Victorian
Catholic
Education
Authority

# Annual Report
2023

**Annual Report 2023**

**Victorian Catholic Education Authority Limited**
**(Formerly known as Catholic Education Commission of Victoria Ltd)**
**ACN: 119 459 853**

The Victorian Catholic Education Authority acknowledges Aboriginal and Torres Strait Islander people as the Traditional Custodians of Country. We pay respect to Elders, past, present, and emerging.

We honour our responsibility and opportunities as a Catholic educational institution to respect and understand Australia's Indigenous peoples, who have walked upon, and cared for this land and its waterways for thousands of years.

We acknowledge the continued deep spiritual connection and relationship to Country, committing ourselves to the ongoing journey of reconciliation and truth telling of our shared history.

We make this statement believing that we can walk together to a better future.

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# Letter of transmittal

**Most Rev Peter A Comensoli DD,**
**Archbishop of Melbourne**

**Most Rev Paul B Bird DD, Bishop of Ballarat**

**Most Rev Greg Bennet DD, Bishop of Sale**

**Most Rev Shane Mackinlay DD,**
**Bishop of Sandhurst**

**Sr Eileen Ann Daffy rsm**

Archbishop Peter, Bishops Bird, Mackinlay and Bennett and Sr Eileen Ann,

On behalf of my fellow directors, I am pleased to present the Annual Report of Victorian Catholic Education Authority Limited (VCEA) for 2023.

The report provides details of the work of the VCEA for the year. The financial statements are presented, together with information about our governance and school achievement.

Catholic education in Victoria continued to grow in 2023, with a record 212,000 students enrolled at one of the 500 school communities across the state. Our sector welcomed a new Catholic primary school in Greenvale, and a new secondary campus in Cobblebank, which opened to more than 140 students in August.

The work of renewing the Catholic Education Commission of Victoria (CECV), which began in late 2022, was completed in December with implementation of the material aspects of the review into the CECV, outlined in your *Response and Directives*, which has enhanced the governance structure and operating model of VCEA.

With greater focus on our role as the peak body, increased efficiency and clearer lines of accountability, a robust and sustainable VCEA is achieving our mission as the peak body for Catholic school education in Victoria.

My fellow directors and I are grateful for your ongoing commitment to Catholic education, and your leadership as we advance the mission of Catholic education in the State of Victoria, in the service of students, families and the broader community.

We recommit ourselves to working in partnership with schools and their proprietors, parishes, religious congregations, diocesan Catholic education personnel and many other stakeholders to ensure our schools continue to authentically express the mission of the Church.

Yours sincerely
**James Merlino**
Chair

May 2024

# Company Members

**Most Rev Peter A Comensoli DD**
Archbishop of Melbourne

**Most Rev Paul Bird CCsR MA DD**
Bishop of Ballarat

**Most Rev Gregory Bennet MS STL**
Bishop of Sale

**Most Rev Shane Mackinlay DD**
Bishop of Sandhurst

**Sr Eileen Ann Daffy rsm**
Appointed 19 December 2023

# Company Directors

## *1 January 2023* — *5 December 2023*

**Most Rev. Terence Curtin**
STD DD STL BEd VG EV
(Chair) Auxiliary Bishop
of Melbourne

**Mr Tim O'Leary**
BA (Honours), GradDipPhil

**Dr Helga Neidhart**
RSC TPTC, BA, MEd (Hons),
PhD, BTheol, FACE, FACEL

**Rev. Justin Driscoll**
BTheol, MM

**Mr Paul Desmond**
B. Ed. GradDipRE, GradDip
Student Guidance & Welfare

**Mr Tom Sexton**
DipEd, MBA, MAICD,
GradDip Computing in
Education, Cert Achievement
in Surviving Disruptive
Technologies

**Dr Edward Simons**
EdD, M.EdL, BAHons
BusStudies, GradCertEd UK

**Mr Paul Velten**
BEc, CPA

**Mr Jim Miles**
BA, BComm,
GradDipEconomics, MComm

## *5 December 2023* — *31 December 2023*

**Mr James Merlino**
BA (Chair of Board)

**Ms Lynn Glover**
BSW

**Mr Damian Murphy**
MLaw, BLaw, BEcon

# Chair's Report

> **2023 was an important year in the history of Catholic school education in Victoria.**

The Catholic Education Commission of Victoria (CECV) was renewed into the Victorian Catholic Education Authority (VCEA) on 5 December 2023 through the adoption of the recommendations contained in the Bishop members' *Response and Directives*, which included a new constitution, a change of name and the appointment of a skills-based board that I am proud to chair.

On behalf of my fellow directors on the VCEA Board, I would like to thank the Bishops of Victoria for their leadership and guidance through the renewal process.

The implementation of the Bishop members' *Response and Directives* has strengthened the VCEA, with an enhanced governance structure and operating model that ensures the VCEA can perform its critical role of overseeing and advocating for Catholic school education in Victoria.

There are many other stakeholders I would like to acknowledge for the invaluable contribution they made to the successful renewal, including the Chair of the outgoing CECV Board, Bishop Terry Curtin, and its directors.

Working with me to implement the Bishop members' *Response and Directives* were my colleagues on the CECV Implementation Committee, Ms Lynn Glover, Mr Michael Avery and Mr Jim Miles. I am grateful for their hard work and support in the service of renewal. I am pleased that Lynn has subsequently been appointed as director on the VCEA Board, along with Mr Damian Murphy, Ms Patricia Cowling, Ms Marcelle Mogg and Mr Chris O'Grady KC.

The new constitution outlines the objects of the VCEA, tasking us to work in close collaboration with school proprietors on services and functions that relate to government funding of Catholic schools, school regulation, enterprise bargaining, communications and advocacy, Catholic mission, and research and data analysis.

Following the completion of the renewal process, Jim resigned as CEO of VCEA, and I would like to take this opportunity to thank him for his outstanding leadership through the recent review and renewal process and commend him on building the foundations for VCEA's future success.

We also farewelled Mr Paul Desmond, who retired as Executive Director of Catholic Education Sandhurst Ltd, at the end of 2023. Paul leaves a tremendous legacy from his nine years of service in that role, and from his decades of service to Catholic education as a teacher and leader. We welcomed his successor, Kate Fogarty to the role in January 2024.

Finally, on behalf of the VCEA Board I would like to acknowledge the tireless efforts of the nearly 30,000 staff in schools and Catholic education offices, who alongside parents, friends, parishes and parish priests continue to work together to provide the young people in our care with the very best education.

Yours sincerely,
**James Merlino**
Chair

May 2024

# The Renewal

**May 2021**
Bishop members commission independent review of CECV

**24 June 2021**
Review Panel appointed

**6 May 2022**
Panel completes its review of the CECV

**19 October 2022**
Bishop members release their *Response and Directives*

**31 October 2022**
Positions of Executive Director of CECV and Executive Director of Melbourne Archdiocese Catholic Schools are separated

CECV Transition Project Office begins work

**9 January 2023**
Members of the CECV Implementation Committee announced: Mr James Merlino (Chair), Ms Lynn Glover, Mr Michael Avery, Mr Jim Miles

**7 February 2023**
First meeting of CECV Implementation Committee

**3 August 2023**
Announcement that Ms Tracey Bannan, Mr Bruce Phillips and Ms Stefanie Veal would be joining the CECV Executive Leadership Team

**5 September 2023**
CECV moves into dedicated office space

**November 2023**
A separate and appropriately staffed CECV secretariat was established to fulfil the role and functions of CECV, ensuring conflicts of interest are eliminated

**5 December 2023**
AGM held. Bishop members approve name change to Victorian Catholic Education Authority and new VCEA constitution

Mr James Merlino appointed Board Chair, Ms Lynn Glover and Mr Damian Murphy appointed as directors

**19 December 2023**
Appointment of Sr Eileen Ann Daffy rsm as the fifth company member of VCEA

# Committees

### Audit and Risk Committee
— Mr Tim O'Leary, CECV Director (Chair)

### Child Safety Working Party
— Ms Bernadette Cronin - General Manager, Student Wellbeing Unit, MACS (Chair)

### Digital Re-imagination Steering Committee (DRSC)
— Mr Jim Miles, CECV Executive Director (Chair)

### Grants Allocation (Primary)
— Mr Jim Miles, CECV Executive Director (Chair)

### Grants Allocation (Secondary)
— Mr Paul Velten CECV Director (Chair)

### Grants Allocation (Targeted Programs)
— Mr Tom Sexton, CECV Director (Chair)

### ECSI Steering Committee
— Rev Dr Brendan Reed PP, Catholic Archdiocese of Melbourne (Chair)

### Review Body Committee
— Mr Paul Desmond, CECV Director (Chair)

### Employment Relations Committee
— Mr Paul Velten, CECV Director (Chair)

### Salary and Conditions Board
— Mr Paul Hoy, External Consultant (Chair)

### Emergency Management Working Party
— Fergus Chisholm, General Manager Infrastructure Services and Capital Delivery, MACS (Chair)

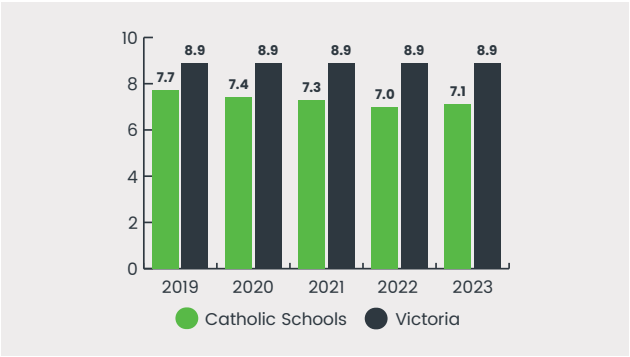
# School Achievement

# School Achievement

## Victorian Certificate of Education results 2023

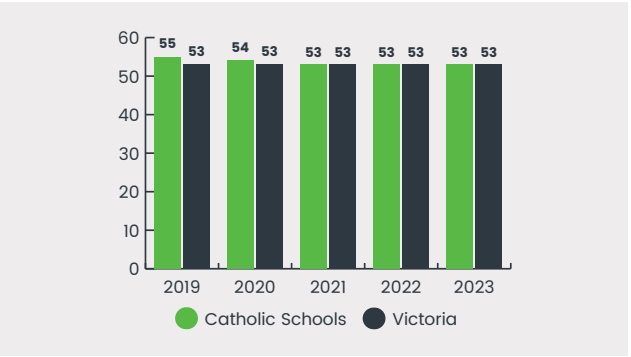
### VCE Study scores of 40 or above

A study score of 40 or above represents exceptional performance (among the top 8% in the state). In 2023, 7.1% of students in Victorian Catholic schools achieved study scores of 40 or above.




### VCE study scores of 30 or above

A study score of 30 or above represents above average performance. In 2023, 53% of students in Victorian Catholic schools achieved study scores of 30 or above.

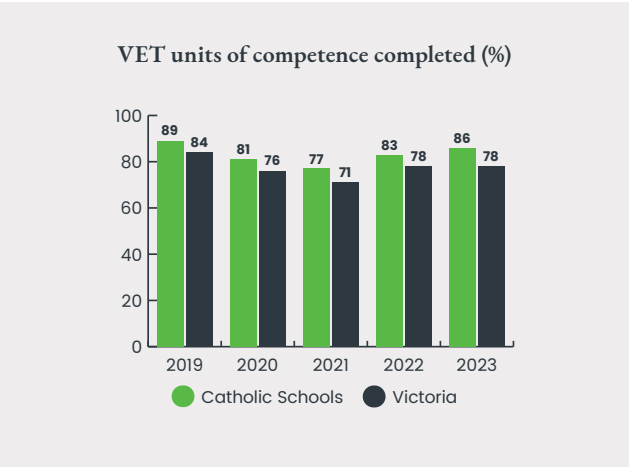



### VCE Vocational Major

In 2023, the VCE was expanded to include a new VCE Vocational Major, replacing the Victorian Certificate of Applied Learning (VCAL) to ensure students have access to high-quality, relevant vocational education and applied learning opportunities within the VCE.

There continues to be evidence of high student participation in vocational education programs for senior secondary students.

The following chart shows the percentage of VET units of competence completed for both the Catholic sector and in Victoria for 2019 to 2023.

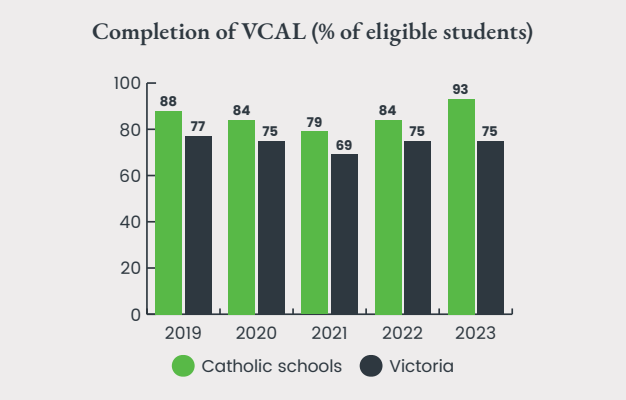


# School Achievement

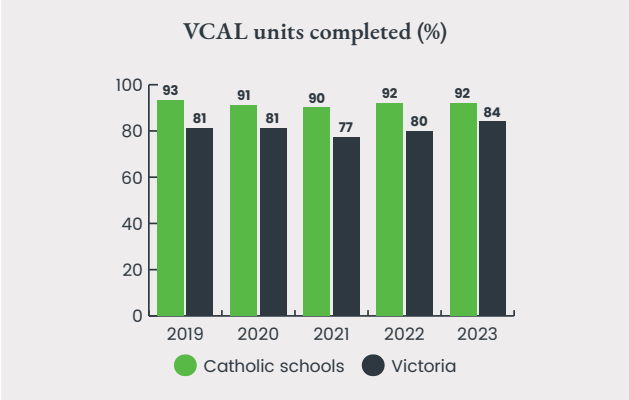
## Victorian Certificate of Applied Learning

2023 was the final year students were eligible to complete the Victorian Certificate of Applied Learning (VCAL) as it is being replaced by either a Vocational Major (VCE VM) or a Victorian Pathways Certificate (VPC).

The following chart shows the percentage of students who completed an intermediate VCAL certificate out of the total number of students eligible to complete it, for the Catholic sector and in Victoria for 2019 to 2023.




The following chart show the percentage of VCAL units completed for the Catholic sector and in Victoria for 2019 to 2023.




## National Assessment Program – Literacy and Numeracy results 2023

The National Assessment Program – Literacy and Numeracy (NAPLAN) is an Australia-wide testing program of literacy and numeracy for students in Years 3, 5, 7 and 9 and has five subject areas or 'domains'.

In 2023, the performance of students in Victorian Catholic School included:

### Mean Scale Scores

NAPLAN reporting scales are constructed so that scores achieved by students in Years 3, 5, 7 and 9 are on a single scale of 1-1000. Students' raw test results are converted and placed on this scale. Students' scores can then be aggregated and used to compute the average (mean) scaled score performance for schools and/or groups of students.

| | | Mean Scale Scores | |
|---|---|---|---|
| **Year Level** | **Domain** | **Catholic Sector** | **Victoria** |
| Year 3 | Reading | 415 | 416 |
| | Writing | 427 | 424 |
| | Numeracy | 413 | 416 |
| Year 5 | Reading | 515 | 507 |
| | Writing | 499 | 498 |
| | Numeracy | 491 | 494 |

# School Achievement

| | | | |
|---|---|---|---|
| Year 7 | Reading | 547 | 545 |
| | Writing | 551 | 547 |
| | Numeracy | 544 | 544 |
| Year 9 | Reading | 576 | 571 |
| | Writing | 586 | 579 |
| | Numeracy | 572 | 574 |

### Percentage in the top two proficiency bands

The NAPLAN assessment scale is divided into four proficiency bands that are used to report student achievement. The four proficiency bands from highest to lowest achievement are Exceeding, Strong, Developing and Needs Additional Support. The top two bands have been used to identify students as proficient.

| | | % Proficient | |
|---|---|---|---|
| **Year Level** | **Domain** | **Catholic Sector** | **Victoria** |
| Year 3 | Reading | 74 | 71 |
| | Writing | 85 | 80 |
| | Numeracy | 70 | 69 |
| Year 5 | Reading | 81 | 79 |
| | Writing | 81 | 74 |
| | Numeracy | 72 | 70 |
| Year 7 | Reading | 77 | 72 |
| | Writing | 71 | 69 |
| | Numeracy | 74 | 69 |
| Year 9 | Reading | 71 | 66 |
| | Writing | 70 | 64 |
| | Numeracy | 70 | 67 |

## Enrolments and completions in Religious Education units

Secondary students in Catholic schools across Victoria had both high representation and high completion rates in the study of VCE RE units between 2019 and 2023, as shown in the table below.

| | Enrolments and completions in Religious Education (RE) units | | |
|---|---|---|---|
| **Year** | **% of enrolments from Catholic schools** | **% of completions in Catholic schools** | **% of completions in Victorian schools** |
| 2019 | 47 | 97.7 | 97.6 |
| 2020 | 47.2 | 98.1 | 98.1 |
| 2021 | 47.2 | 98.3 | 97.6 |
| 2022 | 47.6 | 97.6 | 97.3 |
| 2023 | 49.6 | 98.0 | 97.7 |

# School Achievement

## Student destinations post-Year 12

The student destination data is a product of the 'On Track' student survey, which is a large-scale survey designed to monitor the destination outcomes of Year 12 completers and early leavers six months after leaving school. This information provides insights into post-school destinations and pathways and highlights the diversity of pathways young people successfully pursue after leaving secondary school.

The table below shows the survey data for the Catholic sector and in Victoria for the years 2019 to 2021.

| | Percentage from Catholic schools | | | Percentage from all Victorian schools | | |
|---|---|---|---|---|---|---|
| **Destination** | **2019** | **2020** | **2021*** | **2019** | **2020** | **2021*** |
| Bachelor degree | 59.6 | 59.9 | 53.5 | 54.8 | 56.3 | 51.8 |
| TAFE/VET | 10.9 | 10.8 | 10.1 | 11.7 | 11.3 | 10.0 |
| Apprenticeship/ Traineeship | 8.5 | 10.4 | 10.4 | 8.0 | 9.7 | 9.9 |
| Employed | 8.3 | 9.3 | 13.5 | 10.1 | 11.6 | 15.7 |
| Looking for work | 2.7 | 1.8 | 1.1 | 4.2 | 3.0 | 2.1 |
| Deferred | 9.7 | 7.5 | 11.2 | 10.3 | 7.5 | 10.2 |
| Other | 0.3 | 0.3 | 0.3 | 0.9 | 0.6 | 0.4 |

** Note 2021 data reflects COVID impact*

## Enrolments

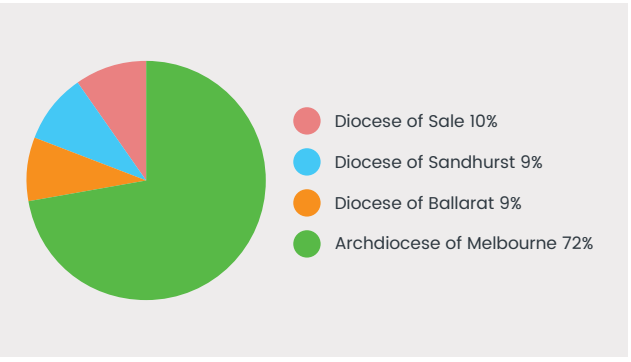
In 2023, there were 394 primary, 97 secondary and 6 special schools providing Catholic education to 213,000 students across Victoria. A breakdown of these enrolments is shown in the following table. A breakdown of enrolment percentages by diocese is shown in the following chart.

**Enrolments (FTE) in Victorian Catholic schools (February 2022 and February 2023)**

| Student Type | FTE 2022 | FTE 2023 | Change |
|---|---|---|---|
| Primary students | 110,604.8 | 110,949.5 | 344.7 |
| Secondary students | 100,834.2 | 102,051.3 | 1,217.1 |
| Total | 211,439.0 | 213,000.8 | 1,561.8 |

*Source: DE Annual Schools Census February 2022 and February 2023*

**Share of enrolments by diocese, 2023 (%)**



# Financial Report

For the year ended 31 December 2023

# Financial Report

## General information

The financial statements cover Victorian Catholic Education Authority Limited ('VCEA' or the 'Company') as an individual entity. The financial statements are presented in Australian dollars, which is Victorian Catholic Education Authority Limited's functional and presentation currency.

Victorian Catholic Education Authority Limited is a not-for-profit unlisted public company limited by guarantee, incorporated and domiciled in Australia, and is registered with the Australian Charities and Not-for-profits Commission ('ACNC') as a charity.

The members of the Company are the Archbishop of Melbourne, the Bishops of the Dioceses of Ballarat, Sandhurst and Sale and Sr Eileen Ann Daffy rsm.

**Registered Office**
2 Lonsdale St
Melbourne VIC 3000

Postal address:
PO Box 3
EAST MELBOURNE 8002

A description of the nature of the Company's operations and its principal activities are included in the directors' report, which is not part of the financial statements.

The financial statements were authorised for issue, in accordance with a resolution of directors, on 6 May 2024.

# Financial Report

## Directors' report

The directors of the Victorian Catholic Education Authority Limited ('VCEA' or the 'Company'), formerly Catholic Education Commission of Victoria Limited ('CECV Ltd') submit here with the Company's annual financial report for the financial year ended 31 December 2023.

### Directors

The following persons were directors and officers of the Company during the financial year and up to the date of this report, other than as noted here and on page 22:

| Name | Particulars |
|---|---|
| **Most Rev. Terence Curtin STD DD**<br>STL BEd VG EV (Chair) | Auxiliary Bishop, Archdiocese of Melbourne |
| **Mr Tim O'Leary**<br>BA (Honours), GradDipPhil | Executive Director, Stewardship, Catholic Archdiocese of Melbourne<br>Member of the Diocesan Finance Council<br>Deputy Chair of the Catholic Development Fund Board<br>Trustee of the Roman Catholic Trusts Corporation<br>Member of the Melbourne Archdiocese Catholic Schools Ltd Board<br>Member of the Newman Council<br>Member of the Mercy Health Board<br>Chair of the Mercy Health Human Research Ethics Committee (HREC)<br>Member of the PM Glynn Advisory Council |
| **Dr Helga Neidhart RSC**<br>TPTC, BA, MEd (Hons), PhD, BTheol, FACE, FACEL | Senior Lecturer, School of Educational Leadership, Australian Catholic University (retired) |
| **Rev. Justin Driscoll**<br>BTheol, MM | Parish Priest of the Parishes of Creswick, Daylesford and Gordon |
| **Mr Paul Desmond**<br>B. Ed. GradDipRE, GradDip Student Guidance & Welfare | Executive Director of Catholic Education Sandhurst Ltd<br>Director of Catholic Capital Grants (Victoria) Limited<br>Member of the VCEA Digital Reimagination Steering Committee<br>Member of the VCEA Grants Allocation Committee (Primary)<br>Chair of the VCEA Review Body Committee<br>Member of the Victorian Institute of Teaching Council |
| **Mr Tom Sexton**<br>DipEd, MBA, MAICD, GradDip Computing in Education, Cert Achievement in Surviving Disruptive Technologies | Director of Diocese of Ballarat Catholic Education Limited<br>Director of Catholic Capital Grants (Victoria) Limited<br>Member of the VCEA Grants Allocation Committee (Primary)<br>Chair of the VCEA Grants Allocation Committee (Targeted Programs)<br>Member of the VCEA Digital Reimagination Steering Committee<br>Chair of the VCEA Grants Allocation Committee (Secondary) |
| **Dr Edward Simons**<br>EdD, M.EdL, BAHons BusStudies, GradCertEd UK | Executive Director of Melbourne Archdiocese Catholic Schools Ltd<br>Chair of the Melbourne Archdiocese Catholic Schools Ltd (MACS) Research Committee<br>Director of Catholic Capital Grants (Victoria) Limited |

# Financial Report

| Name | Particulars |
|---|---|
| **Mr Paul Velten**<br>BEc, CPA | Director of Catholic Education in the Diocese of Sale<br>Chief Executive Officer of the Diocese of Sale Catholic Education Ltd (DOSCEL)<br>Chair of the VCEA Grants Allocation Committee (Secondary)<br>Director of Catholic Capital Grants (Victoria) Ltd<br>Director of Catholic Development Fund Board<br>Member of the VCEA Digital Reimagination Steering Committee |
| **Mr Jim Miles**<br>BA, BComm, GradDipEconomics, MComm | Executive Director of VCEA<br>Chair of the VCEA Digital Reimagination Steering Committee<br>Director of Catholic Capital Grants (Victoria) Ltd<br>Chair of the VCEA Grants Allocation Committee (Primary)<br>Commissioner of the National Catholic Education Commission<br>Chair of the Catholic Education Long Service Leave Scheme (Victoria)<br>Member of the Victorian Government School Policy and Funding Advisory Council |
| **Mr James Merlino**<br>BA (Chair of Board) | Chair of REST Super (Retail Employees Superannuation Pty Limited)<br>Chair of Suburban Rail Loop Authority (Victoria)<br>Director of Hawthorn Football Club Limited |
| **Ms Patricia Cowling**<br>BA, DipEd, MEducational Management, BTheol, MBA(Exec), MAICD, Fellow ACEL | Director of Catholic Education Sandhurst Ltd (resigned on 20 March 2024)<br>Director of Sandhurst Catholic Early Childhood Education and Care Ltd (resigned on 20 March 2024) |
| **Ms Lynn Glover**<br>BSW | Chair of the Firefighters Registration Board<br>Director of Berry Street Victoria |
| **Ms Marcelle Mogg**<br>Dip Applied Science (Nursing), B Social Science, MBA, GAICD | Director of Sacred Heart Mission<br>Director Mercy Community Services Australia Limited |
| **Mr Damian Murphy**<br>MLaw, BLaw, BEcon | Director of Catholic Development Fund Board<br>Managing Director of Firmate Risk and Assurance Solutions Pty Ltd |

## Company Secretary

| Name | Particulars |
|---|---|
| **Ms Verity Pearson**<br>(resigned 12 January 2024)<br>M.EdL, PGCertEd, BEd, BA | Manager Strategic Delivery and Transformation, VCEA |
| **Ms Sara Tersigni**<br>LLB, FGIA | Company Secretary, VCEA |

# Financial Report

## Principal activities

The objectives of the Company, in accordance with the beliefs, traditions and practices of the Roman Catholic Church and Church laws, are:

- to, for and on behalf of Catholic schools, act as the recipient of grants provided to or in respect of Catholic schools;
- to allocate, distribute, expend or appropriate grants to Catholic schools, always in accordance with conditions (if any) imposed by a government agency;
- to, in cooperation with the Director of Catholic education in each diocesan company, facilitate and support the compliance with all relevant conditions and requirements in respect of grants imposed by a government agency; and
- to act for the members in specified matters concerning Catholic schools or in such other matters as the members may request.

## Review of operations

The Company's net surplus for the year ended 31 December 2023 is $4,146,819 (2022 deficit: $1,597,605).

## Changes in the state of affairs

There were no significant changes in the state of affairs of the Company other than as outlined below.

The 2023 AGM was a culmination of the extensive renewal work undertaken since the Archbishop of Melbourne and the Bishops of Ballarat, Sale and Sandhurst commissioned an independent review into the role, governance and operations of the Catholic Education Commission of Victoria (CECV). At the 5 December AGM the Archbishop of Melbourne and the Bishop members accepted a new Constitution, the change of company name to Victorian Catholic Education Authority (VCEA) and the appointment of Mr James Merlino, Ms Lynn Glover and Mr Damian Murphy as company directors with Mr Merlino appointed as Chair. Later in December, the Archbishop of Melbourne and the Bishops of Ballarat, Sale and Sandhurst appointed Sr Eileen Ann Daffy rsm as the fifth Company member of VCEA following her nomination by CRMV Ltd.

## Future developments

In 2024 VCEA will build on these foundations as it fulfils its role under its Constitution to provide a number of services and undertake various functions for Catholic school proprietors and Catholic schools in Victoria. The services and functions relate to government funding of Catholic schools, school regulation, enterprise bargaining, communications and advocacy, Catholic mission, and research and data analysis.

The recruitment of additional directors for the VCEA Board will continue in 2024 and a new CEO will be appointed following previous CEO Jim Miles' resignation, effective January 2024. The Committees specified under the Constitution will be established, including the Consultation Committee which will act as a consultative and advisory forum, to provide a voice for Catholic school proprietors in discussion about state wide issues concerning Catholic school education.

# Financial Report

A strategic planning process will be undertaken to set the future direction and this will be supported by the development and implementation of relevant policies, processes and procedures to support the achievement of the strategic objectives.

Operationally, 2024 will see VCEA complete its staff recruitment with all key roles filled, the organisation will transition into its new office location and the new branding and website will be rolled out to better reflect VCEA's role as the peak body for Catholic school education in Victoria.

The VCEA is committed to a school funding model that supports choice and access for all Australians through the widespread provision of non-government schools that have a range of fee levels and operating models.

VCEA will continue to advocate for funding arrangements that enable this goal and ensure parental choice in education and the continued affordability and accessibility of a high-quality education founded on the Catholic faith. The continuing provision of this choice to all families across the socioeconomic spectrum is an ongoing strength of our nation's education landscape.

The Australian Government's legislated ten (10) year funding model, the Gonski 2.0 proposals, amendments, and the implementation of the Direct Measure of Income (DMI) score ensure that the VCEA will remain viable and able to continue supporting Catholic schools in Victoria until 2029.

Victorian Government recurrent funding arrangements were signed with the Victorian Government for the four years ending 2025. State legislation links funding to the VCEA under these agreements to the funding level of government schools. This provides certainty on state recurrent funding to the VCEA until the end of 2025.

## Environmental regulations

The Company's operations are not regulated by any significant environmental regulation under the laws of the Australian government or of any state or territory. However, the directors believe that the Company has adequate systems in place for managing its environmental requirements and is not aware of any breach of these environmental requirements.

## Indemnification of officers and auditors

During or since the end of the financial year, the Company has not indemnified or made a relevant agreement to indemnify an officer or auditor of the Company or of any related body corporate against a liability incurred as such by an officer or auditor. In addition, the Company has not paid, or agreed to pay, a premium in respect of a contract insuring against a liability incurred by an officer or auditor.

VCEA has directors and officers liability insurance contracts for directors and officers of the Company. The insurance provides cover against claims made by reason of any wrongful act committed or alleged to have been committed by a director or officer of the Company.

# Financial Report

## Meetings of directors

| | Full Board | | Audit and Risk Committee | | |
|---|---|---|---|---|---|
| | Attended | Held | Attended | Held | |
| | | | | | Resigned |
| Most Rev. Terrence Curtin (Chair) | 7 | 7 | - | - | 5 Dec 2023 |
| Mr Tim O'Leary | 6 | 7 | 4 | 4 | 5 Dec 2023 |
| Dr Helga Neidhart RSC | 4 | 7 | - | - | 5 Dec 2023 |
| Rev. Justin Driscoll | 7 | 7 | - | - | 5 Dec 2023 |
| Mr Paul Desmond | 7 | 7 | - | - | 5 Dec 2023 |
| Mr Tom Sexton | 7 | 7 | - | - | 5 Dec 2023 |
| Dr Edward Simons | 6 | 7 | - | - | 5 Dec 2023 |
| Mr Paul Velten | 7 | 7 | - | - | 5 Dec 2023 |
| Mr Jim Miles | 7 | 7 | 3 | 4 | 5 Dec 2023 |
| | | | | | Appointed |
| Mr. James Merlino | 1 | 1 | - | - | 5 Dec 2023 |
| Ms Patricia Cowling | - | - | - | - | 1 Mar 2024 |
| Ms. Lynn Glover | 1 | 1 | - | - | 5 Dec 2023 |
| Ms Marcelle Mogg | - | - | - | - | 1 Mar 2024 |
| Mr. Damian Murphy | 1 | 1 | - | - | 5 Dec 2023 |

## Proceedings on behalf of the Company

During the year, no persons brought or intervened in any proceedings on behalf of the Company.

## Auditor's independence declaration

A copy of the auditor's independence declaration is set out immediately after this directors' report.

This report is made in accordance with a resolution of directors.

On behalf of the directors

Director
6 May 2024

Director

Deloitte.

Deloitte Touche Tohmatsu
ABN 74 490 121 060

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Melbourne VIC 3001 Australia

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The Board of Directors
Victorian Catholic Education Authority Limited
2 Lonsdale Street
MELBOURNE VIC 3000

6 May 2024

Dear Board Members

**Auditor's Independence Declaration to Victorian Catholic Education Authority Limited**

In accordance with section 60-40 of the *Australian Charities and Not-for-Profits Commission Act 2012*, I am pleased to provide the following declaration of independence to the directors of Victorian Catholic Education Authority Limited.

As lead audit partner for the audit of the financial report of Victorian Catholic Education Authority Limited for the financial year ended 31 December 2023, I declare that to the best of my knowledge and belief, there have been no contraventions of:

(i) the auditor independence requirements of the *Australian Charities and Not-for-profits Commission Act 2012* in relation to the audit; and

(ii) any applicable code of professional conduct in relation to the audit.

Yours sincerely

Deloitte Touche Tohmatsu
DELOITTE TOUCHE TOHMATSU

Rachel Smith
Partner
Chartered Accountants
Melbourne

# Financial Report

## Statement of profit or loss and other comprehensive income

| | Note | 2023 $ | 2022 Restated $ |
|---|---|---|---|
| Income | 4 | 3,427,701,478 | 3,190,621,067 |
| Expenses | | | |
| VCEA operating costs | 5 | (15,310,429) | (9,080,071) |
| Distributions | 6 | (3,408,110,051) | (3,179,780,627) |
| Depreciation and amortisation expense | | (134,179) | (3,357,974) |
| Total expenses | | (3,423,554,659) | (3,192,218,672) |
| Surplus/(deficit) for the year | | 4,146,819 | (1,597,605) |
| Other comprehensive income for the year | | - | - |
| Total comprehensive surplus/(deficit) for the year | | 4,146,819 | (1,597,605) |

Refer to note 3 for detailed information on Restatement of comparatives.

The above Statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes

# Financial Report

## Statement of financial position

| | Note | 2023 $ | 2022 Restated $ |
|---|---|---|---|
| Assets | | | |
| Current assets | | | |
| Cash and cash equivalents | 7 | 56,437,605 | 7,528,240 |
| Trade and other receivables | | 1,971,613 | 71,098 |
| Other assets | 8 | 2,585,538 | 2,437,435 |
| Total current assets | | 60,994,756 | 10,036,773 |
| Non-current assets | | | |
| Property, plant and equipment | | 15,149 | - |
| Intangibles | | - | 131,149 |
| Total non-current assets | | 15,149 | 131,149 |
| Total assets | | 61,009,905 | 10,167,922 |
| Liabilities | | | |
| Current liabilities | | | |
| Trade and other payables | 9 | 55,447,662 | 9,108,566 |
| Employee benefits | | 356,068 | - |
| Total current liabilities | | 55,803,730 | 9,108,566 |
| Total liabilities | | 55,803,730 | 9,108,566 |
| Net assets | | 5,206,175 | 1,059,356 |
| Equity | | | |
| IT capital projects reserve | | - | 131,150 |
| Retained surpluses | | 5,206,175 | 928,206 |
| Total equity | | 5,206,175 | 1,059,356 |

The above Statement of financial position should be read in conjunction with the accompanying notes

# Financial Report

## Statement of changes in equity

| | IT capital projects reserve $ | Retained surpluses $ | Total equity $ |
|---|---|---|---|
| Balance at 1 January 2022 | 2,656,961 | - | 2,656,961 |
| Deficit for the year | - | (1,597,605) | (1,597,605) |
| Other comprehensive income for the year | - | - | - |
| Total comprehensive deficit for the year | - | (1,597,605) | (1,597,605) |
| Transfer from IT capital projects reserve to retained surpluses | (2,525,811) | 2,525,811 | - |
| Balance at 31 December 2022 | 131,150 | 928,206 | 1,059,356 |

| | IT capital projects reserve $ | Retained surpluses $ | Total equity $ |
|---|---|---|---|
| Balance at 1 January 2023 | 131,150 | 928,206 | 1,059,356 |
| Surplus for the year | - | 4,146,819 | 4,146,819 |
| Other comprehensive income for the year | - | - | - |
| Total comprehensive income for the year | - | 4,146,819 | 4,146,819 |
| Derecognition of IT capital projects reserve | (131,150) | 131,150 | - |
| Balance at 31 December 2023 | - | 5,206,175 | 5,206,175 |

The above Statement of changes in equity should be read in conjunction with the accompanying notes

# Financial Report

## Statement of cash flows

| | Note | 2023 $ | 2022 Restated $ |
|---|---|---|---|
| Cash flows from operating activities | | | |
| Receipt of government grants | | 3,681,197,214 | 3,415,535,124 |
| Receipt of school service contributions (levies) | | 67,239,278 | 78,453,910 |
| Interest received | | 11,585,663 | 3,345,198 |
| Other operating receipts | | 1,460,323 | 3,998,314 |
| Distribution of grants | | (3,363,265,077) | (3,179,917,315) |
| Payments to suppliers | | (349,289,857) | (314,653,027) |
| Net cash from operating activities | 12 | 48,927,544 | 6,762,204 |
| Cash flows from investing activities | | | |
| Payments for property, plant and equipment | | (18,179) | (186,594) |
| Net cash used in investing activities | | (18,179) | (186,594) |
| Net cash from financing activities | | - | - |
| Net movement in cash and cash equivalents | | 48,909,365 | 6,575,610 |
| Cash and cash equivalents at the beginning of the financial year | | 7,528,240 | 952,630 |
| Cash and cash equivalents at the end of the financial year | 7 | 56,437,605 | 7,528,240 |

Refer to note 3 for detailed information on restatement of comparatives.

The above Statement of cash flows should be read in conjunction with the accompanying notes

# Financial Report

## Notes to the financial statements

### Note 1. Significant accounting policies

The accounting policies that are material to the Company are set out either in the respective notes or below. The accounting policies adopted are consistent with those of the previous financial year, unless otherwise stated.

#### New or amended Accounting Standards and Interpretations adopted

The Company has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period, which had no significant impact on the financial statements.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted and are not expected to materially impact the financial statements in future years.

#### Basis of preparation

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB'), as appropriate for not-for profit oriented entities and the Australian Charities and Not-for-profits Commission Act 2012.

##### Historical cost convention

The financial statements have been prepared under the historical cost convention.

##### Critical accounting estimates

The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 2.

#### Income tax

The Company is exempt from paying income taxes. The Company is not subjected to capital gains tax or payroll tax but is liable for other taxes in accordance with Australian and state government legislation.

#### Current and non-current classification

Assets and liabilities are presented in the Statement of financial position based on current and non-current classification.

An asset is classified as current when: it is either expected to be realised or intended to be sold or consumed in the Company's normal operating cycle; it is held primarily for the purpose of trading; it is expected to be realised within 12 months after the reporting period; or the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period. All other assets are classified as non-current.

# Financial Report

A liability is classified as current when: it is either expected to be settled in the Company's normal operating cycle; it is held primarily for the purpose of trading; it is due to be settled within 12 months after the reporting period; or there is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period. All other liabilities are classified as non-current.

### Impairment of financial assets

The Company recognises a loss allowance for expected credit losses on financial assets which are either measured at amortised cost or fair value through other comprehensive income. The measurement of the loss allowance depends upon the Company's assessment at the end of each reporting period as to whether the financial instrument's credit risk has increased significantly since initial recognition, based on reasonable and supportable information that is available, without undue cost or effort to obtain.

Where there has not been a significant increase in exposure to credit risk since initial recognition, a 12-month expected credit loss allowance is estimated. This represents a portion of the asset's lifetime expected credit losses that is attributable to a default event that is possible within the next 12 months. Where a financial asset has become credit impaired or where it is determined that credit risk has increased significantly, the loss allowance is based on the asset's lifetime expected credit losses. The amount of expected credit loss recognised is measured on the basis of the probability weighted present value of anticipated cash shortfalls over the life of the instrument discounted at the original effective interest rate.

For financial assets mandatorily measured at fair value through other comprehensive income, the loss allowance is recognised in other comprehensive income with a corresponding expense through profit or loss. In all other cases, the loss allowance reduces the asset's carrying value with a corresponding expense through profit or loss.

### Impairment of non-financial assets

Non-financial assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

Recoverable amount is the higher of an asset's fair value less costs of disposal and value-in-use. The value-in-use is the present value of the estimated future cash flows relating to the asset using a pre-tax discount rate specific to the asset or cash-generating unit to which the asset belongs. Assets that do not have independent cash flows are grouped together to form a cash-generating unit.

### Goods and Services Tax ('GST') and other similar taxes

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the tax authority. In this case it is recognised as part of the cost of the acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the tax authority is included in other receivables or other payables in the Statement of financial position.

# Financial Report

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the tax authority, are presented as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the tax authority.

## Note 2. Critical accounting judgements, estimates and assumptions

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. There are no critical accounting judgements, estimates and assumptions currently affecting these financial statements.

## Note 3. Restatement of comparatives

### Correction of error

During the current year the Company identified the duplication of an accounting entry reflected in the financial statements for the year ended 31 December 2022, which resulted in an overstatement of School service contributions (levies) income and an overstatement of distribution expenses to diocesan education companies.

The financial impact of the prior period error and the restatement of the 2022 comparative amounts is disclosed in further detail below in accordance with AASB 108 'Accounting Policies, Changes in Accounting Estimates and Errors'.

The restatement does not impact the Statement of Financial Position or the Statement of Changes in Equity.

### Statement of profit or loss and other comprehensive income

**Extract**

| | 2022<br>$<br>Reported | 2022<br>$<br>Adjustment | 2022<br>$<br>Restated |
|---|---|---|---|
| Income | 3,269,680,738 | (79,059,671) | 3,190,621,067 |
| Expenses | | | |
| Distributions | (3,258,840,298) | 79,059,671 | (3,179,780,627) |
| Deficit for the year | (1,597,605) | - | (1,597,605) |
| Other comprehensive income for the year | - | - | - |
| Total comprehensive deficit for the year | (1,597,605) | - | (1,597,605) |

# Financial Report

## Note 3. Restatement of comparatives (continued)

### Corrected notes related to the restated statement of profit or loss and other comprehensive income

**Extract note 4**

| | 2022 $ Reported | 2022 $ Adjustment | 2022 $ Restated |
|---|---|---|---|
| School service contributions (levies) | 157,513,581 | (79,059,671) | 78,453,910 |
| Total income | 3,269,680,738 | (79,059,671) | 3,190,621,067 |

**Extract note 6**

| | 2022 $ Reported | 2022 $ Adjustment | 2022 $ Restated |
|---|---|---|---|
| Recurrent grant distributions | 3,209,923,185 | (79,059,671) | 3,130,863,514 |
| Total distributions | 3,258,840,298 | (79,059,671) | 3,179,780,627 |

**Extract note 6(a)**

| | 2022 $ Reported | 2022 $ Adjustment | 2022 $ Restated |
|---|---|---|---|
| Distribution to diocesan education companies | | | |
| Melbourne Archdiocese Catholic Schools Ltd | 61,813,564 | (46,944,919) | 14,868,645 |
| Diocese of Ballarat Catholic Education Ltd | 16,764,575 | (12,043,943) | 4,720,632 |
| Catholic Education Sandhurst Ltd | 11,827,358 | (9,442,683) | 2,384,675 |
| Diocese of Sale Catholic Education Ltd | 12,143,542 | (10,628,126) | 1,515,416 |
| Total distribution to diocesan education companies | 102,549,039 | (79,059,671) | 23,489,368 |

**Extract note 6(c)**

| | 2022 $ Reported | 2022 $ Adjustment | 2022 $ Restated |
|---|---|---|---|
| Distribution to diocesan education companies | | | |
| Australian Government / Recurrent grants | 95,024,175 | (79,059,671) | 15,964,504 |
| State Government / Targeted programs | 7,524,864 | - | 7,524,864 |
| Total distribution to diocesan education companies | 102,549,039 | (79,059,671) | 23,489,368 |

# Financial Report

## Note 3. Restatement of comparatives (continued)

### Statement of cash flows

**Extract**

| | 2022 $ Reported | 2022 $ Adjustment | 2022 $ Restated |
|---|---|---|---|
| Receipt of school service contributions (levies) | 157,513,581 | (79,059,671) | 78,453,910 |
| Distribution of grants | (3,258,976,986) | 79,059,671 | (3,179,917,315) |
| Net cash from operating activities | 6,762,204 | - | 6,762,204 |
| Net movement in cash and cash equivalents | 6,575,610 | - | 6,575,610 |

## Note 4. Income

| | 2023 $ | 2022 Restated $ |
|---|---|---|
| Grant income - Australian Government recurrent | 2,689,832,513 | 2,488,136,582 |
| Grant income - Australian Government targeted | 21,113,165 | 10,493,213 |
| Grant income - State Government recurrent | 585,744,705 | 559,492,451 |
| Grant income - State Government targeted | 48,825,316 | 46,909,685 |
| Total government grant income (a) | 3,345,515,699 | 3,105,031,931 |
| Other income | | |
| School service contributions (levies) | 67,239,278 | 78,453,910 |
| Interest income from bank deposits | 11,810,263 | 3,345,198 |
| Other income and cost recoveries | 2,911,638 | 3,790,028 |
| Amounts charged to Long Service Leave Scheme via Service Level Agreement (SLA) | 89,545 | - |
| Amounts charged to Catholic Capital Grants (Victoria) Limited via SLA | 135,055 | - |
| | 82,185,779 | 85,589,136 |
| Income | 3,427,701,478 | 3,190,621,067 |

# Financial Report

## Note 4. Income (continued)

### (a) Government grant income

| | 2023 $ | 2022 $ |
|---|---|---|
| Australian Government | 2,710,945,678 | 2,498,629,795 |
| State Government | 634,570,021 | 606,402,136 |
| Total Government grant income | 3,345,515,699 | 3,105,031,931 |

### Accounting policy for income

The Company recognises income as follows:

#### Grant income

When the Company receives government grants that are in the scope of AASB 1058 management performs an assessment to determine if the contract is 'enforceable' and contains 'sufficiently specific' performance obligations.

In cases where there is an 'enforceable' contract with a customer with 'sufficiently specific' performance obligations, the transaction is accounted for under AASB 15, where income is recognised when (or as) the performance obligations are satisfied. The transaction is accounted for in all other cases under AASB 1058, where the income is recognised upon receipt.

#### Cost recoveries

On occasion in 2023 Melbourne Archdiocese Catholic Schools Ltd (MACS) engaged VCEA to complete specific activities on behalf of MACS. VCEA recovered costs incurred which has been recognised as income on receipt.

#### Interest

Interest income is recognised as interest accrues, using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

#### Other income

Other income is recognised when it is received or when the right to receive payment is established.

# Financial Report

## Note 5. VCEA operating costs

| | 2023 $ | 2022 $ |
|---|---|---|
| Audit of the financial report and grant acquittals - Deloitte Touche Tohmatsu | 147,750 | 145,616 |
| Amounts charged by Melbourne Archdiocese Catholic Schools (MACS) under the Service Level Agreement | 3,753,069 | 3,996,761 |
| Computer costs | 827,464 | 694,577 |
| Consultancy fees | 2,946,097 | 1,249,850 |
| Employee benefits expense | 4,264,630 | - |
| Other expenses | 3,371,419 | 2,993,267 |
| Total VCEA operating costs | 15,310,429 | 9,080,071 |

## Note 6. Distributions

| | 2023 $ | 2022 Restated $ |
|---|---|---|
| Recurrent grant distributions | 3,346,917,494 | 3,130,863,514 |
| Targeted programs/area distributions | 61,192,557 | 48,917,113 |
| Total distributions (a) | 3,408,110,051 | 3,179,780,627 |

# Financial Report

## Note 6. Distributions (continued)

### (a) Breakdown of total distributions

| | 2023 $ | 2022 Restated $ |
|---|---|---|
| Distributions to schools | | |
| Archdiocese of Melbourne | 2,273,275,641 | 2,127,466,945 |
| Diocese of Ballarat | 320,555,576 | 297,445,693 |
| Diocese of Sandhurst | 353,404,780 | 327,918,325 |
| Diocese of Sale | 343,965,186 | 311,215,047 |
| Total distributions to schools (b) | 3,291,201,183 | 3,064,046,010 |
| Distribution to diocesan education companies | | |
| Melbourne Archdiocese Catholic Schools Ltd | 15,795,810 | 14,868,645 |
| Diocese of Ballarat Catholic Education Ltd | 1,690,292 | 4,720,632 |
| Catholic Education Sandhurst Ltd | 3,051,053 | 2,384,675 |
| Diocese of Sale Catholic Education Ltd | 1,595,449 | 1,515,416 |
| Total distribution to diocesan education companies (c) | 22,132,604 | 23,489,368 |
| Expenses incurred by the VCEA in relation to schools | | |
| Amounts charged by MACS under the SLA | 14,026,601 | 13,942,598 |
| Computer costs | 32,690,836 | 39,542,855 |
| Copyright expenses | 4,891,121 | 4,733,903 |
| Distribution to non-school organisations | 1,898,188 | 1,154,633 |
| Long service leave contribution to Catholic education | 28,446,051 | 27,069,303 |
| Consultancy fees | 10,616,719 | 4,204,075 |
| Other expenses | 2,206,748 | 1,597,882 |
| Total expenses incurred by VCEA in relation to schools | 94,776,264 | 92,245,249 |
| Total distributions | 3,408,110,051 | 3,179,780,627 |

# Financial Report

## Note 6. Distributions (continued)

### (b) Distributions to schools

| | 2023 $ | 2022 $ |
|---|---|---|
| Distributions made by funding source | | |
| Australian Government | 2,667,316,693 | 2,496,527,606 |
| State Government | 623,884,490 | 567,507,591 |
| Interest earned on Choice & Affordability | - | 10,813 |
| Total distributions to schools | 3,291,201,183 | 3,064,046,010 |
| Distributions made by purpose of funding | | |
| Recurrent grants | 3,238,106,256 | 3,022,642,948 |
| Targeted programs | 53,094,927 | 41,392,249 |
| Interest earned on Choice & Affordability | - | 10,813 |
| Total distributions to schools | 3,291,201,183 | 3,064,046,010 |

| | Government grant income $ | Distributions to schools $ | Government grant income distributed to schools % |
|---|---|---|---|
| Year ended 31 December 2023 | 3,345,515,699 | 3,291,201,183 | 98.4% |
| Year ended 31 December 2022 | 3,105,031,931 | 3,064,046,010 | 98.7% |

# Financial Report

## Note 6. Distributions (continued)

### (c) Distributions to diocesan education companies

| | 2023 $ | 2022 Corrected $ |
|---|---|---|
| Distribution made by funding source | | |
| Australian Government | 14,133,975 | 15,964,504 |
| State Government | 7,998,629 | 7,524,864 |
| Total distributions to diocesan education companies | 22,132,604 | 23,489,368 |
| Distributions made by purpose of funding | | |
| Recurrent grants | 14,034,974 | 15,964,504 |
| Targeted programs | 8,097,630 | 7,524,864 |
| Total distributions to diocesan education companies | 22,132,604 | 23,489,368 |

## Note 7. Cash and cash equivalents

| | 2023 $ | 2022 $ |
|---|---|---|
| Current assets | | |
| Cash at bank | 56,437,605 | 7,528,240 |

### Accounting policy for cash and cash equivalents

Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

## Note 8. Other assets

| | 2023 $ | 2022 $ |
|---|---|---|
| Current assets | | |
| Prepaid expenses | 2,585,538 | 2,437,435 |

# Financial Report

## Note 9. Trade and other payables

| | 2023 $ | 2022 $ |
|---|---|---|
| Current liabilities | | |
| Trade and other payables | 1,472,299 | 13,190 |
| Grants payable | 45,872,198 | (42,545) |
| Amounts owed to other related parties | 3,238,000 | 437,462 |
| Accrued expenses | 4,865,165 | 8,700,459 |
| | 55,447,662 | 9,108,566 |

### Accounting policy for trade and other payables

These amounts represent liabilities for goods, services and grants payable provided to the Company prior to the end of the financial year and which are unpaid. Due to their short-term nature they are measured at amortised cost and are not discounted. The amounts are unsecured and are usually paid within 30 days of recognition.

## Note 10. Financial instruments

### Capital and financial risk management objectives, processes and policies

VCEA has no true 'capital' to manage as a company limited by guarantee. The Company does not have any borrowings. Its principal activity is the receipt of grant monies, which are allocated and distributed to schools and Victorian diocesan education companies. Capital growth is not an objective of the Company as it is a not-for-profit entity, and grant monies do not remain in the control of the Company for any extended period. The security of the funds received is essential to VCEA, as these monies have to be paid out. Accordingly, grant monies are generally held by VCEA in the form of cash and cash equivalents with the Company's bankers. Grant monies received by VCEA are disclosed separately in the Statement of Profit or Loss and Other Comprehensive Income.

As most of its financial instruments are in the form of cash and cash equivalents, the Company is exposed mainly to interest rate risk as monies are held in a bank account, returning a variable rate of interest. Other than its cash and cash equivalents, no financial assets or financial liabilities are interest-bearing. During the current reporting period, the weighted average interest rate earned on cash and cash equivalents was 4.73% per annum (2022: 2.16%). As monies are not held for any significant period, and as VCEA does not have capital growth as one of its objectives, the Company does not actively manage its interest rate risk exposure. Accordingly, funds are subject to fluctuations in the variable interest rate. A substantial part of grant monies is received in three tranches during the calendar year. Consequently, the balance in the bank account will fluctuate as grants are received and distributed. Further details about the Company's sensitivity to interest rates are described below.

The Company does not have a significant credit risk exposure. The Company's amounts receivable are due from creditworthy related parties. Cash and cash equivalents are only deposited with major Australian banks and financial institutions.

# Financial Report

VCEA has no significant exposure to liquidity risk as its principal activity is receiving and redistributing grant monies. It is not committed to distributing funds that it has not received. The Company is entitled to use a percentage of recurrent grant monies received for its operating expenses.

There has been no change to the Company's exposure to market risks and other risks or how it manages and measures the risk.

### Significant accounting policies and categories of financial instruments

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 in respect of each class of financial asset and financial liability, are disclosed in the respective notes to the financial statements.

VCEA classifies its financial assets and financial liabilities (other than provisions) into three categories: cash and cash equivalents, loans and receivables at amortised cost and financial liabilities at amortised cost. The totals of these categories are disclosed below:

| As at 31 December | 2023 $ | 2022 $ |
|---|---|---|
| Cash and cash equivalents | 56,437,605 | 7,528,240 |
| Loans and receivables at amortised cost | 1,971,613 | 71,098 |
| Financial liabilities at amortised cost | 55,447,662 | 9,108,566 |

#### Interest rate risk

The directors do not believe that any sensitivity analysis is representative of the interest rate risk inherent in the cash and cash equivalents balance, as the Company's cash balances can fluctuate significantly during the year.

#### Fair value of financial instruments

Other than cash and cash equivalents, VCEA's financial assets and liabilities consist of receivables, grants payable and receivable, creditors and accrued expenses. The directors consider that the carrying amounts of these financial assets and financial liabilities, which are recorded at amortised cost in the financial statements, approximate their fair values.

## Note 11. Commitments and contingencies

The Company has no expenditure commitments or contingent liabilities or contingent assets at reporting date.

# Financial Report

## Note 12. Information in relation to cash flows from operating activities

| | 2023 $ | 2022 $ |
|---|---|---|
| Surplus/(deficit) for the year | 4,146,819 | (1,597,605) |
| Adjustments for: | | |
| Depreciation and amortisation | 134,179 | 3,357,974 |
| Change in operating assets and liabilities: | | |
| Trade and other receivables | (1,900,516) | 208,286 |
| Other assets | (148,102) | 1,729,305 |
| Trade and other payables | 46,339,096 | 3,064,244 |
| Employee benefits | 356,068 | - |
| Net cash from operating activities | 48,927,544 | 6,762,204 |

During the year there were no non-cash investing or financing activities and the Company has no financing facilities.

## Note 13. Related party transactions

### Key management personnel

The compensation of key management personnel of VCEA during the period ended 31 December 2023 was $859,043 (2022: $44,777). The majority of the VCEA executive team was appointed during 2023 hence the significant increase over 2022.

### Transactions and balances with key management personnel of the VCEA

On 5th December 2023 at the VCEA AGM the previous Board (being representatives of diocesan stakeholders) resigned and a new Board was appointed. From 1 January 2023 to 5th December 2023 a number of Directors held positions in Diocesan education companies and schools that result in them having significant influence over the financial and operating policies of those entities. The Directors appointed on 5th December 2023 do not hold positions of this nature.

The entities described above receive allocations of grant monies from VCEA that are no more favourable than those received by other systemic Victorian Catholic Schools. Refer to note 5 for further information on allocations of grant monies.

### Transactions and balances with Melbourne Archdiocese Catholic Schools (MACS) Ltd

Melbourne Archdiocese Catholic Schools Ltd charges VCEA one annual management fee through a Service Level Agreement (SLA), to be paid in two instalments each year, for all services performed on its behalf.

# Financial Report

The annual SLA is negotiated each year and approved in accordance with VCEA delegated authority policy.

The total amount charged by MACS Ltd under the SLA during the current year was $17,779,670 (2022: $17,939,359). The amount owed by VCEA to MACS Ltd as at the reporting date for SLA and included in amounts owed to other related parties disclosed in note 9 is $3,154,328 (2022: $nil).

The amount owed by VCEA to MACS Ltd as at the reporting date and included in grants payable disclosed in note 9 is $44,844,975 (2022: $nil).

The amount owed by MACS Ltd to VCEA as at the reporting date and disclosed under trade and other receivables is $689,068 (2022: $nil).

### Transactions and balances with other related parties

VCEA contributes monies to the Catholic Education Long Service Leave Scheme on behalf of participating employers. During the financial year, the Company contributed a total of $28,446,051 (2022: $27,069,303) into the scheme on behalf of primary schools.

Grant distributions made to Diocesan and Religious Institute entities and schools are disclosed in note 6 of the financial report.

The amount owed to the Long Service Leave Scheme as at reporting date is $83,672 (2022: $437,462).

SLA income receivable owed by LSL Scheme to VCEA is $89,545 (2022: $nil) and owed by CCG Ltd to VCEA disclosed in note 4 is $135,055 (2022: $nil).

The following transactions occurred with other related parties:

| | 2023 $ | 2022 $ |
|---|---|---|
| Payment for goods and services | | |
| Catholic Church Insurance | - | 46,954 |
| National Catholic Education Commission (NCEC) | 1,009,846 | 960,322 |

# Financial Report

## Note 14. Economic dependency

The Company depends on Australian and Victorian government funding in the form of recurrent grants for its continuing operation. Grants are only committed to schools when the Australian and Victorian governments have approved the funding.

## Note 15. Subsequent events

On 14 March 2024 the Board approved an expenditure budget of $2.9m to fitout leased premises in East Melbourne. The fitout will occur during the 2024 financial year.

On 15 March 2024 the Board announced the appointment of Professor Elizabeth Labone as the new Chief Executive Officer of VCEA. Professor Labone commences in the role on 20 May 2024.

Other than the above no matter or circumstance has arisen since 31 December 2023 that has significantly affected, or may significantly affect the Company's operations, the results of those operations, or the Company's state of affairs in future financial years.

# Financial Report

## Directors' declaration

In the directors' opinion:

- the attached financial statements and notes comply with Accounting Standards, the Australian Charities and Not-for-profits Commission Act 2012 and the Australian Charities and Not-for-profits Commission Regulation 2022;
- the attached financial statements and notes give a true and fair view of the Company's financial position as at 31 December 2023 and of its performance for the financial year ended on that date; and
- there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of directors made pursuant to subsection 60.15(2) of the Australian Charities and Not-for-profit Commission Regulations 2022.

On behalf of the directors

Director

6 May 2024

Director

Deloitte Touche Tohmatsu
ABN 74 490 121 060

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# Independent Auditor's Report
# to the Members of Victorian Catholic Education Authority Limited

*Opinion*

We have audited the accompanying financial report of Victorian Catholic Education Authority Limited ('VCEA' or the 'Entity'), formerly Catholic Education Commission of Victoria Limited ('CECV Ltd'), which comprises the statement of financial position as at 31 December 2023, the statement of profit or loss and other comprehensive income, the statement of cash flows and the statement of changes in equity for the year ended on that date, and notes to the financial statements, including material accounting policy information and other explanatory information, and the Director's declaration.

In our opinion, the accompanying financial report of Victorian Catholic Education Authority Limited is in accordance with Division 60 of the *Australia Charities and Not-for-profits Commission Act 2012 (the ACNC Act)*, including:

(a) giving a true and fair view of the Entity's financial position as at 31 December 2023 and of its financial performance for the year ended on that date; and

(b) complying with Australian Accounting Standards and Division 60 of the *Australian Charities and Not-for-profits Commission Regulations 2022*.

*Basis for Opinion*

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Entity in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the "Code") that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

*Other Information*

The Directors are responsible for the other information. The other information comprises the Directors' report, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information 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 we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

Deloitte.

*Director's Responsibilities for the Financial Report*

The Directors are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards and the ACNC Act and for such internal control as the Directors determine is necessary to enable the preparation and fair presentation of the financial report and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the Directors are responsible for assessing the Entity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Entity or to cease operations, or have no realistic alternative but to do so.

*Auditor's Responsibilities for the Audit of the Financial Report*

Our objectives 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 our 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, we exercise professional judgement and maintain professional scepticism throughout the audit. We 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 our 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 Directors.

- Conclude on the appropriateness of the Director'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 we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our 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.

We communicate with the Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Deloitte.

*Independence*

We confirm that the independence declaration required by the ACNC Act, which has been given to the Directors of the Entity, would be in the same terms if given to the Directors as at the time of this auditor's report.

DELOITTE TOUCHE TOHMATSU

Rachel Smith
Partner
Chartered Accountants
Melbourne, 6 May 2024

# Annual Report

2023

vcea.catholic.edu.au