 in relation to these consultancies were \$538,716 (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	105,080.00	105,080.00	-
Brooke Institute Pty Ltd	Project Nexus	375,000.00	372,886.09	2,113.91
Bond Consultancy Pty Ltd	Advice - Legal & Investigations	12,000.00	12,000.00	-
Brash Consulting Pty Ltd	Advice & training - TER	50,000.00	48,750.00	1,250.00
TOTAL		542,080.00		3,363.91

Details of consultancies under \$10,000

In 2020-21, 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 2020-21 in relation to this consultancy was \$8,820 (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 2020-21 reporting period

The Victorian Institute of Teaching had a total ICT expenditure of \$4,845,113 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) \$
4,138,739	706,374	228,408	477,966

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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Collins Street West
Victoria 8007 Australia

Victorian Institute of Teaching

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