

Annual Report

2022–2023



Dimple Bhardwaj (registered teacher) with learners
Clyde Creek Primary School

1 July 2022 – 30 June 2023

2022–23 at a glance



146,469
REGISTERED
TEACHERS



136,395
COMPLETED
ANNUAL REGISTRATION*



10,518
FIRST TIME
REGISTRANTS



45
TEACHERS SUSPENDED
ON AN INTERIM BASIS



163,863
APPLICATIONS
APPROVED^



39,932
NATIONALLY COORDINATED
CRIMINAL HISTORY CHECKS
UNDERTAKEN



53,690
ENQUIRIES
RESPONDED TO
(EMAILS AND PHONE CALLS)



1,733
PREVIOUSLY REGISTERED
TEACHERS RETURNED TO THE
PROFESSION



2,120
TEACHERS ENROLLED
IN PROVISIONALLY REGISTERED
TEACHER SUPPORT SEMINARS

*Includes permission to teach holders and provisionally registered teachers

^Includes change of registration status applications (e.g. moving from provisional to full registration or from permission to teach to provisional registration)

Responsible Body's declaration

27 September 2023

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

Dear Minister Hutchins

In accordance with the *Financial Management Act 1994*, I am pleased to present the Victorian Institute of Teaching Annual Report for the year ending 30 June 2023.

Yours sincerely



Lesley Lamb
Chairperson



Amanda Heggen (registered teacher) with learner
Our Lady of Fatima School

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Statement of Expectations 2020–2023

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

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

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

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

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

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

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

Improvements and targets

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

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

A full copy of the Minister's Statement of Expectations can be found on VIT's website: www.vit.vic.edu.au.

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

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

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

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

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

Timeliness

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

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

Compliance related assistance and advice

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

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

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

Risk-based strategies

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

Clear and consistent regulatory activities

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

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

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

A full copy of VIT’s response can be found on VIT’s website: www.vit.vic.edu.au.

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

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

Details of how VIT incorporated the SOE in its Strategic Plan are on page 6 of this report.

The SOE was issued by the former Minister for Education in November 2020 and applied for the period 2020–22, or until otherwise amended. The Department of Treasury and Finance revised the Statement of Expectations Framework (published in March 2023), which has necessitated the continuation of the SOE 2020–2022 for a further year, and continues to be embodied in the VIT Strategic Plan which runs through to July 2024.



Mark Fox (registered teacher) with learners
Carey Baptist Grammar School

Our legislation

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

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

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

The Act was further amended in March 2021 to clarify VIT's powers to accredit initial teacher education programs and introduced new powers to endorse 'pathway programs'* and continuing professional development programs. The amendments also improved

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

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

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

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

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



May Tian (registered teacher)
Mentone Grammar School

Our strategic plan 2021–2024

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

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



Our vision

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



Our purpose

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



Our principles

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



Our functions

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



Our values

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

Our objectives



Provide for the safety and wellbeing of children and young people

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



Set the standards and enable quality teaching

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



Engage actively with, and learn from, stakeholders

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



Provide an efficient and effective registration process

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



Be a capable and high performing regulator

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



Benjamin Foster (registered teacher) with learner
Richmond West Primary School

Key achievements



Provide for the safety and wellbeing of children and young people

- educated teachers, employers, school and early childhood service leadership about the Code of Conduct
- strengthened the understanding of child safety matters and reporting obligations for employers, school and early childhood service leadership, teachers, parents, students and the public
- strengthened effective information sharing with co-regulators
- utilised a risk-based model to inform investigative approach, including appropriate and timely use of interim suspensions powers to provide for the safety and wellbeing of children
- identified opportunities to intervene in order to prevent harm
- utilised data to inform educational articles for teachers around topical areas of teacher misconduct
- investigated misconduct and breaches of the Code of Conduct and took appropriate regulatory action
- introduced a case prioritisation model
- accredited initial teacher education programs to ensure child safety and wellbeing standards are taught at the Graduate Teacher level
- developed and promoted suitability consideration resources for pre-service teachers
- used registration suitability pathway efficiently to determine registration outcomes
- developed and refreshed memoranda of understanding that relate to child safety and information sharing with Australian Teacher Regulatory Authorities (ATRA) and Victorian Disability Worker Commission (VDWC)
- ensured provisionally registered teachers can demonstrate
 - how they establish and maintain appropriate professional relationships with learners
 - an understanding of their legal responsibilities, and how they establish and maintain appropriate professional relationships with learners and families.



Set the standards and enable quality teaching

- supported government initiatives to address teacher workforce shortages
- educated teachers and pre-service teachers about the Australian Professional Standards for Teachers (APST), Code of Conduct and Code of Ethics
- informed teachers how regulatory processes support quality teaching and provide for the safety and wellbeing of children and young people
- supported teachers to move from provisional to full registration
- facilitated effective mentoring of early career teachers
- approved pathway programs into accredited initial teacher education (ITE) programs, endorsed continuing education programs and assured quality of ITE programs
- showcased best teaching practices
- delivered bespoke classroom readiness workshops to pre-service teachers assisting with workforce shortages
- delivered mentor workshops and master classes to support pre-service teachers, permission to teach holders and provisionally registered teachers to be inducted into the profession.



Engage actively with, and learn from, stakeholders

- implemented a wide range of recommendations stemming from stakeholder satisfaction surveys
- developed a digital media strategy to improve mechanisms for listening to community and stakeholders
- maintained the Conduct Reporting Guide (online reporting tool) in collaboration with co-regulators and feedback from school parent and student representative groups
- reviewed VIT's stakeholder engagement plan
- used VIT's parent / student stakeholder group and conducted regular roundtable consultation with co-regulators to gauge community expectations on VIT's risk lens
- enhanced stakeholder understanding of VIT's regulatory functions
- strengthened strategic relationships with co-regulators and the education sector.



Provide an efficient and effective registration process

- improved the self-managed registration process for applicants, teachers, school / early childhood service leadership and employers (duty holders)
- supported increased demand for permission to teach to assist schools manage the impacts of work-force shortages and COVID-19
- approved increased number of applications from teachers with overseas and interstate qualifications
- increased pro-active engagement with pre-service teachers and key permission to teach stakeholders to ensure an efficient registration process for applicants, schools and early childhood services
- leveraged teacher management system capabilities to provide targeted, timely and comprehensive communications to duty holders
- enhanced staff training to promote consistent and accurate assessment of applications (despite assessing 32% more applications during the period, average assessment time has reduced from 4.3 weeks to 3.8 weeks)
- maintained efficiency and quality of engagement across teacher, principal and early childhood hot-lines despite 15 per cent increase in call volumes (average call wait time is 83.4 seconds on teacher hotline and 39.6 seconds on the principal hotline. 96 per cent of all calls answered)
- email response time has remained the same, despite a 14% increase in email volumes (on average emails answered within two business days of receipt)
- developed employer pack – guide for schools and early childhood services to co-regulate the teaching profession.



Be a capable and high performing regulator

- strengthened and supported business and staff performance
- continued to build a positive and inclusive workforce culture
- continued to attract, recruit and induct new staff
- used data and intelligence to inform VIT's regulatory approach
- focused on achieving long-term financial sustainability
- informed and worked effectively with government
- continuously reviewed performance against the strategic plan and statement of expectations
- continued development of registration system technology to enhance teacher experience
- enhanced data protection by incorporating additional layers of security
- undertook a facilitated assessment of Council performance and reviewed its Committee structure and operation (leading to significant changes).



Samiksha Sharma (registered teacher) with learners
KU Craigieburn Childrens Centre

Chairperson's message



Using strong foundations to build quality education and safe learning environments for children and young people

This Annual Report recognises the achievements of the Victorian Institute of Teaching (VIT) in a year characterised by a return to face to face learning, but with the shadow of the previous two pandemic years ever present.

The experience of COVID-19, and the remote learning it necessitated, allowed us to gain a better understanding of the complexities, changes and challenges of contemporary teaching. For VIT, the year brought those complexities and challenges in new magnitude, and our focus turned from *managing* the changes to *using* them to ensure the quality and strength of the profession.



For VIT, the year brought those complexities and challenges in new magnitude, and our focus turned from *managing* the changes to *using* them to ensure the quality and strength of the profession



The VIT's fundamental purpose is to ensure a teaching profession of the highest quality, capability and integrity. This is a goal without a limit, without an end point because, like quality teachers, we too are striving for continuous improvement.

The profession is suffering a serious workforce shortage, and VIT's Accreditation and Professional Practice Branch has been actively facilitating the development of innovative methods of initial teacher education (ITE). Victoria is leading the way in partnering with ITE providers to hone a range of options which allow pre-service teachers to fast-track their courses and / or 'learn while they earn'. However, VIT's most expert work has been to ensure that the quality, relevance and currency of such programs are maintained.

We have also been working with the higher education providers to endorse high quality continuing education programs and micro-credentials to give teachers, principals and early childhood managers the assurance that their professional learning meets emerging needs, and adds value to their knowledge and practice.

The Teacher Engagement and Registration (TER) Branch has also responded to the workforce shortage challenge by facilitating

the registration of significant numbers of teachers returning to the workforce or seeking permission to teach (PTT). All of this has been additional to the annual renewal of registration checks to which over 110,000 teachers are subject.

Large volumes of teacher vacancies have led to greater numbers of qualified teachers from interstate and overseas applying to teach in our schools and early childhood services. The TER Branch works with the Professional Conduct Branch to ensure these applicants are suitable to teach. This has its own complexities, especially when dealing with overseas agencies and less rigorous registration schemes than Victoria's.

There is another challenge here, large numbers of new teachers, teachers outside the system or those with special authority to teach (such as PTT) must be supported in their work in schools. We need them to thrive in the classroom and benefit the system for years to come. The Professional Practice team has been proactive in supporting PTT holders with fully subscribed and highly valued classroom readiness seminars. This is just one area of outreach to the profession.

This outreach has been ably supported by our Stakeholder Engagement and

Communication Branch. This team prepares the communications, the 'upstream' work to support teachers with information and explanation, to highlight best practice and help create networks. In a brave move, the team instituted a teacher and employer satisfaction survey and fed back the results unflinchingly. It has shown we have some way to go to build teacher support, but also uncovered a number of misconceptions about VIT's role which we are working to correct. Another welcome innovation is a foray into social media with a LinkedIn profile which has been generating positive engagement.

The Professional Conduct Branch continues to receive disturbing numbers of teacher conduct matters. This has placed the Branch under huge strain, and it is a credit to our staff that they continue to apply the same exacting standards in managing these matters. To make our protective measures more efficient and effective, the team has devised and implemented a new prioritisation model to ensure a proportionate and timely response to the most serious matters.

In late 2022, VIT moved its offices to 717 Bourke Street. The amenities and professional environment has been a boon for VIT staff and visitors alike. That the move was smooth and undertaken with minimal cost is a testament to the consultation, negotiation and cooperation of our Shared Services Branch. Of course, Shared Services staff are the hidden power source of VIT; providing the administrative, financial, information communication and technology as well as

people and culture services crucial to our successful operations.


Council is humbly grateful for all our officers, so capably inspired and led by our CEO, Peter Corcoran. They too have been affected by workforce shortages. They too have been required to pivot and adapt to the complex, dynamic and burgeoning workload of the past year(s!). However, they have continued to give their best to our vital work in raising the quality of teaching, and providing for the safety and wellbeing of children and young people.

Our Council's active engagement and commitment to VIT has generated positive input, considered decisions and wise governance. We were disappointed that two of our number, Linda Douglas and Sharon Rogers, resigned due to personal and professional demands, and we thank them for their contribution to VIT's vision for all Victorian children and young people to have the best teachers.

With our combined efforts, we aim to build public confidence in the teaching profession – a profession we have all benefited by and wish to see grow in quality and esteem into the next challenging years.



Lesley Lamb
Chairperson



Amy Davis (registered teacher) with learner
Clyde Creek Primary School

CEO's report



Regulating for a highly qualified, proficient and reputable teaching profession

For Victoria, like many other jurisdictions across Australia, teacher workforce shortages have had a major impact on the ability of early childhood settings and schools to recruit qualified, suitable teachers.

Throughout the year, VIT has worked tirelessly to support employers with their teacher registration requirements – whether it be the attraction of recent retirees back into the workforce or teachers from overseas to work in Australia, or to assist pre-service teachers in their final year of study to work in schools to support COVID-19 related workforce shortages. Where schools have not been able to employ a qualified teacher, we have worked to support them by issuing permission to

A primary focus has been to bring a teacher's perspective to the regulatory environment through contributing to policy development and strategic planning, but most importantly, by working with teachers across all sectors to understand the needs of individual teachers and the profession more broadly.

teach (PTT) to suitable candidates (PTT is an alternative authorisation to teach that exists primarily to address workforce shortages).

Concurrently, we have worked with a number of initial teacher education (ITE) providers to support the evolution and development of employment-based pathways for pre-service teachers.

The VIT's Professional Practice team has continued to bridge the gap between the teaching profession and its regulator. Made up of members with recent experience working in the sector, the team has undertaken an extraordinary amount of outreach programs during the period. A primary focus has been to bring a teacher's perspective to the regulatory environment through contributing to policy development and strategic planning, but most importantly, by working with teachers across all sectors to understand the needs of individual teachers and the profession more broadly.

The transformation of VIT's teacher registration system in 2020, and a focus on building inter-branch capability has seen an improved efficiency in registration and

permission to teach assessments. This is despite an increase by 34% in the numbers of applications being submitted to VIT. We have also managed to maintain excellent customer service levels, despite a 15% increase in call and email volumes.

We have continued to allocate further resources (within our capability) to increasing the number of staff working in our Professional Conduct Branch to address the significant workload associated with professional conduct notifications. The Branch has developed a case prioritisation model which has allowed the team to target the most serious issues of misconduct, complete more investigations and improve the timeliness of our investigations.

Each team has been well supported by our Shared Services Branch, underpinning VIT activities with financial services, state of the art technology, and quality audit and risk services. With an expiring lease on our old building, and competitive market rates (due to low CBD occupancy rates), the Branch was able to secure, and seamlessly move into, our new premises at 717 Bourke Street. We were thrilled to be able to utilise over 95% of our existing office fit out in the new premises.

The VIT has successfully embedded an ongoing hybrid working model within VIT; we have recognised the important role that working in the office contributes to consistency of practice, problem solving, professional development, mentoring and

“ Once again, I am incredibly proud of the work that the VIT team has undertaken throughout the year and would like to thank them for their fantastic contribution ”

management oversight as well as the obvious benefits of working from home, with less commuting time and an opportunity for staff to work with fewer interruptions. All staff have been equipped and are capable of working within the office and from home.

Once again, I am incredibly proud of the work that the VIT team has undertaken throughout the year and would like to thank

them for their fantastic contribution. We have managed to achieve our largest program of professional support programs for teachers and aspiring teachers; improve the efficiency of our registration processes (despite a significant increase in applications); support the Department of Education's initiatives to attract teachers into the profession; increase our e-newsletter and circular readership for principals, early childhood managers and teachers; facilitate further professional development for pre-service teachers employed in schools across Victoria; and continued to uphold the integrity of the teaching profession through our suitability assessments and taking appropriate regulatory action where teachers have not met the Victorian Teaching Profession's Code of Conduct and Ethics.

Our work to raise the quality of teaching and provide for the safety and wellbeing of children and young people in Victoria is helped enormously by the support from our Council members, and I thank them for their fantastic leadership throughout this challenging period.



Peter Corcoran
Chief Executive Officer



Emily Paternoster (registered teacher) with learners
Carrington Primary School

Registration assessment: raising the quality of teaching and providing for child safety

To raise the quality of teaching as well as provide for the safety and wellbeing of children and young people, VIT assesses all applications to ensure a person is qualified and suitable to undertake the duties of a teacher.

Most applications take between 4–6 weeks to assess once all documentation has been submitted. In some cases, applications may be assessed more quickly. In 2022–23, the average assessment time was 3.8 weeks.

The length of time taken to assess an application depends on the type of application and each applicant's circumstances. An application requires some (or all) of the following assessments to occur.



Qualifications

Under the *Education and Training Reform Act 2006* (Vic), a person must obtain a qualification that is appropriate for entry to teaching and meets national standards in order to become registered as a teacher.

Transcripts and evidence of completion must be assessed against current Victorian teacher and early childhood teacher qualification requirements.



English language competency (ELC)

ELC is essential for the provision of high quality of teaching, and supports teachers to communicate clearly with students, parents and colleagues.

ELC is a national standard which is evidenced through completion of at least four years of tertiary study in a country named in VIT's English language policy or via an approved English language test.



Nationally Coordinated Criminal History Checks (NCCHCs)

To provide for the safety and wellbeing of children and young people, VIT undertakes 5 yearly NCCHCs and weekly State police checks as part of an initial application and ongoing registration with VIT.

The VIT must first establish a connection between the applicant and their identification documents in order to run an NCCHC.

A finding in the NCCHC will not automatically preclude a person from being registered – where a matter is returned, VIT will assess the person's suitability to teach.



Overseas criminal records checks (CRCs)

An applicant for teacher registration who has lived continuously in any country other than Australia for 12 consecutive months while over the age of 18 within the last 10 years will need to provide an overseas CRC issued by the national police service from each overseas country they lived in.

Overseas CRCs are assessed against VIT's suitability framework, and must adhere to the standard set by the Department of Home Affairs guidelines.



Suitability

Legislation requires VIT to ensure that a person is suitable to teach in a school or early childhood setting. Suitability to teach means a person is fit to teach, and is physically and mentally able to teach. Assessment includes determining whether the character, reputation and conduct of a person are such that they should be allowed to teach in a school or early childhood setting.

Due to ongoing suitability assessments, registered teachers are exempt from requiring a separate Working with Children clearance.

Registration and compliance

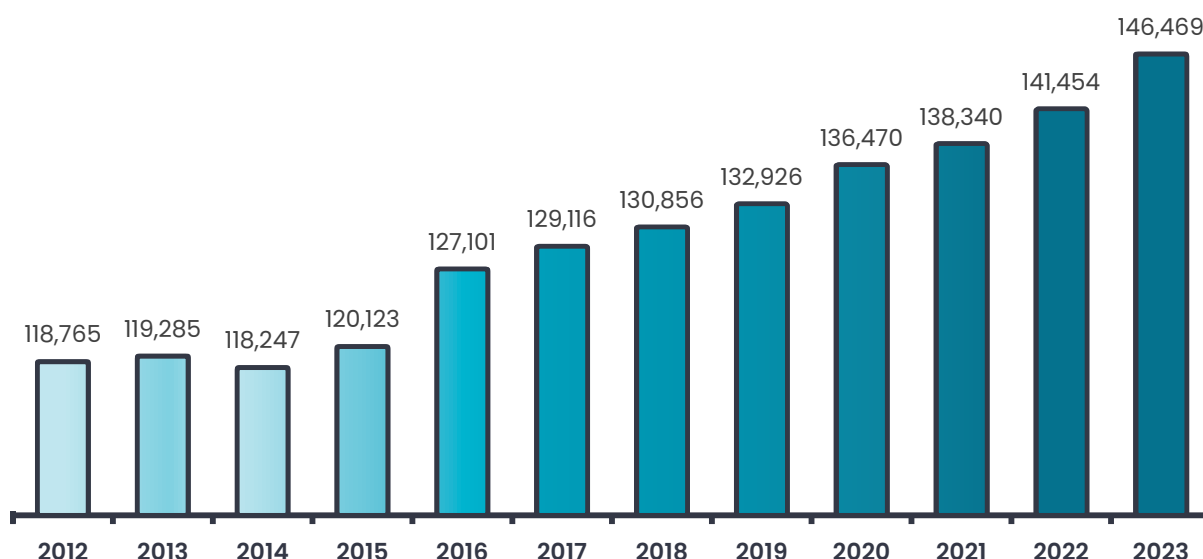
Victorian teacher registration

As at 30 June 2023, there were 146,469 registered teachers in Victoria, of whom 8,925 held early childhood teacher (ECT) registration and 4,650 held both teacher and ECT (dual) registration.

The total number of registered teachers increased by 3.42 per cent from the previous

year. This has been driven by a number of factors, including increased demand for permission to teach to support schools to manage the impacts of workforce shortages and COVID-19, increased applications from teachers with overseas qualifications (151 per cent increase since 2022) and an increase in applicants from interstate (22 per cent increase from 2022).

Figure 1
Number of registered teachers 2012–23



Daniel Koole (registered teacher) with learner
Our Lady of Fatima School

Table 1
Number of registered teachers

Registration type	2022	2023	% change
Full registration – school teacher	108,300	110,408	1.95
Full registration – early childhood teacher	5,171	5,499	6.34
Full registration – dual	2,642	3,204	21.27
Total full	116,113	119,111	2.58
Provisional registration – school teacher	14,011	14,284	1.95
Provisional registration – early childhood teacher	2,476	3,426	38.37
Provisional registration – dual	1,462	1,446	-1.09
Total provisional	17,949	19,156	6.72
Non-practising – school teacher	4,293	4,341	1.12
Non-practising – early childhood teacher	292	356	21.92
Non-practising – dual	76	101	32.89
Total non-practising	4,661	4,798	2.94
Total permission to teach	2,731	3,404	24.64
TOTAL	141,454	146,469	3.42

Table 2
Number of new registrants

Qualification type	2022	2023	% change
Victorian qualifications	5,396	6,274	16
Interstate qualifications	465	532	14
Overseas qualifications	739	1,271	72
Mutual recognition	808	1,220	51
Permission to teach	1,791	2,665	49
TOTAL	9,199	11,962	30



Danit Rosengarten (registered teacher) with learners
Richmond West Primary School



Case study – VIT at work

In 2021, VIT set a strategic goal to provide an efficient and effective registration process. We invested heavily in the development of a new online application system as well as staff training and development, and set ambitious performance goals. Since this time, the average application assessment times have decreased from 12 weeks to 3.8, and call answer rates have improved by more than 40 per cent.

Numbers of registration applications submitted and levels of engagement with teachers, principals, early childhood managers and other stakeholders increased substantially in the 2022–23 financial year. This includes

- 34 per cent increase in the number of initial registration and permission to teach applications received (from 10,349 to 13,923)
- 15 per cent increase in call volumes (from 46,591 to 53,690)
- 14 per cent increase in email volumes (from 23,217 to 26,419)

Despite the increased demand, VIT has been able to leverage the investment in both our system and our people to maintain service levels consistent with the previous financial year (or within a tolerable deviation).

Table 3
Performance measure statistics

Performance measure	2020–21	2021–22	2022–23
Total application assessment time	12.5 weeks	4.3 weeks	3.8 weeks
Call answer rate – teachers' hotline	53%	97.8%	95.7%
Call answer rate – principal hotline	79.2%	97.4%	96%
Average call wait time – Teacher hotline	40+ minutes	38.4 seconds	83.4 seconds
Average call wait time – Principal hotline	25+ minutes	39.6 seconds	49 seconds
Average email response time	6 weeks	2 business days	2 business days

Regulatory compliance

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

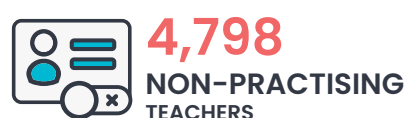
Every year, VIT checks the registration of all ongoing and contracted staff in Victorian schools. In government and Catholic schools, this check is done through an exchange of data between the sector authorities and VIT.

To help address the most common causes of unregistered practice, VIT communicated with principals, early childhood leaders and teachers regarding common registration issues to check for at the start of the year, and how to confirm the registration status of graduate teachers. The VIT also focused heavily on educating early childhood services on the registration requirements for early childhood teachers, including when registration was required.



Dionisius Solihin (registered teacher) with learner
Caulfield Grammar School

Quick facts: 2022–2023



SCHOOL TEACHERS



EARLY CHILDHOOD TEACHERS



DUAL REGISTERED TEACHERS



Note: 0.03% identified as other or preferred not to say



SCHOOL TEACHER AVERAGE AGE

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



EARLY CHILDHOOD TEACHER AVERAGE AGE

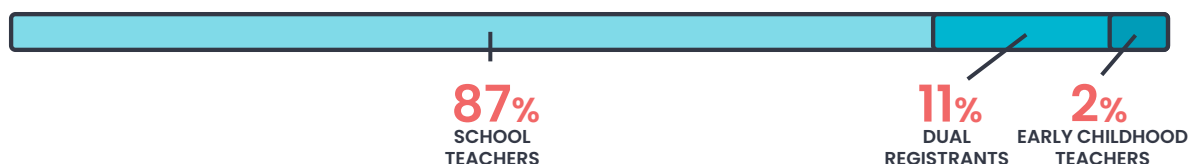
14% of early childhood
teachers are under 30 years
and 9% over 60 years



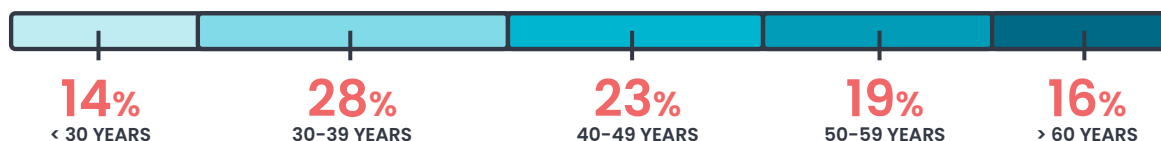
DUAL REGISTRANTS AVERAGE AGE

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

INITIAL TEACHER EDUCATION – GRADUATE REGISTRATIONS

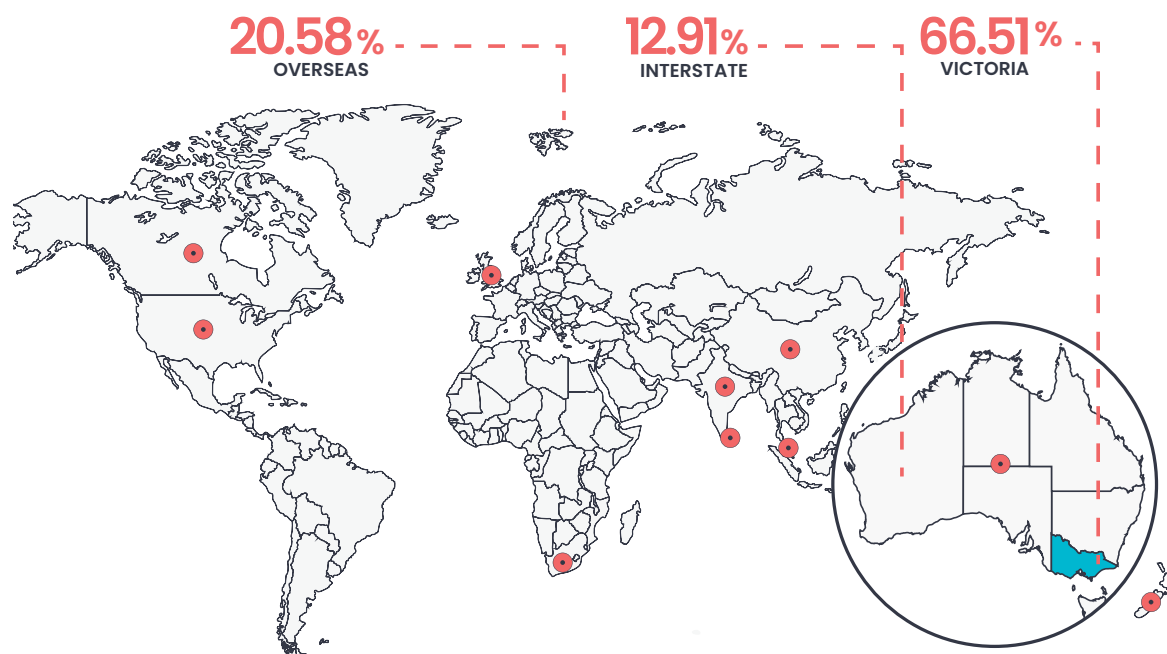


AGE – ALL TEACHERS

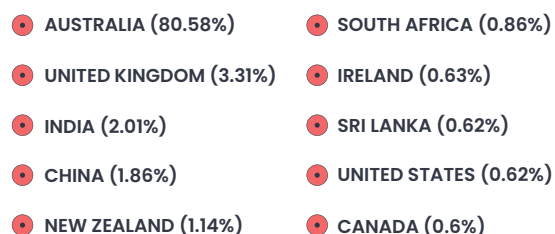


*Includes permission to teach holders and provisionally registered teachers

BIRTHPLACE - ALL TEACHERS



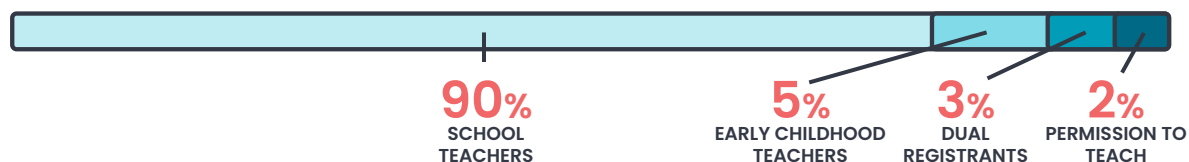
TOP 10 COUNTRIES OF BIRTH



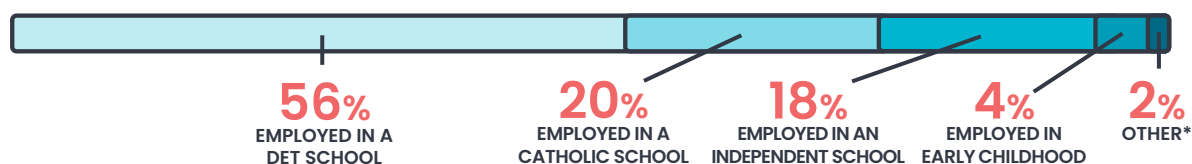
RESIDENTIAL LOCATION OF TEACHERS



REGISTRATION TYPE - ALL TEACHERS



SECTOR - ALL TEACHERS



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

Program accreditation and professional practice outreach

Accreditation of initial teacher education programs

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

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

Victorian ITE programs prepare more than 5,000 graduates each year for entry into the teaching profession. About 4,000 of these graduates apply for VIT registration to work in Victorian schools and early childhood services.

There are currently 11 providers offering 180 accredited ITE programs in Victoria, 83 of which are in 'teach out'*. In 2022-23, VIT finalised the full stage one accreditation of 19 programs.

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

Approval of Pathway Programs into ITE

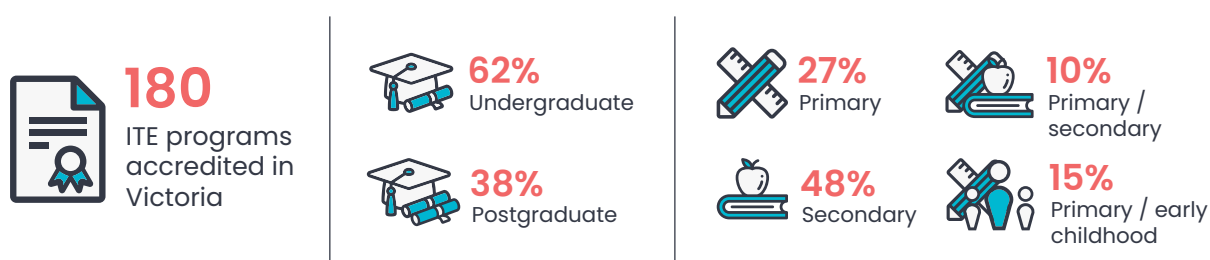
The Education and Training Reform Amendment (Miscellaneous) Act 2021 introduced a new regulatory function for VIT to approve ITE pathway programs – programs or courses of study that are identified or marketed as offering to provide a pathway to entry into an approved ITE program.

In 2021, VIT established the requirements, criteria and standards that a program must satisfy before VIT approves the program or course as a pathway program into ITE.

The framework for the approval of pathway programs into ITE (the framework) was developed in consultation with ITE providers and relevant Registered Training Organisations (RTOs). The framework was approved by VIT Council and endorsed by the Minister for Education at the end of 2021.

Since the framework for the approval of pathway programs into ITE was established, VIT has assessed and approved 14 out of 20 identified pathway programs into ITE. 6 remaining pathway programs are currently under assessment and are expected to be approved by the end of 2023.

Figure 2
ITE program breakdown





Case study – VIT at work

ITE accreditation comprises two stages.

Stage one is the process of accreditation for programs entering the accreditation system for the first time and requires providers to submit evidence against all national standards for assessment by an accreditation panel.

Stage two accreditation supports a continuous improvement cycle in ITE. Programs are reviewed, evaluated and improved based on the data that ITE providers collect and report on throughout the previous accreditation period.

To ensure that ITE providers understand the requirements for stage two, VIT developed a guidance note providing tips and advice for providers on how to prepare an application. The guidance note was developed in consultation with accreditation panellists and based on insights from other Australian teacher regulatory authorities. In addition, the requirements for a stage two application were explored during VIT's 2022 ITE Provider Forum and at the 2022 Accreditation Expert Group Forum which consists of all trained Victorian accreditation panellists.

ITE providers are required to report to VIT on their programs annually. The VIT has refined the annual reporting process to support the targeted and purposeful collection of evaluative and impact data to ensure providers were regularly collecting and reporting on the data required for a stage two application. This work highlighted to providers the importance of carefully identifying the data they were collecting in their stage one applications; meaningful data allows for a more effective review of their programs in a stage two application.

This work has resulted in VIT successfully facilitating the accreditation of the first stage two accreditation in Victoria. The VIT expects a number of further stage two applications in the second half of 2023.



Michelle Murdoch (registered teacher) with learners
Westbourne Grammar School

Accreditation Committee

The Accreditation Committee assesses and approves pathway programs into ITE and assesses 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 2022–23, the Committee met eleven times.

Members

Gillian Carr – Council member
Committee Chairperson

Paul Desmond – Council Deputy Chairperson
Deputy Chairperson

Joanna Barbousas – Higher education institution representative

Alison Bortoli – Early childhood representative

Michael Butler – Council member

Deborah Corrigan – Higher education institution representative

Andrew Dalgleish – Principal class representative

Elizabeth King – Employer representative, Department of Education

Jim Laussen – Employer representative, Independent Schools Victoria

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

Janet Scull – Initial teacher education representative

Sara Sirianni – Employer representative, Melbourne Archdiocese Catholic Schools

Professional practice: providing targeted, responsive support to the teaching profession

The Professional Practice team consists of registered teachers with significant experience across a variety of educational contexts. The team has important outreach to the teaching profession through face to face and online seminars and workshops across Victoria. This regional, rural and metropolitan outreach supports teachers to understand their professional and regulatory obligations and provide for quality teaching.

Through pre-service teacher seminars, provisionally registered teacher (PRT) seminars, Effective Mentoring Program (EMP) workshops, and Code of Conduct seminars, the team's work aligns with VIT's regulatory approach by

- assisting teachers to comply with regulatory obligations
- using intelligence and analysis to inform their work
- educating and informing teachers how regulatory processes support quality teaching and ensure for the safety and wellbeing of children and young people.

The VIT moved all seminars online during the height of the COVID-19 pandemic, however in 2022–23, the majority of seminars were delivered face to face. Regular online seminars were made available for those who were unable to attend in person.

While face to face seminars enable a more engaging program for attendees, it is particularly important for early childhood teachers (ECTs), as they are often the only registered teacher in their centre. Meeting other ECTs allows them to network and establish connections with teachers in their local area.

During the reporting period, 2,120 PRTs enrolled in seminars to help support them move to full registration. Bespoke seminars for provisionally registered casual relief teachers (CRTs) were also delivered.

Table 3
Number of PRT seminars delivered in 2022-23

Seminar type	2022	2023
PRT – face to face	2	15
PRT – online	11	2
CRT PRT – face to face	0	0
CRT PRT – online	2	2

Table 4
Number of face to face and online EMP workshops delivered in 2022-23*

Workshop type	Day 1	Day 2
Face to face	20	15
Online	5	7

*EMP workshops run over 2 days a few weeks apart, data does not include day 1 or day 2 seminars that ran outside of the reporting period.

Figure 3
Regional locations of face to face seminars in 2022-23

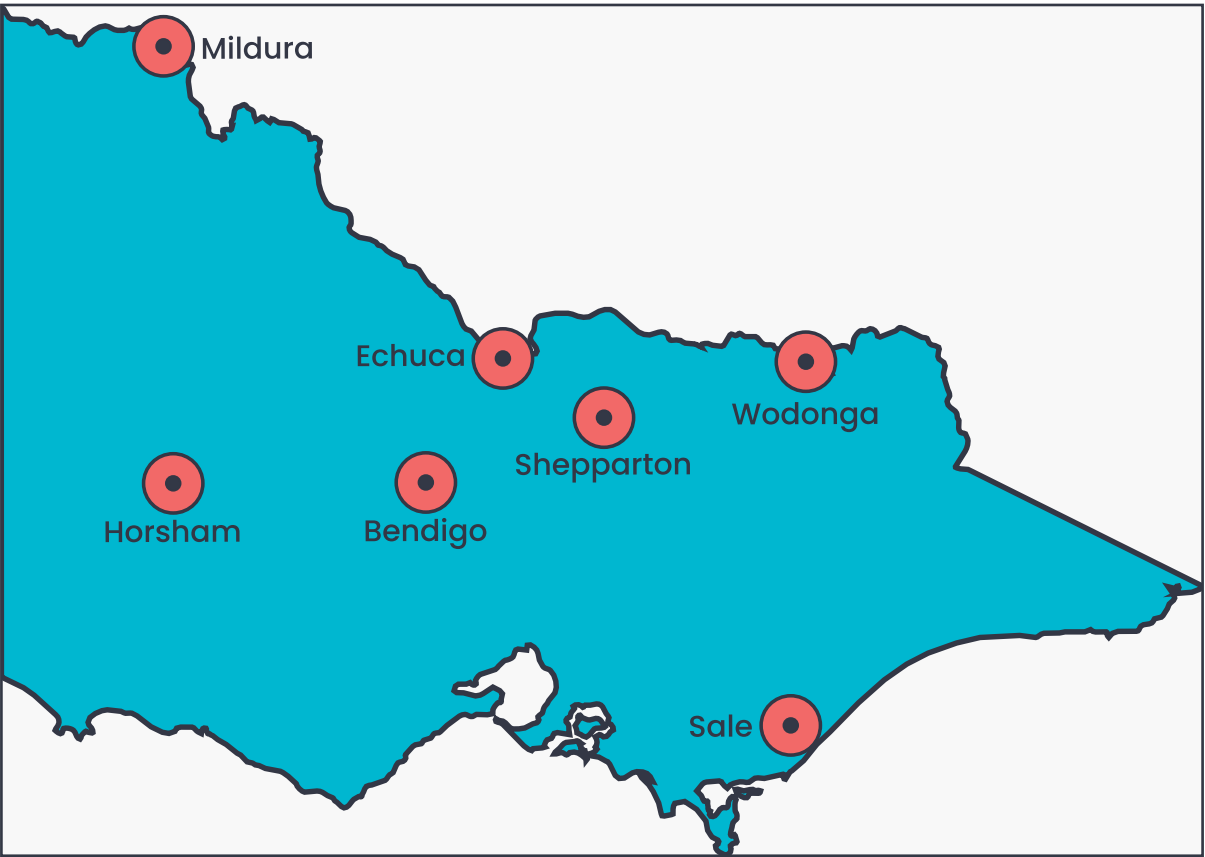
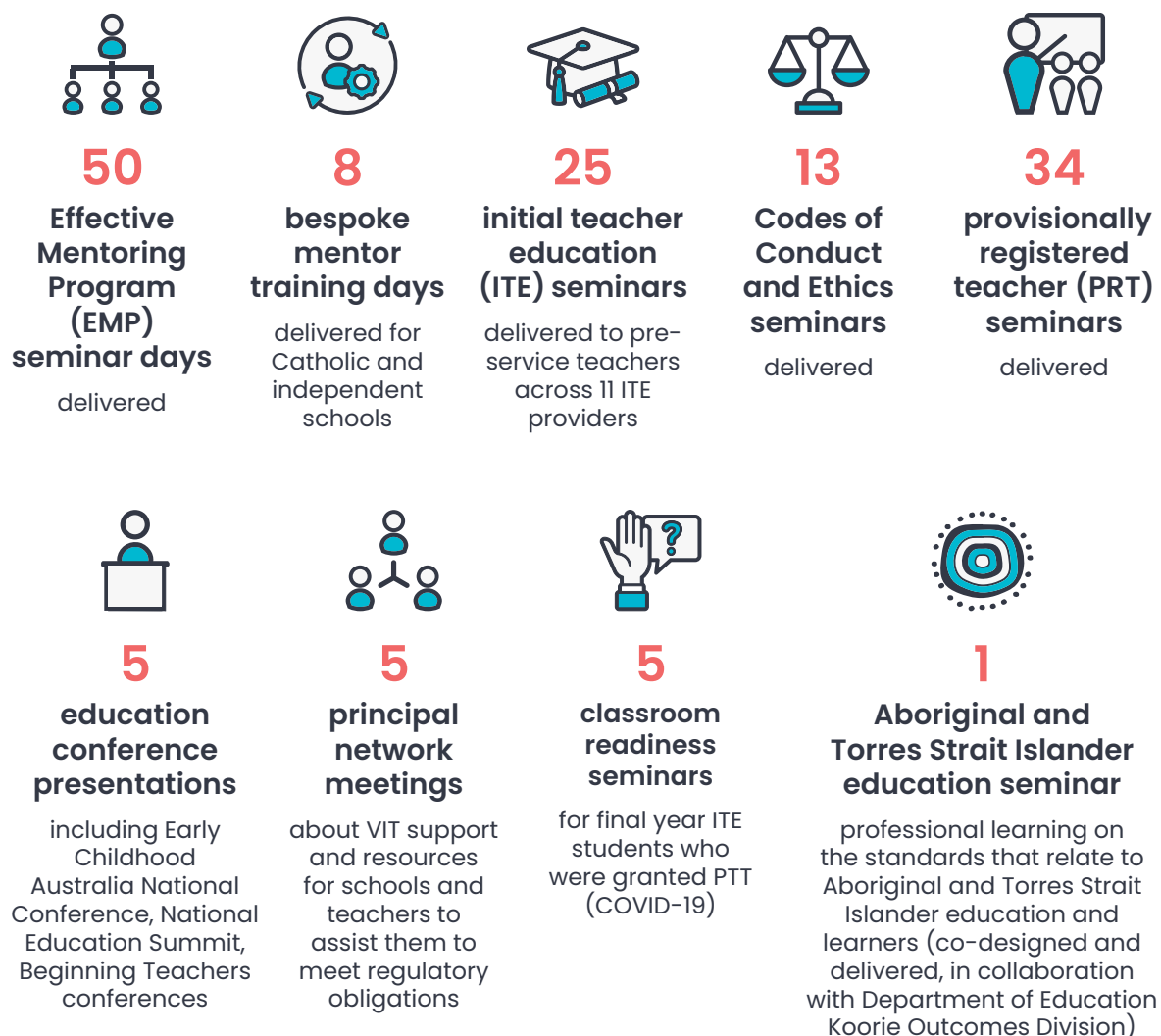


Figure 4
Professional practice and stakeholder outreach in 2022–23





Case study - VIT at work

In 2022, the Victorian Government launched an initiative to address workforce shortages as a result of the impact of COVID-19. As part of the initiative, schools have access to a pool of Permission to Teach (PTT) holders who are pre-service teachers (PSTs) in their final year of study in an accredited Victorian initial teacher education (ITE) program. To support PTT holders, the Professional Practice team developed Supporting Classroom Practice Workshops.

The bespoke workshops are facilitated by Glen Pearsall, a renowned expert in the field. They focus on developing practical classroom management strategies and tools for increasing student engagement, enabling teachers to provide a safe and supportive environment for their learners. Since September 2022, five workshops have been held, reaching 174 PTT holders. A Mentor Masterclass was also held to support 30 mentors of PTT holders. Two more workshops will be held in the second half of 2023 with the view to continue this initiative in 2024.



Highly recommend this PD to all teachers! Very real and practical skills that can be applied in the classroom.

Workshop Participant



Extremely useful and practical advice for new teachers, Glen provided so many great strategies and the reasoning behind them.

Workshop Participant

Survey results showed that the seminars had a significant impact on increasing teachers' awareness of, and confidence in, implementing classroom management techniques into current practice. Of the 73 survey respondents in 2023, 100% said they were either likely or very likely to implement the skills and information from the workshop into their current teaching practice. 94% of survey respondents in 2023 agreed or strongly agreed that the resources provided will be useful for their future teaching.



It was reassuring to know there are experts in this field and there is a full kit bag of tools to apply as required. The presenter is clearly one of the best at classroom management. I was grateful for the opportunity to learn from someone with such a wide knowledge and experience.

Workshop Participant



Angela Haines, Teacher Practitioner
Victorian Institute of Teaching

Professional conduct

Registration suitability assessments

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

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

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



Monique Riley (registered teacher) with learners
McClelland College

Table 5
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> <p>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</p> <p>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>
<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 principles to assess all applications since September 2019.

Outcomes of applications for registration

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

In 2022–23, VIT imposed conditions on the registration of 43 teachers and refused 20 applications for registration and / or renewal of registration.

Table 6
Outcomes of applications for registration in 2022–23

Outcome	No.
Conditions imposed on registration	43
Application for registration / renewal of registration refused	20



Complaints and notifications

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

The number of notifications and complaints received by VIT in 2022–23 is summarised in Table 7.

Table 7
Information, complaint and notification sources in 2022–23

Source	No.	Variance from 21–22
Reportable allegations Reportable allegations are allegations that a registered teacher has engaged in any of the following <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. CCYP has a legal obligation to notify VIT if it receives reportable allegations about a registered teacher.	390	▲ 54%
Complaints Any person or entity may make a complaint to VIT about a registered teacher if it relates to one or more of the following allegations <ul style="list-style-type: none"> 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. 	240	▲ 37%
Notifications from employers 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.	161	▲ 257%
Victoria Police notifications Victoria Police notifies VIT if it is conducting an investigation into a registered teacher who may have committed a criminal offence. It also notifies VIT if a registered teacher has been charged or found guilty of a criminal offence.	233	▲ 11%
WWC notifications in relation to registered teachers 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.	23	▲ 109%

As at 30 June 2023, VIT was assessing 1,698 matters that originated from notifications and complaints.



Case study – VIT at work

The VIT recently made a regulatory decision concerning a teacher who interacted with their students using inappropriate language. All names have been removed.

Under the *Education and Training Reform Act (2006)* (the Act), if VIT receives a notification or complaint about a registered teacher, it must conduct a preliminary assessment.

During the preliminary assessment, VIT may require further information from

- the registered teacher who is the subject of the notification or complaint
- the person or body who made the notification or complaint, and/or
- any person who may have information relevant to the notification or complaint.

This additional information will help VIT understand the notification or complaint and determine what further action may be required.

The VIT's regulatory approach is to educate and assist teachers, principals and early childhood leaders to comply with their obligations before taking necessary disciplinary action. Where VIT does take disciplinary action, it is proportionate to address the risk to the safety and wellbeing of children.

Under the Act, VIT has the power to impose any conditions, restrictions or limitations on a teacher's registration if it deems it appropriate to do so. This can be done at any time, including when making a decision on an application for registration, or while the teacher is already registered with VIT.

This power will generally be exercised where a teacher's conduct does not warrant suspension of registration, but where further action is required to provide continued assurance regarding their suitability to teach. For example, VIT can deem the teacher suitable to teach but impose a condition that they undergo targeted professional or personal development.

In some cases, VIT may instead choose to issue an educative letter, which points to the teacher's conduct and how it has deviated from their professional obligations.

Scenario

The VIT received a notification from an early childhood service regarding a teacher they employ, who had used inappropriate language in a conversation with one of the younger learners in the centre.

The notification outlined that Teacher Y had been working in the centre for some time when the incident occurred, but that it was a one-off incident.

During a thorough internal investigation into the matter, Teacher Y admitted to the conduct, and expressed sincere remorse for their actions. Teacher Y was willing to apologise to the learner and the learner's parents. No other incidents had been reported against Teacher Y.

The early childhood service found that Teacher Y's conduct breached both the centre's and VIT's codes of conduct and, therefore, determined that their ongoing employment was untenable. The Centre accepted Teacher Y's immediate resignation.

The decision

The VIT assessed the incident involving Teacher Y and determined that there were no factors that may pose a risk to the safety and wellbeing of children. Further to this, VIT received no other notifications or complaints in relation to Teacher Y's engaging in any form of misconduct during the many years they had been registered.

The VIT decided under section 2.6.32(1)(c)(iii) of the Act to take no further action on the grounds that it was satisfied that the employer had already dealt adequately with the matter. Teacher Y remained registered.

The outcome

The VIT issued a stern educative letter to Teacher Y.

The VIT made the decision under section 2.6.21B(1)(c) of the Act to disclose information relating to this matter to the Commission for Children and Young People (CCYP) on the grounds that the conduct did not appear to have been reported, and this disclosure was reasonably necessary to provide for the safety and wellbeing of a child or group of children.

Reflection

This case study reflects that as a registered early childhood teacher, Teacher Y has a responsibility to take reasonable steps to maintain a safe and respectful learning environment for their students. It also shows how VIT applies its regulatory approach, particularly in relation to Principle 1.2 of the Victorian Teaching Profession's Code of Conduct and Ethics.

Principle 1.2

Teachers treat their learners with courtesy and dignity and promote participation and empowerment.

Teachers

- work to create an environment that promotes respect for everyone
- model and engage in respectful and impartial language and behaviour
- protect learners from intimidation, embarrassment, humiliation and harm
- use behaviour management strategies and consequences appropriate for a learner's individual context and actions, aimed at supporting positive change.

Suspension of registration

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

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

The VIT suspended 45 teachers on an interim basis this year and has conducted 516 reviews of interim suspensions at the relevant 30-day interval (a 28% increase from last financial year).

The VIT must also suspend the registration of a teacher if they have been charged with a category A offence. The VIT suspended 6 teachers on this basis in 2022-23 (a 33% decrease from last financial year).

The VIT must also suspend the registration of a teacher if they have been given an interim WWC exclusion (previously known as an interim negative notice). The VIT suspended 4 teachers on this basis in 2022-23 (a 100% increase from last financial year).

The VIT may also suspend the registration of a teacher if they have been charged with a category B offence. The VIT is more likely to suspend a teacher on this basis if the teacher poses an unjustifiable risk to children, or they may be considered unfit to teach pending the outcome of the criminal charges. The VIT suspended 3 teachers on this basis in 2022-23 (a 50% increase from last financial year).

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

This is an important part of the process as it ensures that WWCCV can notify the

organisations for which the teacher engages in child-related work (other than teaching) of the suspension. It also ensures that our co-regulators are aware.

Table 8 summarises all of the decisions to suspend teachers' registrations in 2022-23.

Table 8
Suspension actions in 2022-23

Action	No.	Variance from 21-22
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.	45	▲ 41%
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.	4	▲ 100%
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.	6	▼ 33%
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.	3	▲ 50%



Natalie Halton (registered teacher) with learners
Clyde Creek Primary School

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 5 teachers on this basis. These teachers are disqualified from making any further applications for registration as a teacher.

The VIT must also cancel a teacher's registration if the teacher has been given a WWC exclusion. The VIT cancelled the registration of 6 teachers during 2022-23 on this basis. These teachers are disqualified from applying for registration as a teacher for a period of 5 years or until they are issued a WWC clearance.

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

Table 9 summarises all of the cancellation decisions made in 2022-23.

Table 9
Cancellation actions in 2022-23

Action	No.	Variance from 21-22
Cancellation of registration due to finding of guilt for a category A offence	5	▲ 67%
Cancellation of registration due to a Working with Children Check exclusion notice being issued	6	▼ 33%

Agreements

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

A teacher may make these requests if they believe they are seriously incompetent, have engaged in misconduct or serious misconduct, are not fit to teach or have an

impairment that seriously detrimentally affects their ability to practise as a teacher.

Table 10 summarises the agreements that VIT has entered into with registered teachers in 2022-23.

Table 10
Agreements with teachers in 2022-23

Action	No.	Variance from 21-22
Agreement with teacher to impose condition(s) on their registration	4	▲ 33%
Agreement with teacher to cancel their registration	6	▲ 50%

Hearings

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

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

Table 11 outlines the decisions made by VIT to refer matters to hearing in 2022-23.

Table 11
Referral to hearings in 2022-23

Action	No.
Professional conduct matters referred to formal hearing	2

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 2022-23, VIT commenced 2 prosecutions under the Act. These prosecutions are still before the courts at the time of preparing this annual report.

Appeals

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

In 2022-23, 6 new applications were lodged at VCAT, and 14 existing applications continued to be managed during this year (this represents an 18% increase in the volume of VCAT appeals managed in this period compared to the previous financial year). By the end of the reporting period, 6 applications were finalised / withdrawn and a further 14 applications are ongoing.



Robyn Cooke (registered teacher) with learners
Assisi Kindergarten Strathfieldsaye



Case study – VIT at work

Here is a summary of a regulatory decision made by VIT concerning a teacher who displayed grooming type behaviour with students in their school. All names have been removed.

Background

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

The interim suspension of registration prevents the person from undertaking the duties of a teacher in a school or early childhood setting. The interim suspension also prevents the person from relying on their teacher registration to engage in child-related work in lieu of a Working with Children clearance.

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

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

Scenario

The VIT received a notification from a school regarding a teacher in their employ, who had displayed grooming type behaviour towards learners at the school.

The notification outlined that Teacher F had communicated with a learner outside of school hours via the school messaging platform and personal mobile phone applications, and had invited a small group of select students to a local bowling alley to drink alcohol.

Teacher F had been working in the school for 7 years, including in a senior leadership position, when the incident occurred. Teacher F had been stood down while the school undertook its investigation.

The VIT conducted a preliminary investigation, that uncovered further information about Teacher F's conduct. Following an unsuccessful attempt to meet with a small group of students at a bowling alley to celebrate the team's recent sporting event victory, Teacher F continued to message Student D on their personal device.

Teacher F was aware that Student D was under the influence of alcohol, and offered to meet them at a bar further out of town, stating that a drink would be waiting for the student whenever they arrived. Student D indicated they wouldn't be able to get to the bar, and the text message conversation transitioned to a phone call, which lasted more than an hour.

At the end of the call, Teacher F asked Student D to delete all the messages and apologised for inviting them and other students to the bowling alley. Teacher F also offered to pay for a taxi if they ever decided to meet up for drinks again.

Teacher F has a history of giving Student D preferential treatment, buying them small birthday gifts, giving favourable assignment partners and allowing extra time to complete exams.

The school had managed a number of other incidents that blurred professional boundaries which occurred more than 2 years previously, including a time when Teacher F attempted to visit the home of a student who had struggled with mental health issues.

The decision

The VIT determined that Teacher F had attempted to befriend and form a personal relationship which could constitute grooming type behaviour with more than 1 student at the school, and had made attempts to conceal the conduct.

Teacher F attempted to supply a student with alcoholic drinks knowing that they were underage.

Teacher F also showed blatant favouritism to Student D, acted in a predatory manner and, by doing so, made the student feel uncomfortable and vulnerable.

Teacher F had previously engaged in similar conduct (i.e. breached the professional boundaries that should be maintained between a teacher and a student) and was subsequently warned by the school.

In totality of the evidence, the VIT determined that the conduct could amount to grooming type behaviour, and placed Student D at risk of significant emotional and psychological harm and possible compromise of their personal safety. The VIT had a reasonable belief that Teacher F would breach professional boundaries again, particularly given that Teacher F had not recognised the seriousness of their misconduct and previous misconduct.

The outcome

The VIT suspended the registration of Teacher F on an interim basis, pursuant to section 2.6.28 of the *Education and Training Reform Act 2006*, and commenced an investigation into the allegations.

Reflection

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

It also shows how VIT applies its regulatory approach, particularly in relation to the below principles of the Victorian Teaching Profession's Code of Conduct.

Teachers

- Principle 1.1 – Teachers provide opportunities for all learners to learn
- Principle 1.2 – Teachers treat their learners with courtesy and dignity, and promote participation and empowerment
- Principle 1.4 – Teachers maintain objectivity in their relationships with learners
- Principle 1.5 – Teachers are always in a professional relationship with their learners, whether at the education setting where they teach or not
- Principle 2.1 – The personal conduct of a teacher has an impact on the professional standing of that teacher and on the profession as a whole
- Principle 3.1 – Teachers value their professionalism, and set and maintain high standards of competence
- Principle 3.2 – Teachers are aware of, and comply with, the legal requirements that pertain to their profession.

Professional Conduct and Registration Suitability Committee

The Professional Conduct and Registration Suitability Committee was established pursuant to section 2.6.66 of the *Education and Training Reform Act 2006*.

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

The Committee has also been delegated the power to impose conditions on the registration of a teacher and refuse the registration (or renewal of registration) of a teacher, and the power to decide whether to enter into an agreement with the teacher to cancel, suspend or impose conditions on their registration.

During 2022–23, the Committee met nine times.

Members

Lesley Lamb – Council Chairperson
Committee Chairperson

Michael Butler – Council member

Angela Stringer – Council member

Raelene Vine – Council member

Graeme Young – Council member

Table 12
Decisions of the Professional Conduct and Registration Suitability Committee in 2022–23

Action	No.
Issue teacher with a notice of intention to impose conditions	10
Issue teacher with a notice of intention to refuse registration	2
Grant registration with conditions	1
Renew registration	5
No further action	5
Refer matter to formal hearing	2
Refer matter to Council	1
Agreement with teacher to cancel registration	1
Revoke conditions on registration	7
Refer back to for further information from teacher	1
Revoke agreement to suspend registration	1



Matthew Bentvelzen (registered teacher) with learners
Clyde Creek Primary School

Summary of financial position

The financial report and accompanying notes are for the financial year ended 30 June 2023.

Table 11
Financial results 2022–23

	2022–23 \$
OPERATIONS	
Registration and application fees	18,965,962
Interest income	598,048
Grants	448,187
Other income	56,586
Total income	20,068,782
Operating expenses	19,502,291
Net result	566,491
Total other economic flows included in net result	
Net (gain)/loss on non-financial assets	221,425
Comprehensive result	787,917
	2022–23 \$
FINANCIAL POSITION	
Financial assets	16,198,598
Non-financial assets	7,033,115
Total assets	23,231,713
Provisions and payables	7,071,561
Income received in advance	5,312,217
Total liabilities	12,383,779
Total equity	10,847,933

Revenue

In 2022-23, the annual registration fee increased to \$110. Teacher registration fees are prorated for each of the 12 months of the registration period (1 October to 30 September). Accordingly, fees from 1 July to 30 September are treated as revenue in advance in the balance sheet at year end.

A rise in teacher registrations and a 2% fee increase contributed to increased revenue in 2022-23. Nationally Coordinated Criminal History Check (NCCHC) revenue increased as a result of a significant number of new applications and a higher proportion of registered teachers requiring criminal record checks during the year.

Figure 5
Revenue for 2022-23



- Registration fees
\$16,191,068
- Nationally Coordinated Criminal History Check (NCCHC)
\$2,529,411
- Interest income
\$598,048
- Grants
\$448,187
- Other income
\$160,798
- Late registration payment
\$141,270

Expenses

There was an increase in operating expenses in 2022-23 as a result of higher employee expenses, and an increase in administrative expenses as a result of office relocation.

In summary, a surplus of \$787,917 was reported in 2022-23 compared with a surplus of \$10,365 in the previous year. Accordingly, VIT's balance sheet and cash position have improved in comparison with last year, maintaining appropriate levels to meet its current and future obligations.

Figure 6
Expenses for 2022-23



- Payroll
\$12,020,843
- Supplies and services
\$5,115,029
- Depreciation and amortisation
\$1,168,036
- Occupancy expenses
\$1,051,685
- Interest expenses
\$146,699

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 2022-23, the Committee met seven times.

Members

Gail Owen – Independent external member
Committee Chairperson

Lesley Lamb – Council Chairperson

Michael Butler – Council member

Mary-Anne Pontikis* – Council member

Angela Stringer – Council member

Lisa Tripodi – Independent external member

*Resigned 3 May 2023

Remuneration Committee

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

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

During 2022-23, the Committee met three times.

Members

Lesley Lamb – Council Chairperson
Committee Chairperson

Paul Desmond – Council Deputy Chairperson

Michael Butler – Council member



Prabhdeep Kaur (registered teacher) with learners
Craigieburn South Primary School

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 in 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.

Mail house services

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

Records management

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

Consultancies and other major contracts

No major contract greater than \$10m was entered into in 2022-23.

In 2022-23, VIT engaged seven consultancies where the total fees payable to the consultants were more than \$10,000, with a total expenditure of \$379,092 (excl. GST).

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

Compliance with the Building Act 1993

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

Compliance with the Public Interest Disclosures Act 2012

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

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 moved to L12/717 Bourke Street, Docklands in August 2022. The building employs a three-stream recycling / waste program with a 4.5 Star NABERS Energy Rating and 4 Star NABERS Water Rating.

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

- limiting disposable products in the staff kitchen
- setting up receptacles specific to waste types and encouraging composting where appropriate
- defaulting office printing to double-sided to reduce paper consumption
- recycling printer consumables, paper, toner and cardboard
- reducing paper consumption through the use of soft copy documentation where possible
- providing end-of-trip facilities for those who may choose to walk or cycle to the office.

Staff members currently work a hybrid model (working remotely and from the office). This pattern has a commensurate reduction in office consumables and utilities.

Freedom of information (FOI)

The *Freedom of Information Act 1982* (the Act) allows the public a right of access to documents held by VIT. The purpose of the Act is to extend as far as possible the right of the community to access information held by government departments, local councils, Ministers and other bodies subject to the Act.

An applicant has a right to apply for access to documents held by VIT. This comprises documents both created by VIT or supplied to VIT by an external organisation or individual, and may also include maps, films, microfiche, photographs, computer printouts, computer discs, tape recordings and videotapes. Information about the type of material produced by VIT is available on VIT's website under its Part II Information Statement.

The Act allows VIT to refuse access, either fully or partially, to certain documents or information. Examples of documents that may not be accessed include cabinet documents; some internal working documents; law enforcement documents; documents covered by legal professional privilege, such as legal advice; personal information about other people; information provided to VIT in confidence; and information that is confidential under another Act.

Under the Act, the FOI processing time for requests received is 30 days. However, when external consultation is required under ss29, 29A, 31, 31A, 33, 34 or 35, the processing time is 45 days. Processing time may also be extended by periods of 30 days, in consultation with the applicant. With the applicant's agreement this may occur any number of times. However, obtaining an applicant's agreement for an extension cannot occur after the expiry of the timeframe for deciding a request.

If an applicant is not satisfied by a decision made by VIT, under section 49A of the Act, they have the right to seek a review by the Office of the Victorian Information Commissioner (OVIC) within 28 days of receiving a decision letter.

Making a request

FOI requests can be lodged in writing or by email at vit@vit.vic.edu.au. An application fee of \$30.60 applies. Access charges may also be payable if the document pool is large and the search for material time consuming.

Access to documents can also be obtained through a written request to VIT's FOI Officer, as detailed in s17 of the Act.

When making an FOI request, applicants should ensure requests are in writing, and clearly identify what types of material / documents are being sought.

Requests for documents in the possession of VIT should be addressed to

Freedom of Information Officer
Victorian Institute of Teaching
PO Box 531
Collins Street West VIC 8007

FOI statistics / timeliness

During 2022–2023, VIT received 38 applications. Of these requests, 1 was the media, and the remainder from the general public.

The VIT made 13 FOI decisions during the 12 months ended 30 June 2023. All decisions were made within the statutory time periods.

During 2022–23, five requests were subject to a complaint / internal review by OVIC. Five requests progressed to the Victorian Civil and Administrative Tribunal (VCAT).

Further information

Further information regarding the operation and scope of FOI can be obtained from the Act, regulations made under the Act and on OVIC's website: www.ovic.vic.gov.au.

Table 14
Analysis of FOI requests in 2022–23

Action	No.
Personal (relating to a single identified person)	37
Non-personal (request for non-specific and / or summative information)	1
Outcome: Full access	8
Outcome: Partial access	0
Outcome: Denied	5
Outcome: Pending	2
Request for internal review, partial access granted	0
Internal review confirmed initial FOI decision	0
Appeal of internal decision to VCAT	5
Lapsed	16
Carried forward to next year	2

Occupational health and safety (OHS)

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

The Committee hosts regular online and in-office 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 an incident management system in place 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.

Staff and community wellbeing

The VIT has continued to support staff during the transition to a hybrid working model post the COVID-19 pandemic by offering remote and flexible working arrangements.

The CovidSafe plan remains in situ and VIT continues to adopt a risk averse approach to ensure the wellbeing of its staff.

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

Merit and equity

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

The VIT has developed a Gender Equity Action plan, and looks forward to continuing to implement the plan in 2023–24.

Professional development

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

The following mandatory compliance courses were completed by all staff as part of the annual performance development process: code of conduct, bullying and sexual harassment.

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 15
Staff by operation

Staff	No. of staff	Full-time equivalent
Accreditation and Professional Practice	16	15.40
Executive and Governance	7	7.0
Professional Conduct	22	21.47
Shared Services	16	15.20
Stakeholder Engagement and Communications	6	5.40
Teacher Engagement and Registration	34	32.43
TOTAL	101	96.90

Social Procurement Framework

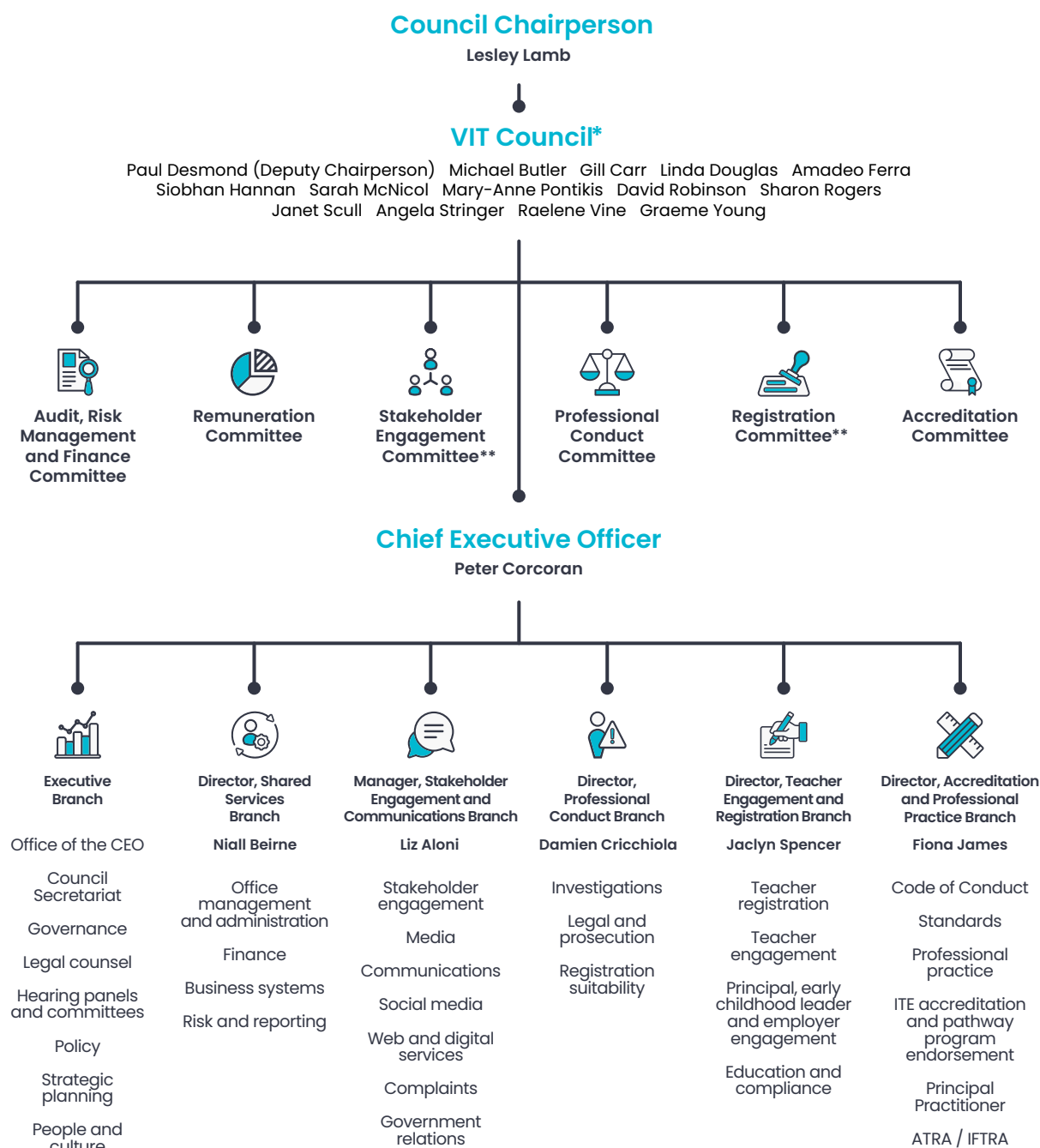
The VIT utilises a social procurement framework to enable greater benefits from our procurement spend by delivering social and sustainable outcomes that benefit our community.

The VIT has complied with Victorian Government Purchasing Board (VGPB) guidelines in all purchasing decisions as best practice. The VIT uses a Social Procurement and Contract Management Policy to guide its operations, which is part of VIT's Financial Management Compliance Framework.



Anthony Gravener (registered teacher) with learners
Saint Ignatius College

Organisational and governance structure



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

**No committee meetings held during the reporting period. Committees were formally dissolved in March 2023

Council report

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

During the reporting period, the Council had its full complement of 14 members, until January 2023 when Council Members Linda Douglas and Sharon Rogers resigned). Thirteen members (including the Chairperson) are appointed by the Governor-in-Council on the recommendation of the Minister. The remaining member is the nominee of the Secretary of the Department of Education and Training.

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

Key relationships

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

Based upon the Council's recommendations, the Minister

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

Table 15
Number of Council meetings attended

Name	2022	2023	Total
Lesley Lamb Chairperson	7	4	11
Paul Desmond Deputy Chairperson	6	4	10
Michael Butler	7	5	12
Gill Carr	7	4	11
Linda Douglas*	2	0	2
Amadeo Ferra	5	4	9
Siobhan Hannan	6	3	9
Sarah McNicol [^]	0	1	1
Mary-Anne Pontikis	6	5	11
David Robinson [#]	4	4	8
Sharon Rogers**	6	0	6
Janet Scull	5	4	9
Angela Stringer	7	5	12
Raelene Vine	7	5	12
Graeme Young	7	4	11

*Resigned 31 December 2022

**Resigned 19 January 2023

[^]Nominated 2 June 2023

[#]On leave 2 June 2023

Council members



Lesley Lamb
Chairperson



Paul Desmond
Deputy
Chairperson



**Michael
Butler**
Registered
teacher



Gill Carr
Registered
teacher



Linda Douglas
Principal



Amadeo Ferra
Principal



Siobhan Hannan
Registered
early childhood
teacher



Sarah McNicol
Delegate,
Secretary of the
Department of
Education



**Mary-Anne
Pontikis**
Registered
teacher



David Robinson
Delegate,
Secretary of the
Department of
Education



Sharon Rogers
Early Learning
Association
Australia



Janet Scull
Initial teacher
education
representative



**Angela
Stringer**
Registered
teacher



Raelene Vine
Parent



Graeme Young
Deputy Head of
Senior School



Attestation for financial management compliance with Ministerial Standing Direction 5.1.4

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 blue ink, appearing to read "Lesley Lamb".

Lesley Lamb
Chairperson

Docklands, in the State of Victoria
27 September 2023



Mary Grummet (registered teacher) with learners
Caulfield Grammar School

Comprehensive operating statement

for the year ended 30 June 2023

	Notes	2023 \$	2022 \$
Continuing operations			
Revenue and income from transactions			
Registration and application fees	2.2.1	18,965,962	17,563,308
Interest income	2.2.2	598,048	54,850
Grants	2.2.3	448,187	-
Other income	2.2.4	56,586	1,902
Total revenue and income from transactions		20,068,783	17,620,060
Expenses from transactions			
Employee expenses	3.1.1	12,020,843	12,097,899
Depreciation and amortisation	4.1.2, 4.2	1,168,036	1,855,554
Interest expenses (i)	6.2.2	146,699	36,677
Supplies and services	3.2.1	5,115,029	3,361,539
Occupancy expenses	3.2.2	1,051,685	258,026
Total expenses from transactions		19,502,291	17,609,695
Net result from transactions (net operating balance)		566,492	10,365
Other economic flows included in net results			
Net gain on non-financial assets (ii)		221,425	-
Total other economic flows included in net result		221,425	-
Comprehensive result		787,917	10,365

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) Net gain on non-financial assets includes realised gain on the disposals of the ROU Lease for Level 9, 628 Bourke St, Melbourne.

Balance sheet

for the year ended 30 June 2023

	Notes	2023 \$	2022 \$
Assets			
Financial assets			
Cash and deposits	6.3	15,865,233	13,753,666
Receivables	5.1	333,365	105,528
Total financial assets		16,198,598	13,859,194
Non-financial assets			
Plant and equipment (i)	4.1	4,430,744	1,724,729
Intangible assets	4.2	2,279,636	3,764,136
Other non-financial assets	5.3	322,733	304,859
Total non-financial assets		7,033,114	5,793,724
Total assets		23,231,712	19,652,918
Liabilities			
Payables	5.2	503,976	636,721
Lease liabilities	6.1	4,444,056	1,850,877
Employee provision	3.1.2	2,123,529	2,388,384
Other provisions	5.4	-	451,701
Income received in advance	2.3	5,312,217	4,265,219
Total liabilities		12,383,778	9,592,902
Net assets		10,847,933	10,060,016
Equity			
Accumulated surplus		10,847,933	10,060,016
Net worth		10,847,933	10,060,016
Commitments for expenditure	6.4	5,212,973	5,080,244

The accompanying notes form part of these financial statements.

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

Cash flow statement for the year ended 30 June 2023

	Notes	2023 \$	2022 \$
Cash flows from operating activities			
Receipts			
Receipts from customers and registration fees		19,741,937	18,154,429
Receipts from government		448,187	-
Goods and Services Tax recovered from the ATO (i)		515,226	405,416
Interest received		551,414	47,185
Total Receipts		21,256,764	18,607,030
Payments			
Payments to suppliers and employees		(19,423,550)	(15,924,013)
Interest paid		(146,699)	(36,677)
Total payments		(19,570,249)	(15,960,690)*
Net cash flows from operating activities	6.3.1	1,686,514	2,646,340*
Cash flows from investing activities			
Payments for plant and equipment		163,486	(89,493)
Payments for intangible assets	4.2	569,474	(117,956)
Net cash flows from / (used in) investing activities		732,960	(207,448)
Cash flows from financing activities			
Repayment of principal portion of lease liabilities (ii)	6.2.3	(307,907)	(554,158)
Net cash flows used in financing activities		(307,907)	(554,158)
Net increase in cash and cash equivalents held		2,111,568	1,884,733
Cash and cash equivalents at the beginning of the financial year		13,753,666	11,868,933
Cash and cash equivalents at the end of the financial year	6.3	15,865,233	13,753,666

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.

* In accordance with AASB 108 Accounting Policies, Changes in Accounting Estimates and Errors, the figures from the previous year were adjusted, resulting in a restatement of FY 2021-22 totals.

Statement of changes in equity for the year ended 30 June 2023

	Accumulated surplus \$	Contributions by Owner \$	Total \$
Balance at 1 July 2021	10,049,651	-	10,049,651
Comprehensive result for the year	10,365	-	10,365
Balance at 30 June 2022	10,060,016	-	10,060,016
Comprehensive result for the year	787,917	-	787,917
Balance at 30 June 2023	10,847,933	-	10,847,933

Note 1

About this report

The VIT 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

Level 12, 717 Bourke Street
Docklands VIC 3008

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

Basis of preparation

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

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

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

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

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

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

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

These financial statements cover VIT 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 27 September 2023.

Note 2

Funding of service delivery

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

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

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

	Notes	2023 \$	2022 \$
Registration and application fees	2.2.1	18,965,962	17,563,308
Interest income	2.2.2	598,048	54,850
Grants	2.2.3	448,187	-
Other income	2.2.4	56,586	1,902
Total revenue and income from transactions		20,068,783	17,620,060

2.2 Revenue and income from transactions

2.2.1 Registration and application fees

	2023 \$	2022 \$
Registration renewal and registration application fees	16,191,068	15,026,470
Nationally Coordinated Criminal History Check (NCCHC) fee	2,529,411	2,390,055
Replacement card fee	13,625	12,725
Late registration payment fee	141,270	94,027
Statement of good standing fee	11,103	11,814
Course accreditation assessment fee	79,485	28,217
Total registration and application fees	18,965,962	17,563,308

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

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

NCCHC 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 the check and the same year the income is recognised.

Late registration fees are recognised in the same financial 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

	2023 \$	2022 \$
Interest from financial assets not at fair value through comprehensive operating statement		
Interest on bank deposits	526,893	773
Interest on money at call	71,155	54,077
Total interest income	598,048	54,850

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

	2023 \$	2022 \$
Income recognised as income of not-for-profit entities		
General purpose	448,187	-
Total grants income	448,187	-

In 2022-23, VIT received grants from the Department of Education which were earned under arrangements that are not enforceable in line with *AASB 1058 Income of Not-for-Profit Entities*. No grants were received during 2021-22.

2.2.4 Other income

	2023 \$	2022 \$
Other income	56,586	1,902
Total other income	56,586	1,902

In 2022-23, VIT was compensated \$600,000 by the Landlord for leasehold improvements, as stipulated in the lease agreement. In accordance with *AASB 16 Leases* guidelines and in alignment with the lease agreement, this amount will be amortized over a 96-month period, corresponding to the 8-year lease term, with an equal portion recognised as other income each year.

2.3 Revenue received in advance

	2023 \$	2022 \$
Nationally Coordinated Criminal History Check fees	313,890	277,964
Unearned registration fees	4,216,302	3,987,256
Leasehold Incentive	782,025	-
Total income received in advance	5,312,217	4,265,220

Note 3

The costs of delivering services

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

3.1 Expenses incurred in the delivery of services

	Notes	2023 \$	2022 \$
Employee expenses	3.1.1	12,020,843	12,097,899
Supplies and services	3.2.1	5,115,029	3,361,539
Occupancy expenses	3.2.2	1,051,685	258,026
Total expenses incurred in the delivery of services		18,187,557	15,717,464

3.1.1 Employee expenses – comprehensive operating statement

	Notes	2023 \$	2022 \$
Salaries and wages		10,441,211	10,566,445
Superannuation	3.1.3	1,012,264	957,313
On costs (payroll tax, fringe benefit tax and WorkCover)		567,367	569,163
Ex gratia payments for separation (i)		–	4,977
Total employee expenses		12,020,843	12,097,898

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

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

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

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

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

3.1.2 Employee benefits – in the balance sheet

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

	2023 \$	2022 \$
Current provisions		
<i>Annual leave</i>		
Unconditional and expected to settle within 12 months	571,396	749,046
<i>Long service leave</i>		
Unconditional and expected to settle within 12 months	93,267	141,779
Unconditional and expected to settle after 12 months	883,165	695,192
<i>Provision for on-costs</i>		
Unconditional and expected to settle within 12 months	141,006	166,402
Unconditional and expected to settle after 12 months	120,939	112,712
Total current provisions for employee benefits	1,809,773	1,865,131
Non-current provisions		
Long service leave	268,762	450,253
On-costs	44,995	73,000
Total non-current provisions for employee benefits	313,756	523,253
Total provision for employee benefits	2,123,529	2,388,384

Salaries, annual leave and long service leave

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

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

The components of the current LSL liability are measured at

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

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

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

3.1.3 Superannuation contributions

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

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

	Contribution for the year	
	2023 \$	2022 \$
Defined benefit plans		
State Superannuation Fund revised and new	8,515	12,106
ESS Super	29,990	26,822
Defined contribution plans		
Vic Super	412,150	481,213
Other	561,609	437,172
Total	1,012,264	957,313

Contributions include accruals for 19-30 June for fixed term and on-going employees. These accruals are outstanding at balance date \$34,951.

3.2 Other operating expenses

3.2.1 Supplies and services

	2023 \$	2022 \$
Human resources	171,496	110,805
Council and committee	30,940	105,310
Consultancy and contractor	916,713	117,655
Communication	559,194	660,445
Finance	100,231	78,123
Legal	206,200	202,629
Printing and stationery	54,428	97,783
Travel and accommodation	39,812	17,534
Marketing	70,505	3,150
Administration	1,995,489	989,033
Nationally Coordinated Criminal History Checks	970,019	979,073
Total supplies and services expenses	5,115,029	3,361,539

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 agreement for Level 9 628 Bourke Street began on 1 September 2014, and was for a duration of eight years, terminating on 31 August 2022. Due to office relocation, the financial statements now detail a new lease beginning on 1 October 2022, which is for a term of eight years.

	2023 \$	2022 \$
Outgoings, cleaning and utilities	278,681	255,684
Maintenance and repairs	773,004	2,342
Total occupancy expenses	1,051,685	258,026

There were no short term or low value leases for 2022-23.

Note 4

Key assets available to support output delivery

The VIT controls assets that are utilised in 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 regarding how those fair values were determined.

4.1 Expenses incurred in the delivery of services

	Gross carrying value		Accumulated depreciation		Net carrying amount	
	2023 \$	2022 \$	2023 \$	2022 \$	2023 \$	2022 \$
Leasehold improvements	4,751,963	5,878,050	445,496	4,248,109	4,306,466	1,629,941
Furniture and fittings	35,659	78,550	31,503	54,043	4,156	24,507
Plant and equipment	219,577	410,199	99,455	339,919	120,122	70,281
Total carrying amount of plant and equipment	5,007,199	6,366,800	576,454	4,642,071	4,430,744	1,724,729

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

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

	Gross carrying value	Accumulated depreciation	Net carrying amount	Gross carrying value	Accumulated depreciation	Net carrying amount
	2023 \$	2022 \$	2023 \$	2022 \$	2023 \$	2022 \$
Leasehold improvements	4,751,963	445,496	4,306,466	5,379,343	3,830,744	1,548,599
Plant and equipment	-	-	-	-	-	-
Net carrying value	4,751,963	445,496	4,306,466	5,379,343	3,830,744	1,548,599

	Leasehold improvements	Plant and equipment
Opening balance - 1 July 2022	1,548,599	-
Additions	4,751,963	-
Disposals	1,548,599	-
Depreciation	445,496	-
Closing balance 30 June 2023	4,306,466	-
Opening balance - 1 July 2021	2,037,630	16,828
Additions	-	-
Disposals	-	14,724
Depreciation	489,031	2,104
Closing balance 30 June 2022	1,548,599	-

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.

Right-of-use asset acquired by lessees – Initial measurement

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

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

Subsequent measurement

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

Right-of-use asset – Subsequent measurement

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

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

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

4.1.2 Depreciation

	2023 \$	2022 \$
Charge for the period (i)		
Leasehold improvements	537,591	551,370
Furniture and fittings	3,002	6,607
Plant and equipment	25,448	12,915
Total depreciation	566,041	570,891

- (i) 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	
		2023 %	2022 %
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 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.

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	
	2023	2022	2023	2022	2023	2022	2023	2022
	\$	\$	\$	\$	\$	\$	\$	\$
Opening balance	1,629,941	2,181,310	24,507	6,355	70,281	18,462	1,724,728	2,206,127
Additions / transfers	4,751,963	-	4,316	24,760	107,963	79,458	4,864,242	104,218
Adjustments	-	-	-	-	-	-	-	-
Disposals	(1,537,847)	-	(21,665)	-	(32,675)	(14,724)	(1,592,186)	(14,724)
Depreciation expense	(537,591)	(551,370)	(3,002)	(6,607)	(25,448)	(12,915)	(566,041)	(570,891)
Closing balance	4,306,466	1,629,941	4,155	24,507	120,122	70,281	4,430,744	1,724,730

4.2 Intangible assets

	Work in progress		CRM development		Other software		Total	
	2023	2022	2023	2022	2023	2022	2023	2022
	\$	\$	\$	\$	\$	\$	\$	\$

Software and capitalised software development

Carrying amount

Opening balance	117,956	105,080	2,028,918	2,028,918	6,986,133	6,881,053	9,133,007	9,015,051
Adjustments (i)	-	-	-	-	(1,077,450)	-	(1,077,450)	-
Additions	195,000	117,956	-	-	-	-	195,000	117,956
Disposals	-	-	-	-	(92,165)	-	(92,165)	-
Transfers	-	(105,080)	-	-	-	105,080	-	-
Closing balance	312,956	117,956	2,028,918	2,028,918	5,816,518	6,986,133	8,158,391	9,133,007

Accumulated amortisation and impairment

Opening balance	-	-	(2,028,918)	(2,028,918)	(3,339,952)	(2,055,290)	(5,368,870)	(4,084,209)
Adjustments (i)	-	-	-	-	609,866	-	609,866	-
Disposals	-	-	-	-	92,165	-	92,165	-
Amortisation expense (ii)	-	-	-	-	(1,211,916)	(1,284,662)	(1,211,916)	(1,284,662)
Closing balance	-	-	(2,028,918)	(2,028,918)	(3,849,837)	(3,339,952)	(5,878,755)	(5,368,871)
Net book value at end of financial year	312,956	117,956	-	-	1,966,681	3,646,180	2,279,636	3,764,136

- (i) In compliance with *AASB 138 Intangible Assets*, a SaaS evaluation was conducted on the software, resulting in the determination that 20% of its initial recognized cost was non-customized and consequently required a reduction in its asset value. A net adjustment of \$467,584 was made in 2022-23 to total intangible assets.
- (ii) The consumption of intangible produced assets is included in 'depreciation' line item, where the consumption of the intangible non-produced assets is included in 'net gain / (loss) on non-financial assets' line item on the comprehensive operating statement.

Initial recognition

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 reliably measure 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

The 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

	2023 \$	2022 \$
Current receivables		
Contractual		
Debtors	270,270	14,895
Accrued investment income	56,879	10,245
Total current contractual receivables	327,148	25,140
Statutory		
Net GST receivables	6,216	80,388
Total current statutory receivables	6,216	80,388
Total current receivables	333,365	105,528
Total receivables	333,365	105,528

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

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

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

5.1.1 Ageing analysis of contractual receivables

			Past due but not impaired			
	Carrying amount	Not past due and not impaired	< 1 month	1-3 months	3-12 months	1-5 years
	\$	\$	\$	\$	\$	\$
Receivables						
2023						
Debtors	270,270	-	2,800	267,470	-	-
Accrued investment income	56,879	56,879	-	-	-	-
Total contractual receivables	327,148	56,879	2,800	267,470	-	-
2022						
Debtors	14,895	-	12,685	2,210	-	-
Accrued investment income	10,245	10,245	-	-	-	-
Total contractual receivables	25,140	10,245	12,685	2,210	-	-

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

5.2 Payables

	2023 \$	2022 \$
Current payables		
Contractual		
Trade creditors and accruals	503,976	636,721
Total current contractual payables	503,976	636,721
Total payables	503,976	636,721

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

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

Maturity analysis of contractual payables

	Maturity dates					
	Carrying amount \$	Nominal amount \$	< 1 month \$	1-3 months \$	3-12 months \$	1-5 years \$
2023						
Payables	503,976	503,976	-	-	-	-
	503,976	503,976	-	-	-	-
2022						
Payables	636,721	636,721	-	-	-	-
	636,721	636,721	-	-	-	-

5.3 Other non-financial assets

	2023 \$	2022 \$
Current other non-financial assets		
Prepayments	322,733	304,859
Total other non-financial assets	322,733	304,859

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

	2023 \$	2022 \$
Non-current provisions		
Make good provision	-	451,701
Total other provisions	-	451,701

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

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

5.4.1 Reconciliation of movement in other provisions

	2023 \$	2022 \$
Opening balance	451,701	459,658
Increase / (decrease) of provisions recognised	(451,701)	(7,958)
Closing balance	-	451,701
Non-current	-	451,701
Closing balance	-	451,701

In 2021-22, the make good provision was recognised in accordance with the lease agreement for VIT's office facilities at 628 Bourke St. As the lease ended on 31 August 2022 and all the floor was restored to its original condition, the balance of the provision outstanding after expensing for all leasehold improvements was released in 2022-23.

There is no make good provision required under the new lease terms.

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

	2023 \$	2022 \$
Current lease liabilities		
Contractual		
Lease liabilities (i)	445,867	1,850,877
Total current contractual lease liabilities	445,867	1,850,877
Non-current lease liabilities		
Contractual		
Lease liabilities (i)	3,998,188	-
Total non-current contractual lease liabilities	3,998,188	-
Total contractual lease liabilities	4,444,056	1,850,877
Total lease liabilities	4,444,056	1,850,877*

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

* When the financial statements were prepared for 2021-22, an estimated amount of \$5.2 million was recorded for the lease of 717 Bourke St. This estimate was made because the lease liability calculations were still under negotiations at the time. Nevertheless, given the high likelihood of relocation, it was treated as a lease liability and recognised. The final amount was adjusted slightly upon the commencement of the lease to reflect the actual costs.

Maturity analysis of lease liabilities

	Maturity dates					
	Carrying amount \$	Nominal amount \$	< 1 month \$	1-3 months \$	3-12 months \$	1-8 years \$
2023						
Lease liabilities	5,396,646	4,444,056	-	104,093	341,774	3,998,188
	5,396,646	4,444,056	-	104,093	341,774	3,998,188
2022						
Lease liabilities	1,850,877	1,850,877	45,803	1,805,074	-	5,396,646
	1,850,877	1,850,877	45,803	1,805,074	-	5,396,646*

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

* The total lease liabilities set to mature within the next 1 to 8 years were re-evaluated post June 30, 2022, which led to a reclassification of the lease liability amount for FY 2021-22. This arose from an incorrect application of square metres, which has since been rectified, resulting in an increase of \$179,269.

6.2 Leases

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

The VIT's leasing activities

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

6.2.1 Right-of-use assets

ROU assets are presented in Note 4.1.1.

6.2.2 Amounts recognised in the comprehensive operating statement

The following amounts are recognised in the comprehensive operating statement relating to leases.

	2023 \$	2022 \$
Interest expense on lease liabilities	146,699	36,677
Interest expense on lease liabilities	146,699	36,677

'Interest expense' includes interest component recognised due to the unwinding of discounts to reflect the passage of time. 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 2023 relating to leases.

	2023 \$	2022 \$
Total cash outflow for leases	(307,907)	(554,158)
Total cash outflow for leases	(307,907)	(554,158)

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

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

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

Separation of lease and non-lease components

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

Recognition and measurement of leases as a lessee

Lease liability – initial measurement

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

Lease payments included in the measurement of the lease liability comprise

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

Lease liability – subsequent measurement

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

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

Presentation of right of use assets and lease liabilities

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

6.3 Cash flow information and balances

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

	2023 \$	2022 \$
Reconciliation of cash and cash equivalents		
Total cash and cash equivalents disclosed in the balance sheet	15,865,233	13,753,666
Balance as per cash flow statement	15,865,233	13,753,666

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

	2023 \$	2022 \$
Net result for the period	787,917	10,365
Non-cash movements		
Future value of make good provision	(451,701)	(7,958)
(Gain) / loss on sale or disposal of non-current assets	(221,425)	-
Depreciation and amortisation of non-current assets	1,168,036	1,855,554
Movements in assets and liabilities		
(Increase) / decrease in current receivables	(227,837)	15,175
(Increase) / decrease in other current assets	(17,875)	43,004
Increase / (decrease) in current payables	1,046,998	588,259
Increase / (decrease) in unearned fees	(132,744)	289,076
Increase / (decrease) in provisions	(264,854)	(147,135)
Net cash flows from / (used in) operating activities	1,686,514	2,646,340

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

	2023 \$	2022 \$
Payables		
Not longer than 1 year	1,122,900	666,089
Longer than 1 year but not longer than 5 years	2,909,638	2,549,325
Longer than 5 years	1,701,732	2,372,853
Total commitments for expenditure (inclusive of GST)	5,734,271	5,588,268
Less GST recoverable from the Australian Taxation Office	521,297	508,024
Total commitments for expenditure (exclusive of GST)	5,212,973	5,080,244

Note 7

Risks, contingencies and valuation judgements

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

7.1 Financial instruments specific disclosures

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

Categories of financial assets

Financial assets at amortised cost

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

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

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

The 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 and lease liabilities.

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
	\$	\$	\$	\$
2023				
Contractual financial assets				
Cash and deposits	15,865,233	-	-	15,865,233
Receivables				
Debtors	-	270,270	-	270,270
Accrued investment income	-	56,879	-	56,879
Total contractual financial assets	15,865,233	327,148	-	16,192,381
Contractual financial liabilities				
Payables	-	-	503,976	503,976
Total contractual financial liabilities	-	-	503,976	503,976
2022				
Contractual financial assets				
Cash and deposits	13,753,666	-	-	13,753,666
Receivables				
Debtors	-	14,896	-	14,895
Accrued investment income	-	10,245	-	10,245
Total contractual financial assets	13,753,666	25,140	-	13,778,806
Contractual financial liabilities				
Payables	-	-	636,721	636,721
Total contractual financial liabilities	-	-	636,721	636,721

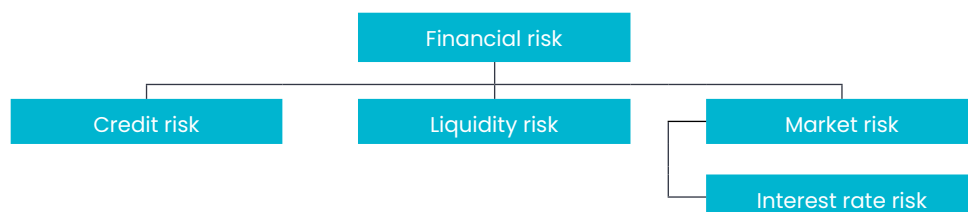
The total amounts disclosed here exclude statutory amounts (e.g. amounts owing from Victorian Government and GST input tax credit recoverable and taxes payable).

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

	Net interest income / (expense) \$	Total \$
2023		
Contractual financial assets		
Financial assets at amortised cost	598,048	598,048
Total contractual financial assets	598,048	598,048
Contractual financial liabilities		
Financial liabilities at amortised cost	(146,699)	(146,699)
Total contractual financial liabilities	(146,699)	(146,699)
2022		
Contractual financial assets		
Financial assets at amortised cost	54,850	54,850
Total contractual financial assets	54,850	54,850
Contractual financial liabilities		
Financial liabilities at amortised cost	(36,677)	(36,677)
Total contractual financial liabilities	(36,677)	(36,677)

7.1.3 Financial risk management objectives and policies

The VIT is exposed to a number of financial risks.



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

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

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

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

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

Financial instruments: credit risk

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

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

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

Impairment of financial assets under AASB 9

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

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

Financial instruments: liquidity risk

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

The VIT is exposed to liquidity risk mainly through the financial liabilities as disclosed in the face of the balance sheet. The VIT manages its liquidity risk via

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

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

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

Financial instruments: market risk

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

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

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

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

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

Interest rate exposure of financial instruments

	Weighted average effective interest rate %	Carrying amount \$	Fixed interest rate \$	Variable interest rate \$	Non-interest bearing \$
2023					
Financial assets					
Cash and deposits	3.15	15,865,233	-	15,864,333	900
Receivables					
Debtors	-	270,270	-	-	270,270
Accrued investment income	-	56,879	-	-	56,879
Total financial assets	-	16,192,381	-	15,864,333	328,048
Financial liabilities					
Payables	-	503,976	-	-	503,976
Total financial liabilities	-	503,976	-	-	503,976
2022					
Financial assets					
Cash and deposits	0.31	13,753,666	-	13,752,766	900
Receivables					
Debtors	-	14,895	-	-	14,895
Accrued investment income	-	10,245	-	-	10,245
Total financial assets	-	13,778,806	-	13,752,766	26,040
Financial liabilities					
Payables	-	636,721	-	-	636,721
Total financial liabilities	-	636,721	-	-	636,721

Interest rate risk sensitivity

		Interest rate	
		-0.1% (100 basis points)	0.1% (100 basis points)
	Carrying amount \$	Net result \$	Net result \$
2023			
Contractual financial assets			
Cash and deposits (i)	15,864,333	(158,643)	158,643
Total impact		(158,643)	158,643
Contractual financial liabilities			
		-	-
Total impact		-	-
2022			
Contractual financial assets			
Cash and deposits (i)	13,752,766	(137,528)	137,528
Total impact		(137,528)	137,528
Contractual financial liabilities			
		-	-
Total impact		-	-

(i) Cash and cash deposits include a deposit of \$14,077 (2022: \$13,114) that is exposed to floating rates movements.

Sensitivities to these movements are calculated as follows

- 2023: $\$14,077 \times -(0.01) = (\$141)$ and $\$14,077 \times 0.01 = \141
- 2022: $\$13,114 \times -(0.01) = (\$131)$ and $\$13,114 \times 0.01 = \131

Foreign currency risk

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

7.2 Contingent assets and contingent liabilities

As at 30 June 2023, VIT had no contingent assets and liabilities (2022: \$0).

7.3 Fair value determination

Significant judgement: Fair value measurements of assets and liabilities

Fair value determination requires judgement and the use of assumptions.

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

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

The following assets and liabilities are carried at fair value

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

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

Fair value hierarchy

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

The levels are as follows

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

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

Description of significant unobservable inputs to Level 3 valuations

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

Note 8

Other disclosures

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

8.1 Changes in accounting policies

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

8.2 Responsible persons

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

Names

The Hon. N Hutchins, MP – Minister for Education – 1 July 2022 to 30 June 2023

Mr P Corcoran – Accountable officer (Chief Executive Officer) – 1 July 2022 to 30 June 2023

Members of the responsible body – 1 July 2022 to 30 June 2023

Ms L Lamb (i) – Council Chairperson	Mr A Ferra (i)	Ms S Rogers (i) (1 July 2022 to 19 January 2023)
Mr P Desmond (i) – Deputy Chairperson	Ms S Hannan (i)	Ms J Scull
Mr M Butler (i)	Ms S McNicol (2 June 2023 to 30 June 2023)	Ms A Stringer (i)
Ms G Carr (i)	Ms M Pontikis (i)	Ms R Vine (i)
Ms L Douglas (i) (1 July 2022 to 31 December 2022)	Mr D Robinson (1 July 2022 to 2 June 2023)	Mr G Young (i)

(i) The above Councillors have paid teacher registration fees to VIT in the amount of \$110. Total receipts are disclosed at Note 8.4.

Remuneration received or receivable by the Accountable Officer in connection with the management of VIT during the reporting period was in the range of \$300,000 – \$309,999 (2022: \$300,000 – \$309,999).

Income range \$	2023	2022
0-9,999	13	15
10,000-19,999	-	2
20,000-29,999	-	-
40,000-49,999	1	1
290,000-299,999	-	-
300,000-309,999	1	1
Total	15	19

8.3 Remuneration of executives and other personnel

8.3.1 Remuneration of executives

The number of senior executive service members, 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

The VIT did not engage any contractors charged with significant management responsibilities during the reporting period (2022: \$0).

8.4 Related parties

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

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

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

Significant transactions with government-related entities

The VIT received funding of \$448,187 from the Department of Education (2022: \$0).

The VIT incurred expenditure with the Australian Criminal Intelligence Agency of \$927,360 (2022: \$929,959), Victorian Management Insurance Authority of \$31,069 (2022: \$28,082), Victorian Public Service commission of \$2,318 (2022: \$2,251) and the Victorian Police of \$44,773 (2022: \$49,887) during 2022-23.

Significant transactions with other-related entities

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

The VIT received an aggregate of \$110 from key management personnel in the form of teacher registration and other payments (NCCHC fees) from Council Members, as indicated in Note 8.2.

Key management personnel of VIT include

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

	2023 \$	2022 \$
Compensation		
Short-term employee benefits	395,551	344,199
Post-employment benefits	33,347	30,056
Other long-term benefits	7,890	6,599
Total key management personnel compensation	436,787	380,854

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

	2023 \$	2022 \$
Victorian Auditor-General's Office		
Audit of financial statements	31,000	31,000
Total remuneration of auditors	31,000	31,000

8.6 Subsequent events

No significant events occurred after balance sheet date to materially impact on the operations.

8.7 Australian Accounting Standards issued that are not yet effective

Certain new standards have been published that are not mandatory for the 30 June 2023 reporting period. DTF assess the impact of all these new standards and advises VIT of its early adoption, where applicable.

8.8 Glossary of technical terms

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

AMORTISATION

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

COMMITMENTS

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

COMPREHENSIVE RESULT

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

DEPRECIATION

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

EMPLOYEE BENEFITS EXPENSES

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

EX GRATIA EXPENSES

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

FINANCIAL ASSET

A financial asset is any asset that is

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

FINANCIAL INSTRUMENT

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

FINANCIAL LIABILITY

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

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

FINANCIAL STATEMENTS

Financial statements in the Model Report comprises

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

INTANGIBLE ASSETS

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

INTEREST EXPENSE

Costs incurred in connection with the borrowing of funds include interest on bank overdrafts and short- and long-term borrowings, amortisation of discounts or premiums relating to borrowings, interest component of finance lease 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

Interest-bearing liabilities mainly raised from public borrowings raised through the lease liabilities arrangements and other interest-bearing arrangements. Lease borrowings 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 2022-23 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.

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 2023 and financial position of the Victorian Institute of Teaching as at 30 June 2023.

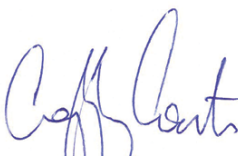
At the time of signing, we are not aware of any circumstance which would render any particulars included in the financial statements to be misleading or inaccurate.

We authorise the attached financial statements for issue on 27 September 2023.



Lesley Lamb
Chairperson

Docklands, in the State of Victoria
27 September 2023



Geoff Coates
Acting Chief Executive Officer

Docklands, in the State of Victoria
27 September 2023



Anshul Malhotra
Chief Financial Officer

Docklands, in the State of Victoria
27 September 2023



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 2023 • 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 2023 and its financial performance and cash flows for the year then ended in accordance with the financial reporting requirements of Part 7 of the <i>Financial Management Act 1994</i> and applicable Australian Accounting Standards.</p>
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>
Other information	<p>The council of the entity is responsible for the "other information", which comprises the annual report for the year ended 30 June 2023, but it does not include the financial report and my auditor's report thereon.</p> <p>My opinion on the financial report does not cover the other information included in the annual report and accordingly, I do not express any form of assurance conclusion thereon. In connection with my audit of the financial report, my responsibility is to read the annual report when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work I have performed, I conclude that there is a material misstatement of the other information, I am required to report that fact. I have nothing to report in this regard.</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
9 October 2023



Charlotte Jeffries
as delegate for the Auditor-General of Victoria

Appendix A

Australian accounting standards issued that are not yet effective

Certain Australian accounting standards have been issued but are not effective for the 2022–23 reporting period. These accounting standards have not been applied to the financial statements.

Standard / interpretation	Summary	Applicable for annual reporting periods beginning on	Impact on public sector entity financial statements
<p><i>AASB 17 Insurance Contracts</i></p> <p><i>AASB 2022-8 Amendments to Australian Accounting Standards – Insurance Contracts:</i></p> <p><i>AASB 2022-9 Amendments to Australian Accounting Standards – Insurance Contracts in the Public Sector</i></p>	<p><i>AASB 17</i> replaces <i>AASB 4 Insurance Contracts</i>, <i>AASB 1023 General Insurance Contracts</i> and <i>AASB 1038 Life Insurance Contracts</i> for not-for-profit public sector entities for annual reporting periods beginning on or after 1 July 2026.</p>	1 January 2023	The Australian Accounting Standards Board has currently issued an Exposure Draft (ED) 319 – <i>Insurance Contracts</i> in the Public Sector, proposing public-sector modifications to <i>AASB 17</i> to facilitate the application by public sector entities. It is proposed that public sector entities would apply <i>AASB 17</i> to annual periods beginning or after 1 July 2025, with earlier application permitted.
<p><i>AASB 2020-1 Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-current</i></p> <p><i>AASB 2022-6 Amendments to Australian Accounting Standards – Non-current Liabilities with Covenants</i></p>	<p><i>AASB 2020-1</i> amended <i>AASB 101 Presentation of Financial Statements</i> to clarify requirements for the presentation of liabilities in the statement of financial position as current or non-current and was applicable to annual reporting periods beginning on or after 1 January 2022.</p> <p><i>AASB 2020-6</i> subsequently amended <i>AASB 2020-1</i>, deferring the mandatory effective date of <i>AASB 2020-1</i> from 1 January 2022 to 1 January 2023.</p> <p><i>AASB 2022-6</i> was applicable for annual reporting periods beginning on or after 1 January 2022.</p> <p><i>AASB 2022-6</i> amends and clarifies the requirements contained in <i>AASB 2020-1</i>.</p> <p>Among other things, it</p> <ul style="list-style-type: none"> clarifies that only those covenants that an entity must comply with at or before the reporting date affect a liability's classification as current or noncurrent; and requires additional disclosures for non-current liabilities that are subject to an entity complying with covenants within twelve months after the reporting date. 	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 2022-5 Amendments to Australian Accounting Standards – Lease Liability in a Sale and Leaseback</i>	<p>AASB 2022-5 amends AASB 16 Leases to add subsequent measurement requirements for sale and leaseback transactions that satisfy the requirements for sale in AASB 15 Revenue from Contracts with Customers.</p> <p>The amendments ensure that a seller-lessee subsequently remeasures lease liabilities arising from a leaseback in a way that does not recognise any amount of gain or loss that related to the right of use it retains.</p>	1 January 2024	The standard is not expected to have a significant impact on the public sector.

Appendix B

Details of consultancies

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

In 2022–23, there were seven consultancies where the total fees payable to the consultants were \$10,000 or greater. The total expenditure incurred during 2022–23 in relation to these consultancies was \$379,092 (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)
Department of Premier & Cabinet	Digital ID functionality for Salesforce	195,000.00	195,000.00	–
Proline Partitions	Office relocation	97,396.00	97,396.00	–
Inclusion at Work	Internal staff development and training	30,650.00	30,650.00	–
KPS & Associates Pty Ltd	Internal staff development and training	17,550.00	17,550.00	–
Institute of Public Admin Australia	Internal staff development and training	15,152.00	15,152.00	–
Amity Pty Ltd	Office relocation	13,064.00	13,064.00	–
KHID Pty Ltd	Office relocation	10,280.00	10,280.00	–
TOTAL		379,092.00	379,092.00	–

Details of consultancies under \$10,000

In 2022–23, there were ten consultancies engaged during the year, where the total fees payable to the individual consultancies were less than \$10,000. The total expenditure incurred during 2022–22 in relation to these consultancies were \$42,954 (excl GST). There were no contracts related to the Victorian Industry Participation Policy.

Appendix C

Information and communications technology expenditure

Details of Information and Communication Technology (ICT) expenditure for the 2022–23 reporting period

The Victorian Institute of Teaching had a total ICT expenditure of \$5,624,413 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) \$
5,275,463	347,950	347,950	–

Appendix D

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

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