

Appendix I: Model Performance Statement

VAGO's Example Model Performance Statement Department of [Enter department name] Performance statement For the year ending 30 June 2022

Performance statement declaration

Instructions: A performance statement declaration is a declaration of the validity of the results made by the accountable officer(s) of the department.

In our opinion, the measures used, and results reported in the accompanying performance statement of [Department name]'s performance in respect of the 2021–22 financial year, are presented fairly and are consistent with the Standing Directions under the *Financial Management Act 1994*.

This statement includes the 2021–22 performance measures as agreed with the Assistant Treasurer and set out in Budget Paper No. 3. It includes actual and comparative results achieved for the financial year against targets, where applicable, and explanations of any significant and/or material variance between the actual results and performance targets.

As at the date of signing, we are not aware of any circumstance that would render any particulars in the performance statement to be misleading or inaccurate.

We authorise the attached performance statement for issue on [date].

Secretary
[Department name]
Melbourne
[Date]

Chief Financial Officer
[Department name]
Melbourne
[Date]

Performance narrative

Instructions: This section should include information about governance and statistics to provide context for the reader's understanding of departmental performance. Where possible, the trajectory of key aspects of performance over the last 5 years and the impact of major events should be analysed and summarised.

VAGO has used information about Victorian schools in this section to illustrate the type of narrative that VAGO suggests a department might use. Readers should not use this example text to reflect on the Department of Education's output performance.

In January 2023, the Department of Education and Training (DET) became the Department of Education (DE). DE is responsible for delivering and regulating statewide learning and development services to approximately one-third of all Victorians across the early childhood, school education, and training and skills sectors.

The purpose of schools is to educate students. The unit of output is a student who is educated. The inputs and processes are those that support the delivery of that output, such as teachers.

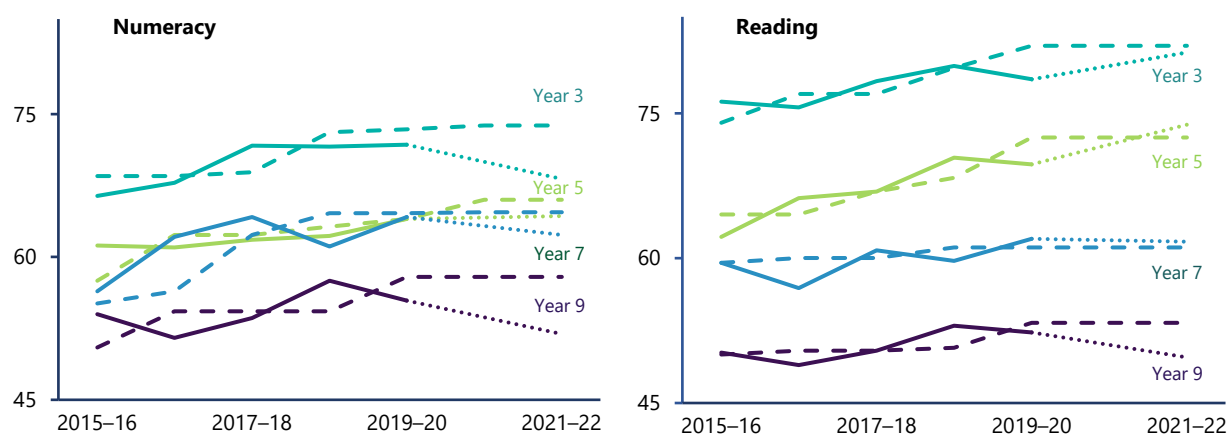
In 2022, 646,206 students enrolled in Victorian Government schools and 369,864 in non-government schools. Victoria has 2,279 schools (including 1,554 government schools).

In 2021–22, DET spent \$12.3 billion on school education and support services (school services), or 78 per cent of its total output budget (\$15.9 billion). DET spent 60 per cent of its output budget on employee benefits.

Over the last 5 years, government expenditure per full-time equivalent (FTE) student has increased in Victoria. By 2020–21, real recurrent expenditure (including user cost of capital) had increased 16 per cent to \$17,489 per FTE primary school student and 15 per cent to \$21,725 per FTE secondary school student.

Increasing expenditure per student is one way to improve student outcomes. Figure I1 shows reading and numeracy NAPLAN results for Year 3, 5, 7 and 9 students for the last 5 years. No NAPLAN assessment occurred in 2020–21 because of COVID-19.

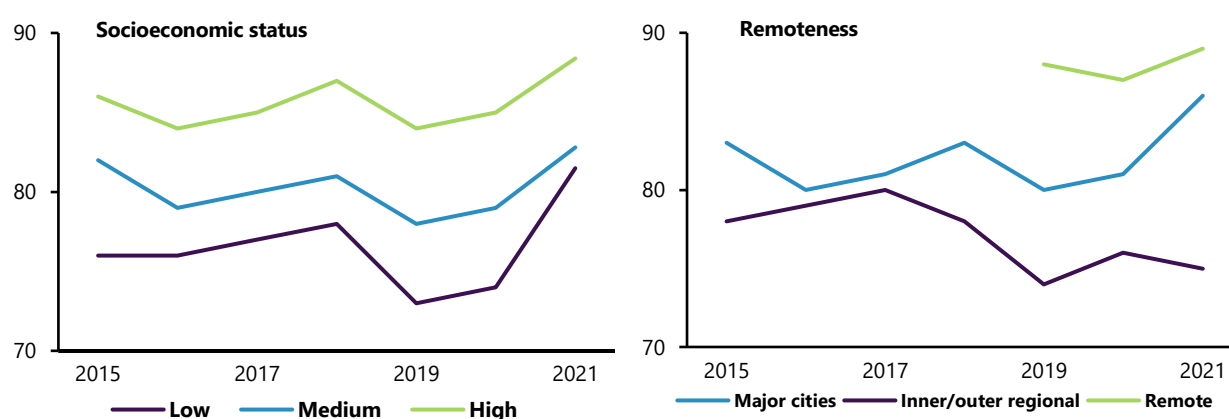
Figure I1: NAPLAN test results – proportion of students above the bottom 3 bands (percentage)



Legend: Target - - - Actual — No data recorded ...
 Note: No NAPLAN data was recorded in 2020–21.
 Source: DET Output Performance Measures.

Year 12 attainment has varied over the last 5 years. These data are disaggregated to show that attainment results also vary depending on socioeconomic status and location. Figure I2 shows the proportion of Year 12 attainment by socioeconomic status and remoteness.

Figure I2: Proportion of students who attained Year 12 (percentage)



Source: VAGO analysis of Report on Government Services data.

1. 2021–22 Performance against output performance measures

Instructions: The performance statement would list all of the performance measures, targets and actuals as per Budget Paper 3. The department should add notes to explain material variances (greater than 5 per cent) and any context needed to understand the results.

VAGO has used information about Victorian schools in this section to illustrate the type of data that VAGO suggests a department might use. Readers should not use these particular measures or data to reflect on the Department of Education's output performance.

This performance statement presents information for the 2021–22 performance measures as agreed with the Assistant Treasurer and set out in Budget Paper No. 3.

The following table reports actual and comparative results achieved for the financial year against targets, where applicable.

Figure I3: Performance information

VAGO has used a partial set of school measures to illustrate what this figure would look like.

Performance measure	Unit of measure	2020–21 actual	2021–22 target	2021–22 actual	2021–22 per cent variation	Result	Notes
Efficiency							
Government real recurrent expenditure* per FTE student in government primary schools	\$(2020–21)	17,489	N/A	N/A	N/A	N/A	
Government real recurrent expenditure* per FTE student in government secondary schools		21,725	N/A	N/A	N/A	N/A	1.1
Effectiveness							
Academic results							
NAPLAN Year 3 numeracy	Percentage of students above the bottom 3 bands	N/A	73.8	68.2	–7.6	☒	1.2
NAPLAN Year 5 numeracy		N/A	66.0	64.3	–2.6	X	
NAPLAN Year 7 numeracy		N/A	64.7	62.3	–3.7	X	
NAPLAN Year 9 numeracy		N/A	57.9	51.9	–10.4	☒	
NAPLAN Year 3 reading		N/A	82	81.3	–0.9	X	
NAPLAN Year 5 reading		N/A	72.5	73.8	1.8	✓	
NAPLAN Year 7 reading		N/A	61.1	61.7	1.0	✓	
NAPLAN Year 9 reading		N/A	53.3	49.7	–6.8	☒	
Student absence							
Year 5	Average days lost due to absence	13.6	14.1	14.9	5.7	☒	
Year 6		13.8	14.5	15.7	8.3	☒	
Year 7 to 10		14.8	16.1	16.8	4.3	X	
Year 11 and 12		18.9	19.0	22.7	19.5	☒	
Student connectedness							
Year 5 and 6 student opinion of their connectedness to school	Survey score, out of 5	4.1	4.4	4.1	–6.8	☒	
Year 7 to 9 student opinion of their connectedness to school		3.6	3.7	3.4	–8.1	☒	

Student retention

Students who remain at school from Year 7 to 12	Percentage of students	91	93	91.5	-1.6	X
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		2020 actual	2021 target	2021 actual	2021 per cent variation	
Equity						
Year 12 attainment						
High socioeconomic status	Proportion of the year 12 student population who meet the requirement of a year 12 certificate or equivalent	85	N/A	88	N/A	N/A
Medium socioeconomic status		79	N/A	83	N/A	N/A
Low socioeconomic status		74	N/A	82	N/A	N/A
Major cities		81	N/A	86	N/A	N/A
Inner and outer regional		76	N/A	75	N/A	N/A
Remote		87	N/A	89	N/A	N/A

Note: *Includes user cost of capital. ✓ Target achieved. X Target not achieved (under 5 per cent variance). ☒ Target not achieved (over 5 per cent variance).
Source: VAGO analysis of DET data, ACARA NAPLAN data, and Report on Government Services data.

2. Notes to the performance statement for the year ended 30 June 2022

Basis of preparation

Instructions: The basis of preparation is a guide that includes reference to any standards, legislation, or data collection processes upon which the statement rests.

The [Department name] must report annually on expected and actual performance as part of Parliament's departmental performance statement in Budget Paper No. 3. This performance information is not audited.

While [Department name] is not required to include an audited departmental performance statement in its annual report, financial reporting direction (FRD) 8D requires departments to provide a comparison of output targets and actual performance in their annual report of operations, and reasons for any significant or material variances.

In the absence of any broad mandatory performance reporting standards, we have prepared this performance statement in a format consistent with that used in Budget Paper No. 3, and in line with the Standing Directions under the *Financial Management Act 1994*, 2021–22 Model Report for Victorian Government Departments, the *Resource Management Framework*, and FRD 8D.

This performance statement includes the performance measures, targets and results of [Department name]'s performance, with explanations of significant variations between targets and actual results. We deem 'significant' as greater than a 5 per cent variance. We have not provided notes for variations within those thresholds.

Where applicable, the results in the performance statement have been prepared on bases consistent with those reported in the audited financial statements.

Output performance measure definitions

Instructions: The department should include a definition for each output performance measure it uses. Where possible, each output group should have measures for quantity, quality, timeliness and cost.

Figure I4: Output measure definitions

Performance measure	Dimension	Calculation
[Example] Expenditure per student per year	Cost	Include the way results are calculated. For example: Number of FTE enrolled school students (averaged over two calendar years to match the financial year expenditure data) divided by Australian, state and territory government recurrent expenditure on government schools, 2020–21 dollars.
	Quality	
	Quantity	
	Timeliness	

Source: VAGO.

Explanation of significant variances and data not available

Instructions: This section provides the notes that explain the material variance between target and actual result in Figure I3 above. The department should explain the causes of the variance and refer to actions they are taking to address it.

1.1
1.2

Auditor-General's report to the [Department Name]

An auditor's report enhances the credibility of the information by providing an independent opinion on the statement. The audit opinion adds to the certification of the performance statement by the accountable officers. An audit report is not included in this model performance statement because it is an example only. In the absence of a standard for reporting service performance information, the Auditor-General reviewed the performance statement in accordance with the Standard on Review Engagements ASRE 2405 Review of Historical Financial Information Other than a Financial Report.