



Department of Education & Training

Annual Report 2004–05



November 2005

Lynne Kosky, MP
Minister for Education and Training
Jacinta Allan, MP
Minister for Education Services

Dear Ministers

I have pleasure in submitting the annual report of the Department of Education & Training for the year 2004–05 in accordance with the *Education Act 1958* and the *Financial Management Act 1994*.

Yours sincerely

A handwritten signature in black ink, appearing to read 'G Hehir', with a long horizontal flourish extending to the right.

Grant Hehir
SECRETARY

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About this report

This report sets out the Department of Education & Training's key activities and achievements from 1 July 2004 to 30 June 2005 against the outputs and the Departmental objectives detailed in the 2004–05 Budget Papers.

The report of operations is organised around the major output groups:

- compulsory years (pages 15–27)
- post-compulsory years (pages 28–43)
- services to students (pages 22–23)
- portfolio management services (pages 44–48).

Performance measures against these output groups are further detailed in pages 49–57.

The financial report (pages 58–101) provides information on the financial position and performance of the Department in 2004–05.

Thirteen appendices (pages 102–158) provide supplementary financial and non-financial information. The report is a public document tabled in the Victorian Parliament in November 2005. It is available on the Department's website <www.det.vic.gov.au>.

Secretary's report



The Department of Education & Training has a prime responsibility to fulfil the vision and meet the objectives outlined by the Government for education and training. A strong education and training

system is vital to ensure that all Victorians have the knowledge and skills to be active, informed and productive citizens. The Department is committed to a vision of an assured future for all Victorians and a prosperous society through learning.

The 2004–05 year has been very successful for the Department. We have significantly strengthened our governance and decision-making processes and have made excellent progress in meeting Government objectives.

The Department's Corporate Plan 2003–06 sets out the objectives and strategies necessary to ensure that we meet our mission of providing high-quality education and training that raises achievement, reduces disparity and leads to opportunities. The plan outlines the values that guide our work, and the governance framework that harnesses our human, physical and financial resources towards the achievement of these priorities.

Our objectives are to increase participation, engagement and achievement in education and training, expand options and pathways for learners, strengthen the quality of service delivery and our responsiveness to the community and industry, strengthen a culture of working together and maintain sound financial management.

Our strategies directly correlate to these objectives and are to extend the capability of education and training professionals, improve curriculum and qualifications, provide innovative and responsive learning environments, increase accountability and system performance, and achieve sustainable financing and resourcing.

We have made significant progress in meeting our objectives during 2004–05.

On 10 February 2005, the Minister for Education and Training, Lynne Kosky launched a discussion paper on the review of the Education Act and related legislation. The review was designed to examine an appropriate legislative basis for education and training in the 21st century. The outcomes of the review will be detailed in the 2005–06 annual report.

The *Blueprint for Government Schools*, outlining the Government's reform agenda for the Victorian government school system, was launched by Minister Kosky, in November 2003.

The Blueprint provides a framework for a highly effective government school system; a system which has a common preferred view of the future, places students at the centre, is values driven, and develops effective teachers, leaders and schools.

The Blueprint identifies three areas where strategic intervention is required to build an effective government school system:

- building the skills of the education workforce to enhance the teaching–learning relationship and the capacity of our leaders and teachers
- recognising and responding to the diverse needs of students by providing the tools which can spread effective practice across the system
- continuously improving schools by enhancing school accountability.

A number of key Blueprint initiatives were implemented over the last year. The Victorian Essential Learning Standards were developed by the Victorian Curriculum and Assessment Authority in consultation with the Department. Due for final release in Term 4, 2005 following a period of validation, the Standards will ensure that students finish their compulsory years of schooling equipped with the knowledge, skills and personal qualities needed for further education, work and life.

In November 2004, the Knowledge Bank website was launched and ensures that schools can access system-wide examples of promising and exemplary practice. The Student Resource Package was launched in January 2005, replacing the School Global Budget. In a major step forward, funding allocation is now student-focused rather than expenditure input-focused. This will ensure that funding is directed to where it is most needed.

Agreement was reached with the non-government school sector on a new funding model for non-government schools. The model involves a new calculation of the State Grant for non-government schools, and will comprise a mix of 50 per cent core per capita funding, weighted by stages of schooling, and 50 per cent needs-based funding. Needs will be determined through a school's student characteristic profile.

In recognition of the critical importance of school leadership to improving student outcomes, several development opportunities were offered to enhance the leadership capacity of aspiring leaders, leadership teams and members of the principal class. In addition, major teacher professional development programs were implemented, including the Induction and Mentoring Programs for Beginning Teachers, and Teacher Professional Leave initiatives. Seventy-nine teachers participated in refresher courses.

An improved School Accountability and Improvement Framework for government schools was implemented. The framework assists schools and the system to focus on the major opportunities for school improvement through their planning processes.

The Leading Schools Fund has supported whole-school transformation for government secondary schools. The fund provides \$162 million over the three years of the implementation phase to employ 450 additional teachers and to redevelop or build new facilities. The fund also provides resources for facilities and information and communications technology (ICT) to support school transformation and improve student outcomes in government secondary schools across Victoria.

The Review of Victoria's Education and Training Legislation Discussion Paper highlighted the need to clarify the roles and responsibilities of school councils in government schools. The Minister for Education Services, Jacinta Allan, initiated a public review of governance arrangements for government schools. This review provides an opportunity to enhance partnerships between school councils, parents, schools and communities.

The Department has again made significant progress in achieving the Government's goals and targets for school education in 2004–05. In 2005, the average size of P–2 classes in government schools is 20.8, a further decrease compared to last year. The proportion of young people completing Year 12 or equivalent has continued to improve. In 2004, the completion rate for 19-year-olds was 78.5 per cent (compared to 77.5 per cent in 2003), while for 20–24-year-olds it was 85.2 per cent (well ahead of the Australian average of 82.4 per cent).

Increasing the participation rates across all parts of the system and in all stages of education is a key goal of the Government. The February apparent retention rate from Year 7 to Year 12 increased from 81.2 per cent in 1999 to 85.1 per cent in 2005.

VET (Vocational Education and Training) in Schools certificate enrolments, including school-based new apprenticeships, increased to 42,934 in 2004 across all sectors, with 25,985 enrolments in government schools. As a result of the growth of the Victorian Certificate of Applied Learning (VCAL) and the introduction of block credit for VET in VCE, the range of VET certificates students enrolled grew to 253 in 2004. In 2004, 12,566 students attained a total of 13,211 VET in schools certificates.

In 2004, a total of 8125 students enrolled in the VCAL at 322 sites, with 60 per cent of those students eligible to complete a VCAL certificate doing so successfully. Nearly 50,000 students were eligible to complete their Victorian Certificate of Education (VCE) in 2004 and of these students, 97 per cent successfully completed.

This year we continued the important work set for us in the *Knowledge & Skills for the Innovation Economy*, *Future Directions for Victorian Higher Education*, and *Future Directions in Adult Community Education* Ministerial Statements.

Vocational education and training provides pathways for young people, and contributes to the achievement of the government's goals and targets. In 2004, 3200 school students undertook a part-time apprenticeship or traineeship as part of a program of studies that combined the VCE or VCAL with a nationally accredited training certificate and employment.

In 2004, nearly 71,000 young people aged 15–19 years undertook vocational education and training in government-funded programs in TAFE institutes, adult community education (ACE) and private registered training organisations. These programs provide opportunities for early school leavers to continue in education and improve their career and employment options.

TAFE institutes and ACE and private registered training organisations provided approximately 500,600 students with 111.2 million student contact hours of training and further education (excluding non-VET activity) in 2004. Of this total delivery, government-funded delivery accounted for over 80.4 million of the reported contact hours.

Training delivery in TAFE institutes continues to be directed to meet industry needs. A comparison of training delivery in 2003 and 2004 indicates that 1.6 per cent of training delivery in 2004 was reoriented from areas of low priority to areas of high priority.

Fifteen Specialist Centres, one of the initiatives of the Knowledge & Skills Ministerial Statement, are currently operating in areas such as manufacturing, hospitality, tourism, primary industry, sustainable building and environmental technology. In 2004–05, funding was committed to the development of two new Specialist Centres focusing on biotechnology and heritage trades.

Two more Specialist Centres focusing on textiles and e-business have also been approved by the Minister.

In April 2005, the Minister announced the establishment of the TAFE Development Centre. Consistent with our objective of extending our workforce capability, the TAFE Development Centre is responsible for promoting the development, and raising the professional standing, of staff in TAFE institutes across Victoria.

The Department is developing resources and a training program in order to fulfil its important role in strengthening the governance culture and enhancing the practices of members of TAFE governing bodies.

Capital infrastructure and equipment is being upgraded or replaced to ensure it keeps pace with industry standards, and to provide leading edge learning environments. In 2004-05 state funding allocated to capital infrastructure enabled the construction of a new Building and Construction Training Centre at the University of Ballarat, introducing state of the art, voice over internet telephony equipment at five TAFE institutes, and ongoing work on a high-speed fibre-optic link between Bairnsdale and Lakes Entrance.

The contributions of the key statutory authorities to the achievement of Government goals, targets and outputs for education and training are significant and vital. I would like to once again extend my thanks to the board and council members, and staff of the Victorian Curriculum and Assessment Authority (VCAA), the Victorian Qualifications Authority (VQA), the Adult Community and Further Education (ACFE) Board, the Victorian Learning and Employment Skills Commission (VLESC), and the Victorian Institute of Teaching (VIT).



Grant Hehir
SECRETARY

Overview

About the Department

State education in Victoria dates from 1 January 1873. The Department of Education & Training has operated in its current form since 3 November 2003.

The Department plays a pivotal role in fulfilling the vision and achieving the challenges set by the Government for education and training.

Vision

An assured future for all Victorians and a prosperous society through learning.

Mission

The Department will ensure the provision of high-quality education and training that:

- raises achievement
- reduces disparity
- leads to opportunities.

Key responsibilities

The Department provides, funds, purchases and regulates education and training services for Victorians of all ages through schools, TAFE institutes, registered training organisations, ACE organisations, adult education institutions and higher education institutions.

The Department's primary functions include:

- planning, regulating, managing, resourcing and delivering high-quality primary and secondary education in Victoria's system of government schools
- funding, regulating and liaising with non-government schools in Victoria
- planning, regulating, resourcing and purchasing training and further education, apprenticeships and traineeships, and adult community education that strengthen the knowledge and skills of all Victorians

- regulating and administering the legislation governing the provision of higher education in Victoria
- providing leadership to a diverse and multi-dimensional education and training system.

The Department provides support and advisory services to the Minister for Education and Training, Lynne Kosky, and the Minister for Education Services, Jacinta Allan. It is also responsible for the effective management and administration of their respective portfolios.

More information on the Ministerial portfolios appears in Appendix 10 on pages 150–151.



Lynne Kosky, Minister for Education and Training



Jacinta Allan, Minister for Education Services

Corporate governance

The Department's corporate governance framework coordinates the structures and processes within the Department that support effective direction setting and decision making, the assessment and treatment of risk, compliance and accountability requirements, and the monitoring and optimising of performance. It is underpinned by a set of departmental values and principles of conduct as outlined in the Department's People Principles.

A number of important changes were made to the Department's corporate governance framework in 2004–05.

Portfolio Board

The new approach to corporate governance included the establishment of the Portfolio Board, comprising the Secretary and Deputy Secretaries of the Department, the Chief Executive Officer of the VCAA and the Director of the Victorian Qualifications Authority (VQA). The board meets quarterly to set the overall strategic direction of the Portfolio, to assess the Portfolio's performance against key indicators, and determine if changes in strategic approach are required. The board also determines and manages key strategic risks to the achievement of the Portfolio's objectives.

Departmental Management Committee

The Departmental Management Committee leads, manages and monitors the work of the Department in accordance with the strategic directions provided by the Government and the Portfolio Board.

The committee has a formal monthly meeting where performance is reviewed against business plans and critical policy, program and resource matters are considered. It also meets weekly on a less formal basis.

The committee takes responsibility for driving the policy agenda set by the Government, as reflected in the goals and targets for education and training and in Ministerial directions and statements. It also manages and coordinates stakeholder interaction and monitors progress against the Department's Corporate Plan 2003–06. Members have key strategic, operational and financial responsibilities and are accountable for Department outcomes.

The work of the Departmental Management Committee is supported by seven committees: Portfolio Audit, Strategic and Financial Planning, Human Resources, Knowledge Management, Research, Accredited Purchasing Unit, and Education and Training Provision.

Members of the Departmental Management Committee at 30 June 2005 were as follows.

MR GRANT HEHIR SECRETARY

Commenced in position 5 May 2003

Mr Grant Hehir joined the Department following a career in public sector budget management and policy development. Mr Hehir joined the Department of Treasury and Finance in 1998 as Deputy Secretary, Budget and Financial Management Division. In this role, he provided advice to Government on State Budget strategy and management and advised on emerging policy issues. In early 2003, he joined the Department of Premier and Cabinet as Deputy Secretary, Strategic, Economic and Social Policy, advising the Premier on social and economic policy matters.

Prior to moving to Melbourne, Mr Hehir worked in Canberra for the Commonwealth, holding senior positions in the Department of Finance and Administration.

MR DARRELL FRASER

DEPUTY SECRETARY

Office of School Education

Commenced in position 14 January 2004

Prior to joining the Department's central office, Mr Darrell Fraser was principal of Glen Waverley Secondary College. Mr Fraser has been awarded national recognition for his contribution to education through leadership, innovative pedagogy and leading practice in ICT and Intranet/Extranet solutions.

The Office of School Education is responsible for developing and administering the delivery of school education for students in government schools. It is also responsible for non-government school policy.

DR DAHLE SUGGETT

DEPUTY SECRETARY

Office of Learning and Teaching

Commenced in position 17 March 2004

Prior to joining the Department, Dr Dahle Suggett previously held positions as a partner in the Allen Consulting Group, and at Exxon Chemical in both Australia and the United States. Dr Suggett has also held senior public service positions in the Commonwealth Government including Assistant Commissioner of the Commonwealth Schools Commission and Executive Director of the Commonwealth Youth Bureau.

The Office of Learning and Teaching is responsible for developing policy and strategy for learning and teaching in the school and VET sectors.

MS KATHERINE HENDERSON

DEPUTY SECRETARY

Office of Strategy and Review

Commenced in position 7 February 2005

Ms Katherine Henderson returned to the Victorian Public Service in early 2005 after a ten-year period working in the Northern Territory. Ms Henderson's most recent position was as Deputy Chief Executive, Northern Territory Department of Employment, Education and Training. Prior to joining the public service, Ms Henderson taught for ten years in the secondary and tertiary sectors.

The Office of Strategy and Review undertakes portfolio-wide policy development and strategic planning and provides services and support to the Ministers and the Secretary.

MS PATRICIA NEDEN

ACTING DEPUTY SECRETARY

Office of Training and Tertiary Education

Acting in position from 28 April 2005

Ms Patricia Neden has held positions in the education and training, industry and labour departments of the Victorian Government. Ms Neden has worked in human resource management for Mount Newman Mining Company and in systems analysis for LM Ericsson. Prior to being appointed Acting Deputy Secretary, Ms Neden held the position of General Manager, Training Operations Division.

The Office of Training and Tertiary Education focuses on vocational education and training, adult community education and tertiary education programs.

MR JEFF ROSEWARNE

DEPUTY SECRETARY

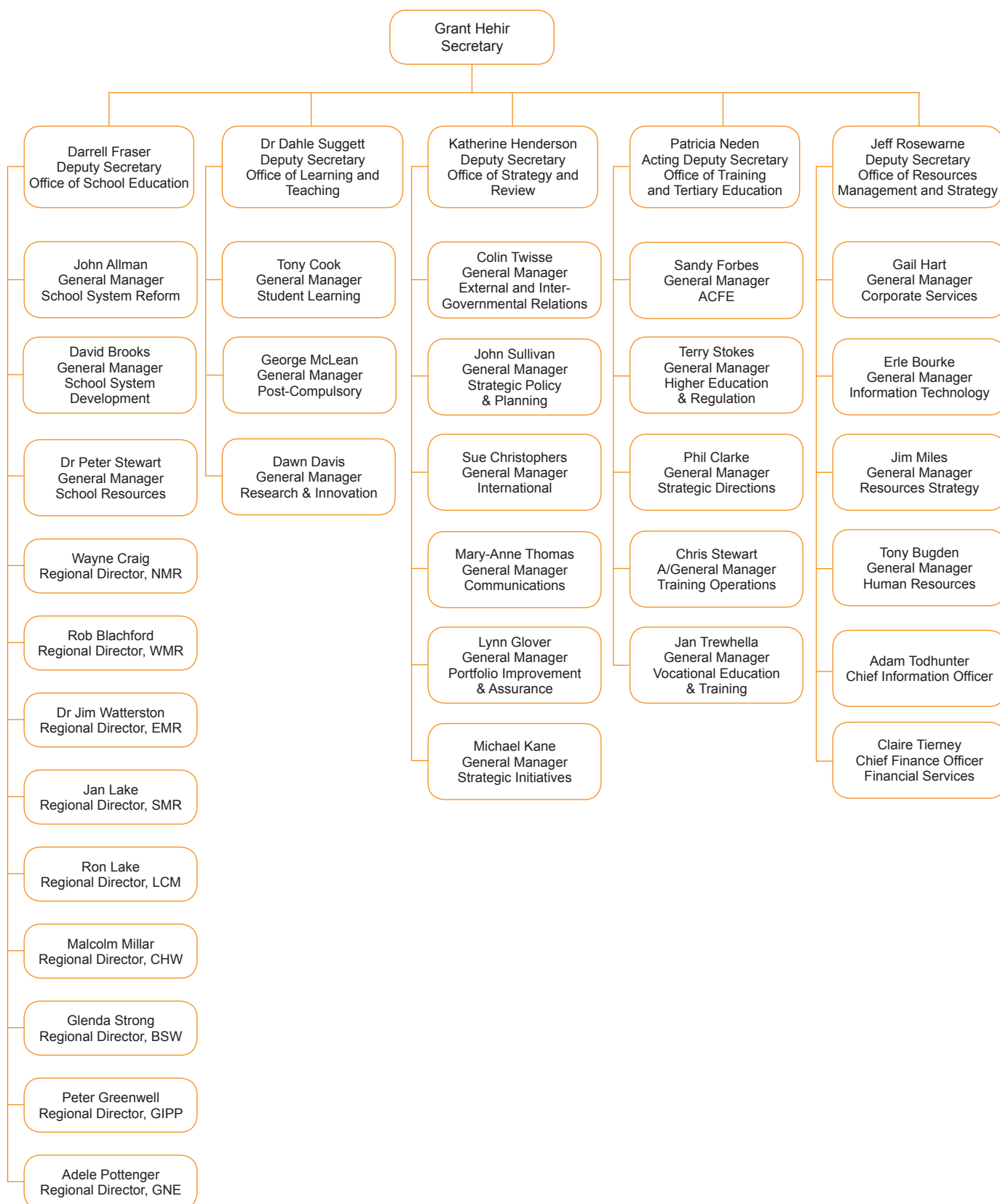
Office of Resources Management and Strategy

Commenced in position 26 May 2003

Mr Jeff Rosewarne returned to the Department after six years in executive positions in the Department of Treasury and Finance, the most recent as Director, Budget Formulation in the Budget and Financial Management Division.

The Office of Resources Management and Strategy has primary responsibility for the development and implementation of the financial and resource strategy for the Department. The Office also provides Department-wide services in the areas of finance, information technology, shared services and human resources (non-school).

Organisation chart as at 30 June 2005



Human resources

As at June 2005, there were 51,186 full-time equivalent (FTE) staff employed by the Department. These staff were distributed across the schools, the head office and regions as demonstrated by the following table.

Full-time equivalent (FTE) of staff on pay as at June 2005 and June 2004

Location	2005	2004
School		
Teaching	39,507.5	38,911.6
Non-teaching	10,020.2	9,614.9
Subtotal	49,527.6	48,526.4
Head Office and regions	1,658.4	1,532.4

Further workforce statistics are contained in Appendix 4 on pages 120–125.

Your Job, Your Say

During March and April 2005, the Department conducted an organisational health survey entitled *Your Job, Your Say 2005* to obtain information about the organisational and people management practices that influence employee wellbeing and organisational performance.

The survey was designed to:

- obtain information on a range of indicators that reflect the key people management issues underpinning staff wellbeing and performance
- establish the relative performance of all work teams and most leaders
- benchmark the Department against other Australian public sector organisations
- establish key strengths and areas for improvement
- establish what actually makes a difference to staff wellbeing and performance
- create a reliable and valid baseline that enables the Department to accurately monitor and evaluate change over time.

The staff response rate of 73 per cent means that the Department can have confidence in the results.

Workgroups and managers have since been actively working on the action phase of the survey process.

Summary of financial results

The Department's portfolio as described in the 2004–05 State Budget papers comprises four key output areas:

- compulsory years
- post-compulsory years
- services to students
- portfolio management services.

The financial statements presented in this annual report relate to the controlled operations of the Department and include corporate activities and the 1617 government schools.

Other agencies within the portfolio report separately and therefore are not included within the controlled financial transactions of the Department. These entities include the ACFE Board, the VCAA, the VIT, the VLESC, the VQA and the TAFE institutes.

The table below provides information on the Department's financial results for 2004–05 and comparisons with the previous four financial years.

There were no significant changes in the financial position during the financial year.

The Department is not aware of any events that adversely affected the achievement of operational objectives for the year.

There were no events subsequent to the balance date that would have a significant effect on the operations of the Department.

	2000–01 \$ million	2001–02 \$ million	2002–03 \$ million	2003–04 \$ million	2004–05 \$ million
Operating revenue					
Revenue from State Government	5,089.0	5,323.8	5,533.9	5,757.0	6,205.9
Other revenue	422.9	458.0	478.3	429.5	494.7
Total operating revenue	5,511.9	5,781.8	6,012.2	6,186.5	6,700.6
Operating expenses	5,422.4	5,727.4	5,898.9	6,170.8	6,536.5
Operating surplus	89.5	54.4	113.3	15.7	164.1
Total assets	6,494.5	7,212.6	8,205.0	9,368.1	10,041.3
Total liabilities	934.9	1,045.0	1,009.2	1,111.9	1,164.1
Net assets	5,559.6	6,167.6	7,195.8	8,256.1	8,877.2
Net year-end cash position	321.2	399.9	401.6	384.7	463.8

2004–05 result

The Department's result from ordinary activities for 2004–05 was \$164.1 million, compared with \$15.7 million in 2003–04. This result reflects the Department's commitment to providing a high level of service delivery achieved from the efficient delivery of outputs on behalf of the Government.

Revenue and expenses

The growth in the Department's revenues and expenditures primarily reflects the funding from the Government for additional output initiatives in the 2004–05 State Budget and enterprise bargaining outcomes.

During the year the Department increased funding for maintenance works in schools, the Education Maintenance Allowance, improving Internet access for government school students and training and further education (as announced in the 2004–05 State Budget). Implementation of initiatives approved in previous budgets continued.

Assets

The value of the Department's assets increased by \$673 million in 2004–05. Of this increase, \$392.2 million arose from the annual revaluation of the Department's non-current assets. The balance of the increase reflects spending under the Government's commitment to improving the quality of school infrastructure as well as asset purchases funded by schools from their own fundraising.

Goals and targets

The Government's goals for education and training are:

- to improve the standards of literacy and numeracy in primary schooling
- to increase the percentage of young people who successfully complete Year 12 or its educational equivalent
- to increase the percentage of adults who take up education and training and so increase the overall level of educational attainment and literacy levels in Victoria
- to increase the level of participation and achievement in education and training in rural and regional Victoria and among groups where it is presently low
- to make near-universal participation in post-school education and training the norm in our society.

In 2005, the Government released an update to *Growing Victoria Together*, which set four targets for this Department:

- the proportion of Victorian primary students achieving the national benchmark levels for reading, writing and numeracy will be at or above the national average
- by 2010, 90 per cent of young people in Victoria will successfully complete Year 12 or its educational equivalent

- the level of participation in vocational education and training of adults aged 25–64 years will increase
- the number of early school leavers who are unemployed after six months will decline.

Progress against these targets is shown in the following table.

Progress against the Government's targets

Target	Measure	2001	2002	2003	2004	Comment
Proportion of Victorian primary students achieving the national benchmark levels for reading, writing and numeracy will be at or above the national average.	Percentage achieving national benchmark in Year 3 reading	89.0 (90.3) ^(a)	92.0 (92.3) ^(a)	90.4 (92.4) ^(a)	Not yet available	In 2003, Victoria's performance was at or above the national average (figure in brackets) on a range of measures. The 2004 results are expected to be released by MCEETYA ^(b) by the end of 2005.
	Percentage achieving national benchmark in Year 3 writing	94.7 (89.5) ^(a)	95.3 (93.6) ^(a)	96.1 (92.2) ^(a)	Not yet available	
	Percentage achieving national benchmark in Year 3 numeracy	94.1 (93.9) ^(a)	92.0 (92.8) ^(a)	95.8 (94.2) ^(a)	Not yet available	
	Percentage achieving national benchmark in Year 5 reading	90.9 (89.8) ^(a)	87.3 (89.3) ^(a)	89.6 (89.0) ^(a)	Not yet available	
	Percentage achieving national benchmark in Year 5 writing	92.4 (94.0) ^(a)	94.9 (93.6) ^(a)	95.6 (94.1) ^(a)	Not yet available	
	Percentage achieving national benchmark in Year 5 numeracy	94.7 (89.6) ^(a)	93.2 (90.0) ^(a)	94.7 (90.8) ^(a)		
By 2010, 90 per cent of young people in Victoria will successfully complete Year 12 or its educational equivalent.	Percentage of 20–24-year-olds in Victoria who have completed Year 12 or equivalent ^(c)	82.8 (80.6) ^(d)	84.1 (81.0) ^(d)	85.8 (81.9) ^(d)	85.2 (82.4) ^(d)	The Victorian result for 2004 was higher than the national average and higher than all other states (except the ACT).
	Percentage of 19-year-olds in Victoria who have completed Year 12 or equivalent ^(e)	75.7	75.8	77.5	78.5	The percentage of young people successfully completing Year 12 or an equivalent qualification has shown ongoing improvement.
The level of participation in vocational education and training of adults aged 25–64 years will increase.	Number of adults aged 25–64 years who participated in a VET program	281,192	294,504	305,836	287,495	While the participation of people 25–64 years has declined from 2003, students are participating in longer duration courses at higher AQF levels.
The number of early school leavers who are unemployed after six months will decline.	Number and proportion of early school leavers who are unemployed at the time of the On Track survey ^(f)			590 18%	696 15%	

(a) Data is subject to measurement error of up to 2.4 per cent. Figures in brackets show the national average for the percentage of primary students achieving the national benchmarks for reading, writing and numeracy.

(b) Ministerial Council on Education, Employment, Training and Youth Affairs.

(c) Sourced from the Australian Bureau of Statistics annual Survey of Education and Work (2004). Results are subject to a margin of error and marginal year-to-year variation may be due to the sampling error.

(d) Figures in brackets show the national average for the percentage of 20–24-year-olds who have completed Year 12 or an equivalent qualification.

(e) Sourced from VCAA administration data and Australian Bureau of Statistics population estimates and 2001 population Census data.

(f) On Track survey results are based on a telephone survey of school leavers. This measure concerns those surveyed who exited school from Years 10–12 and prior to completing Year 12. As the sample size is relatively small, results are indicative only and should be interpreted with care.

Compulsory years of education

Education in Victoria is compulsory for children aged from six to 15 years. This section discusses the provision of education and associated services for these students.

The first five years of schooling (P–4) are referred to as the early years and are chiefly concerned with developing in each child the essential skills and knowledge necessary for ongoing progress in education. Literacy and numeracy are widely recognised as foremost among these foundation skills.

During the middle years of schooling (Years 5–9) students grow from childhood to adolescence and consolidate competency in literacy and numeracy while developing physically, socially, emotionally and intellectually. They attain a greater breadth of knowledge and learning, including extending their capacity for creative and critical thinking.

Blueprint for Government Schools

The *Blueprint for Government Schools* provides the framework for an effective Victorian government school system. Its objective is that all government school students, irrespective of the school they attend, where they live or their social or economic status, are entitled to a high-quality school education and a genuine opportunity to succeed. The Blueprint is set within the context of a transparent and rigorous accountability framework that focuses on three priority areas for reform: recognising and responding to diverse student needs, building the skills of the education workforce to enhance the teaching–learning relationship, and continuously improving schools. The Blueprint identifies seven Flagship strategies, which provide a basis for continuous improvement in schools with learning as the central focus:

Recognising and responding to diverse student needs

- 1 Student learning
- 2 Developing a new resource allocation model

Building the skills of the education workforce to enhance the teaching–learning relationship

- 3 Building leadership capacity
- 4 Creating and supporting a performance and development culture
- 5 Teacher professional development

Continuously improving schools

- 6 School improvement
- 7 Leading Schools Fund.

These Flagship strategies provide a shared vision, a focus on teaching and learning and professional leadership, set high expectations and accountabilities, and provide for robust, stimulating and secure learning environments. Effective teachers, leaders, schools and regions and the central office value and contribute to a culture of learning and improvement at all levels of the system.

Progress made during 2004–05 in implementing the initiatives of each strategy is detailed below. Further information on the Blueprint is available at <www.det.vic.gov.au>.

Recognising and responding to diverse student needs

1 Student learning

An integrated package of curriculum materials, guidelines, advice and resources is being developed to assist schools in making decisions about curriculum, pedagogy, assessment and reporting.

Highlights

- The Victorian Essential Learning Standards were developed by the Victorian Curriculum and Assessment Authority during 2004 and

progressively released to schools. They are undergoing a validation phase during 2005 with the final Standards planned for release in Term 4, 2006. From 2006, the Standards provide the basis for whole-school curriculum planning, and replace the current Curriculum and Standards Framework (CSF).

- Curriculum Planning Guidelines were launched in late 2004 and are being progressively updated with input from schools.
- Principles of Learning and Teaching P–12 and an associated development package were developed in 2004. Five hundred and twenty-three schools have been participating in the five-day professional learning program during 2005.
- Draft assessment and reporting advice was made available to schools. An assessment framework based on current research and best practice was developed, and a professional learning package is under development.
- A student learning website was established, which acts as a portal to information on student learning initiatives.
- In November 2004, the Knowledge Bank website was launched to house examples of promising and exemplary practice in schools.

2 Developing a new resource allocation model

The Student Resource Package was launched in January 2005 and replaced the School Global Budget. Funding allocation is now student-focused rather than expenditure-input focused.

Highlights

Key features and achievements of the Package are:

- redirecting funding to students identified as most in need
- allocating student funding on the basis of learning need
- incorporating base funding components to ensure that all schools, and particularly small schools, can meet their costs regardless of their size
- reallocating funding for students with special learning needs according to student family occupation, Indigenous status and mobility
- refocusing funding for English as a Second Language (ESL) students from periods of seven years to five, reducing the funding differential between primary and secondary schools, and introducing needs recognition on the basis of language proficiency
- providing greater funding equity in the Languages other than English program
- providing implementation funding support to schools to enable a smooth transition to the new funding model.

Building the skills of the education workforce to enhance the teaching–learning relationship

3 Building leadership capacity

In 2004–05, several development opportunities were offered to enhance the leadership capacity of aspiring leaders, leadership teams and members of the principal class.

Highlights

- Over 150 high-potential leaders participated in the Accelerated Development for High Potential Leaders program, which aims to increase the pool of teachers with the skills to take up leadership positions.
- Approximately 140 first-time principals received mentoring support from highly skilled principals and participated in a leadership development program.
- Ninety-seven experienced principals were provided with 10–15 hours of individualised coaching to enable them to enhance their leadership skills.
- Forty-seven principals joined the Development Program for High Performing Principals. Participants share best practice across the school system and undertake individual professional learning to enhance their own leadership capacity.
- Two hundred and five principals participated in the pilot of revised Principal Performance and Development arrangements.

4 Creating and supporting a performance and development culture

This initiative involves an accreditation scheme for performance and development systems in schools. The accreditation process is based on a self-assessment framework which is verified by an external accrediting body. The objective is to have all schools accredited by 2008.

Highlights

- In 2004, 64 reference schools contributed to the development of performance and development culture in schools.
- A multi-level self-assessment framework for schools was developed.
- A process to externally verify the school's self-assessment was developed and implemented.
- In May 2005, 19 schools were in the first group of schools recommended for accreditation.
- Over 200 schools have registered their intention to be accredited during 2005.

5 Teacher professional development

Programs were funded to provide teachers and school services officers (SSO) with opportunities to build their capacity and consolidate their practice. Major teacher professional development programs include the Induction and Mentoring Programs for Beginning Teachers, and Teacher Professional Leave initiatives. Two pilot programs of Refresher Courses for Teachers Returning to Government Schools were run in January 2005 as part of the Teacher Supply and Demand initiative.

Highlights

- Approximately 500 teachers have undertaken two days' teacher mentor training since the initiative began in February 2004. Their training has supported them in effectively mentoring beginning teachers and supporting their induction into government schools.
- Over 850 teachers undertook between four and ten weeks' Teacher Professional Leave during 2004–05 to further develop their skills and expertise. Nearly 80 per cent of these teachers undertook their leave as members of a team rather than individually.

- Seventy-nine teachers participated in refresher courses. The courses consist of an introductory phase which provides an overview of major Department changes and directions. Participants undertake selected modules and school visits.

Continuously improving schools

6 School improvement

Accountability arrangements between schools, their communities and the Department can be a significant driver of school improvement. Effective accountability arrangements have been designed to:

- focus on the issues that will impact most on the performance of a school
- recognise that all schools are not the same – they face different challenges and operate in different environments
- streamline the work of school leadership teams
- align internal accountability within the school (principal and teacher performance and development) with the external accountability requirements (to their community and the Department)
- separate accountability for performance (student outcomes) from conformance (compliance with legislative and regulatory requirements).

Highlights

An improved School Accountability and Improvement Framework was implemented. The framework assists schools and the system to focus on the major opportunities for school improvement through their planning processes.

The launch of the new framework was accompanied by:

- further improvements to the school review process
- a new school self-evaluation process that was successfully used by more than 150 schools in the first half of 2005
- a group of 30 schools road-testing a new approach to school strategic planning
- a limited trial in three schools using a different style of annual reporting better suited to the needs of their communities

- an extended pilot of over 200 school principal performance and development arrangements designed to build their leadership capacity in alignment with their school's strategic priorities
- further improvements to opinion survey tools and processes for students, parents and school staff
- increased support to under-performing schools through the Targeted School Improvement program.

7 Leading Schools Fund

The Leading Schools Fund has supported whole-school transformation for government secondary schools. The fund provides \$162 million over the three years of the implementation phase to employ 450 additional teachers and to redevelop or build new facilities. The fund also provides resources for facilities and ICT infrastructure to support school transformation and improve student outcomes in government secondary schools across Victoria.

Highlights

- The first two phases of funding allocation to schools and school clusters have been implemented.
- Sixty-one schools with a secondary component received funding in Phase 2 during February 2005. Across the two phases, 91 schools have been funded, 253 extra teachers have been employed and approximately \$40 million has been dedicated to capital works under the program.
- Phase 3 of the Leading Schools Fund commenced in Term 2, 2005, with workshops across the state. Expressions of interest were submitted by schools to their regional director with approval for the development of full proposals given to 107 schools, representing 76 proposals.

Student programs

In addition to new initiatives under the *Blueprint for Government Schools*, the Department has continued with the implementation of programs targeting learning for students in early and middle years, Koorie education, ESL, languages other than English and strategic partnerships.

Early years

Early years initiatives support continuous improvement in student achievement in literacy and numeracy in Years P–4.

Highlights

- The Government target of an average of 21 students in P–2 classes, which was met in February 2003, has been exceeded each year since then. In February 2005, the average class size was 20.8 students in P–2 classes.
- Ninety-five per cent of government schools now have a trained early years numeracy coordinator.
- Reading Recovery programs were delivered in approximately 80 per cent of schools with Year 1 enrolments.
- Literacy and Numeracy Week was celebrated in September 2004 with many school-based and regional activities. Web-based literacy and numeracy materials were provided to Victorian schools.
- The Victorian Premier's Reading Challenge, which challenges students in Years 3–9 to read 12 books over a six-month period, was introduced in February 2005.

Middle years

Middle years programs aim to improve student learning in literacy and numeracy, and the attendance and retention rates of students in Years 5–9.

Highlights

- In addition to the 160 clusters already in operation across the state, an additional 87 clusters of primary and secondary schools were funded under a third phase of the Schools for Innovation and Excellence initiative. Every school with middle years students is now participating in this program, which encourages and supports innovation in curriculum development, and learning and teaching.
- The Middle Years Reform program provides ongoing funding for 220 additional teachers to support Years 7–9 students in literacy, numeracy and attendance. A key finding of the

program evaluation conducted in 2004 was that 73 per cent of participating schools reported an improvement in literacy for students at risk in Years 7–9.

- An additional 118 teachers were employed in 300 secondary schools under the Access to Excellence program. The initiative aims to improve students' literacy and numeracy skills and reduce absenteeism by keeping students engaged and stimulated while at school.
- Approximately 70 per cent of participating Year 7 students improved their literacy ability through participation in this initiative.
- In 2005, \$6.9 million was allocated for the employment of additional teachers in 197 secondary schools through the Secondary Literacy Equity initiative. This initiative aims to improve the literacy skills of Years 7–9 students.
- An additional 100 teachers were employed in 101 secondary schools under the Restart initiative.

Key initiatives

Koorie education

Koorie education initiatives are designed to support improved educational outcomes for Koorie students and increase all students' knowledge and understanding of Indigenous cultures and issues.

Highlights

- Six Koorie home–school liaison officers continued to support targeted schools and communities with a particular focus on improving attendance.
- The Koorie Literacy Link and the Koorie Middle Years Link video-conferencing projects, operating in 33 schools, have had an impact on pedagogy, methodology and culturally relevant materials development, and has resulted in positive outcomes for Koorie students. The findings from these projects will inform the development of a Koorie literacy strategy.
- The Koorie Middle Years Numeracy Link project continued to operate in eight school communities. The project also uses

videoconferencing as a tool to improve the numeracy skills of Koorie students in Years 5–6.

- A Koorie Open Door Education (KODE) Bureau was established to support four KODE campuses in Glenroy, Swan Hill, Mildura and Morwell. The campuses provide a holistic mainstream education with a focus on Koorie history, lifestyle, values, culture and languages.
- Work commenced on the establishment of a targeted Indigenous Attendance, Engagement and Re-engagement in Learning strategy across Victoria.

English as a Second Language

ESL initiatives focus on improving support for new-arrival ESL students, including those in isolated settings, and provide ongoing support for up to seven years.

Highlights

- Intensive ESL programs were provided for 1772 newly arrived students in English language schools and centres and outposting programs. An additional 192 students were supported by the visiting outposting program.
- A further 121 students were supported through new arrival programs in Geelong and Shepparton, and the isolated ESL Students program in regional Victoria.
- Guidelines for establishing a bridging program were developed to support students with little or no prior schooling, and four bridging programs in the metropolitan area were established to provide these students with additional intensive English language tuition prior to moving into mainstream classrooms.
- Funding was allocated to 344 primary schools, 116 secondary schools and nine primary–secondary schools to support ESL learners. In addition, funding continued to be provided to schools for 238 FTE multicultural education aides.
- A total of 7787 on-site and telephone interpreting assignments were provided in 69 languages, and 217 documents were translated into 39 languages for government schools.

Languages other than English

Government schools are encouraged to offer Languages other than English programs for all students in Years P–10.

Highlights

- Twenty-one languages were taught in government primary and secondary schools, and 35 languages were provided by the Victorian School of Languages.
- Centres for Excellence in Languages commenced at Berwick Secondary College, the Western Region Cluster and the Warrnambool Network of Secondary Colleges to raise the profile of languages and promote leadership in best teaching practice.
- Regional Project Officers for Languages were appointed in each region.
- Funding was provided for over 33,000 students learning a total of 50 languages in after-hours community languages' schools.
- Grants were provided to 12 language teacher associations to support teachers in the implementation of the Victorian Essential Learning Standards and the Principles of Learning and Teaching P–12.

Strategic partnerships

Strategic partnership initiatives facilitate the establishment of dynamic partnerships between community organisations and schools. These partnerships contribute to teacher professional learning and assist in providing learning experiences that foster the development of lifelong learning in students and diverse learning and teaching strategies.

Highlights

- Grants were provided to 86 cultural and scientific organisations with a specific focus on providing authentic, beyond-the-classroom learning experiences for students.
- Funded organisations commenced the redevelopment of programs to reflect current government initiatives as identified in the Blueprint, particularly those that relate to student learning and teacher professional development.

- A Strategic Partnerships program website was established to support schools to identify suitable programs.
- The following Strategic Partnerships Program Networks continued a collaborative approach to program delivery and the promotion of effective practices:
 - Council of Professional Teaching Associations of Victoria
 - Environmental Education
 - Performing Arts
 - Rural and Regional
 - Science and Society
 - Visual Arts, Design and Media.

ICT in schools

ICT initiatives facilitate the integration of ICT in teaching, learning and school management practices across all stages of schooling.

Highlights

- An \$89.3m agreement was signed with Telstra to provide all schools with a four megabit broadband connection over the next four years, which, for some rural schools, will mean a 60 fold increase in their capacity to access online learning materials.
- A partnership has been negotiated with Oracle Corporation to develop a pilot of an intranet for Victorian schools. The intranet has the potential to integrate key processes involved in the day to day running of a school and classroom, including attendance and roll marking, notifications and messaging, course and lesson planning, assessment and feedback, and to provide a platform for professional development. Oracle has committed a significant investment to the pilot stage of this project, while the Department has provided the intellectual property for the pilot to be built by Oracle Corporation and technical support to the twelve schools involved in the trial. Should the pilot be successful, these specifications will be revised at the completion of the evaluation process, and a tender issued to build a production system.
- An ICT Professional Learning strategy was developed to assist schools to identify and design approaches to ICT professional

learning, and to outline professional learning opportunities to meet the needs of individual teachers and schools.

- Twenty-eight schools were funded through the Creating e-Learning Leaders program to showcase the use of ICT to improve teaching and learning. Participating schools provide mentoring programs for their own teachers and teachers from other schools.
- Over 200 Intel Master Trainers were trained to incorporate the use of ICT into a full curriculum unit based either on material they are currently teaching or material to be taught in the future. Master trainers train 10 teachers at their school or cluster in the Intel Teach to the Future program.
- The number of teachers participating in the Intel program reached 2260 during 2004–05.
- The ICT Achievers program continued to encourage teachers to integrate multimedia into classroom practice and to develop model units of work.
- All government schools have access to the Digital, Creation and Content Resources package, including learning objects from the Le@rning Federation and Kahootz, a three-dimensional authoring software program.
- Twenty-four secondary schools and four clusters participating in the Leading Schools Fund program have an ICT-specific component within their proposals, to support school transformation.

Multicultural education

Multicultural education initiatives support schools to provide culturally inclusive programs, promote an appreciation of Victoria's diverse cultural heritage, and foster mutual respect and inter-cultural understanding.

Highlights

- Nearly 4000 students participated in Courage to Care exhibitions and workshops.
- Eighty-nine primary and secondary schools received grants to conduct Cultural Diversity Week community activities.
- Five hundred students participated in Cultural Diversity Week Quest.

School Innovation in Teaching: science, mathematics and technology

School Innovation in Teaching builds upon the Science in Schools initiative to establish a whole-school approach to creating a culture of innovation and creativity in the teaching of science, mathematics and technology with a particular focus on building community partnerships.

Approximately 220 primary and secondary schools are participating in the program, which integrates school-based professional development and community partnerships.

Health, sport and physical education

Health, sport and physical education initiatives promote and support the teaching and learning of health, physical, sport and traffic safety education. A key focus was the continued promotion of the benefits of physical activity and healthy eating habits for students and the wider community.

Pacific School Games

The Pacific School Games will be held from 26 November – 4 December 2005. As host of the games, the Department has been engaged in extensive program infrastructure planning to support 4000 participating Australian and international student athletes from 35 Pacific Rim countries. The games will feature track and field, swimming, diving and basketball events.

Gifted and high-potential students

Gifted student education initiatives support school communities to identify and work effectively with gifted and high-potential students. Evidence-based advice on gifted learning was developed and a statewide professional learning program commenced.

School councils

School councils play a key role in influencing the effectiveness of government schools in Victoria. Informed and empowered school councils have significant potential to build community capacity. Blueprint reforms are dependent on all members of school communities working together to support students to achieve their best and school governance arrangements are a critical factor.

The need to clarify the roles and responsibilities of school councils in self-managing government schools was highlighted as a result of the technical analysis of existing legislation conducted as part of the *Review of Victoria's Education and Training Legislation*. Minister Allan commissioned a public review of governance arrangements for government schools. The *Review of School Governance in Victorian Government Schools* was initiated in March 2005. The consultation phase of this review provides an opportunity to enhance partnerships between school councils, parents, schools and communities.

Support for families

Low-income families continued to receive support through the Education Maintenance Allowance. The allowance is paid in two instalments each year. To be eligible for the allowance, a parent or guardian must be eligible to receive a Centrelink pension, allowance or benefit under the *State Concessions Act 1986*, or be a Veterans Affairs pensioner or a foster parent on the first day of Term 1 and Term 3 respectively.

For the start of the 2005 school year there has been an approximately 60% increase in the Education Maintenance Allowance. Eligible parents of primary students received an increase from \$127 per year to \$200 per year – an overall increase of \$73. Eligible parents of secondary students had their Education Maintenance Allowance increased from the current rate of \$254 per year to \$400 per year – an overall increase of \$146. In addition to this increase, the Education Maintenance Allowance will be indexed to the local consumer price index.

During 2004–05, the parents and guardians of approximately 200,000 students received the allowance.

Services to students

Students are supported through a strengthened and systematic approach to student wellbeing that encompasses school and classroom-based approaches, student welfare support structures and links to community agencies.

Student wellbeing

The Framework for Student Support Services in Victorian Government Schools continues to support the research and development of student wellbeing policies and resources. Alternative programs are offered to students who experience significant difficulties with mainstream schooling or who have specialised needs.

Highlights

- Phases One and Two of the Primary Welfare initiative were implemented with 330 high-needs primary schools employing 192 FTE officers.
- A Head Lice Management Toolkit and a website for schools were developed to assist in the management of head lice.
- The Student Critical Incident Unit was established to offer support and assistance to regions and schools in managing incidents involving sexual assault.
- Deakin University, in partnership with the Alannah and Madeline Foundation, was engaged to review and redevelop policies, operational guidelines and practices that will reduce the incidence of bullying and encourage preventative approaches, and which can be implemented and embedded into the school culture.

Drug education

Drug education initiatives support schools to provide effective, ongoing prevention programs for all students. The Department conducts research and develops evidence-based resources for schools to ensure the quality of statewide drug education.

Highlights

- The development of Individual School Drug Education strategies continues as the central element of the drug education model in Victoria. In 2004, 691 schools completed their three-year cycle review and prepared new action plans to enhance and improve their drug education programs.
- In 2004, 73 per cent of government schools reported at least one member of staff participating in drug education professional development.
- In 2004, 81 per cent of Victorian schools reported involvement of parents in their drug education programs, and 86 per cent reported involving community agencies.
- Survey tools developed as part of the Drug Education Evaluation and Monitoring project were trialed in 100 schools. The tools are designed to assist in the development of processes and documentation to evaluate the effectiveness of drug education in schools. The trial was accompanied by a comprehensive training program for regional staff in the use of the survey tools.
- Talking Tactics Together, an interactive family drug education program for parents and their primary school-aged children, has been distributed to all government and non-government primary schools.
- The Parent Engagement in Schools Strategic Plan for 2004–2008 was developed to assist schools to better engage parents in drug education curriculum and welfare issues.

Students with disabilities

The Program for Students with Disabilities provides schools with additional resources. Students with disabilities may attend a special school or a regular school. A systematic approach is being used to design and develop programs and strategies to support students with special needs through targeted programs that strengthen the capacity of schools, families and regions to improve educational outcomes for all students.

Number of students with disabilities in government schools, February 2005

Regular schools	12,452.65 FTE students
Special schools	6,478.0 FTE students

The total number of students with disabilities is 18,930.65 FTE students.

The Language Disorder program, designed to increase learning opportunities for students who have language difficulties, was reviewed in 2004 and redesigned to ensure that students with language difficulties are provided with improved classroom-based support.

Facilities and infrastructure

Emergency and security management

The Department coordinated the installation of 50 new and replacement alarm systems in schools during 2004–05. Upgrades to alarm systems were carried out in more than 100 schools during this period.

Workshops in emergency management and emergency planning were conducted for over 1000 senior school staff and reinforced the importance of such planning in school emergency situations. In advising schools on emergency management, emphasis was placed on the need to link response and recovery activities to the school's emergency plan.

The Department continues to monitor in excess of 5000 alarm systems via its Communications Centre, including some 400 police stations and court houses for the Department of Justice.

There were six significant school fires during 2004–05. Corio Primary School and Port Fairy Consolidated School suffered the most extensive damage. The Department has recently appointed a fire engineer as part of its ongoing review of fire preparedness in schools.

Student transport

The free school bus service, administered by the Department of Infrastructure on behalf of the Department of Education & Training, conveys approximately 71,500 students daily throughout Victoria.

The revised rates of payment for the Conveyance Allowance introduced in 2003 meant that more than 44,000 government and non-government school students received conveyance allowances. Allowances are paid to eligible students to assist with travel costs where access to a free school bus service is not available, or for travel to the nearest free school bus or public transport service.

The Department also provides transport for students attending specialist schools. In 2004–05 approximately 6000 students were transported by bus and taxi to these schools at a cost of approximately \$31 million.

Asset projects

The 2004–05 State Budget committed \$281.76 million in new capital funding for school education.

This funding directed:

- \$30 million to Leading Schools Fund projects, which included funds for investing in excellence and for rural learning campuses
- \$36.7 million to seven new schools or stages thereof
- \$98.6 million to replacing schools and school relocatables (includes Community Facilities Fund and Schoolyard Blitz projects)
- \$116.46 million to modernising and improving existing school sites including the provision of funds for replacing facilities damaged or destroyed by fire.

School regions

The nine regional directors are responsible for supporting and building the capacity of regions and schools to deliver high-quality educational services and improved student outcomes through continuous school improvement. Effective regions value and contribute to a culture of learning and improvement at all levels of the system.

Regional offices, in partnership with central office, play an important part in the implementation of the Government's reform agenda by:

- providing leadership to translate the system's aspirations into reality for students in schools
- managing and supporting schools to provide a high-quality education for all students
- developing the capacity of leaders to plan strategically for school improvement
- developing the capacity of regional office staff and schools as effective learning communities and creating strategies that sustain them
- developing strategies to support the continuous learning of regional and school-based staff
- monitoring the achievement of clearly articulated high-quality outcomes and using data to inform and refine improvement strategies
- providing finance, facilities, personnel and workforce planning support services to facilitate the achievement of effective learning environments
- supporting schools to implement innovative approaches to increase levels of student achievement, retention, engagement and wellbeing
- promoting learning communities and collaboration, and fostering supportive networks within and across local government areas to improve local education and employment outcomes
- engaging with the wider community to develop strategic relationships and partnerships to build capacity and bring the resources of the community to the work of schools.

Metropolitan regions

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Non-government schools

The Minister for Education and Training has legislative responsibility for the education of all primary and secondary school students in Victoria.

The Department contributes to the achievement of the Government's goals and targets for education by providing funding and other support to non-government schools in Victoria.

The Department provided over \$300 million in financial assistance to non-government schools in 2004–05, through untied recurrent funding and specific purpose grants.

Non-government schools educate over 290,036 students statewide or 34.9 per cent of all Victorian school students. Of these students, 62.5 per cent attend Catholic schools and 37.5 per cent attend Independent schools. As of February 2005, there were 483 registered Catholic schools and 216 registered Independent schools.

The Department continues to work actively and collaboratively with the non-government schools sectors to improve student outcomes.

Highlights

- Schools representing the Catholic education sector participated in the developmental stages of the performance and development culture accreditation scheme. The Catholic Education Office is represented on both the steering group and regional team which provide governance for the initiative.
- Non-government schools worked with the Victorian Curriculum and Assessment Authority and the Department in the development of the Victorian Essential Learning Standards and in providing support materials for all Victorian schools to assist in the implementation of the Standards.
- Consultation with the non-government sector continued in the area of student reporting, as well as strong joint partnerships in cross sectorial projects in drug education and values education.
- The Department completed development work on a new funding model for non-government schools in conjunction with representatives from the Catholic Education Office and the Association of Independent Schools of Victoria. The new funding model will change the way the State Grant is calculated for Victoria's non-government schools and will be implemented in 2006. The model comprises a mix of 50 per cent core per capita funding, weighted by stages of schooling, and 50 per cent needs-based funding. Needs will be determined through a school's student characteristics profile.
- The government and the non-government schools sectors agreed to enter into a quadrennial agreement for the purposes of State funding from 2006–09.
- In 2004–05, \$285 million was allocated to Victorian non-government schools on a per capita basis through the State Grant to assist schools in meeting recurrent operating costs.
- Funding to non-government schools in 2004–05 also included:
 - the next instalment of \$16.5 million as part of the 2003–04 State Budget initiative to provide \$62 million over four years to assist needy schools in meeting their operational costs

- \$20 million in ongoing supplementary funding for needy schools
- \$5.3 million in support services to assist students with special learning needs, including students with disabilities
- \$1.2 million for suicide prevention initiatives
- \$6.4 million for the Education Maintenance Allowance
- \$1 million in interest subsidies
- \$2 million for Internet access
- \$17.7 million for student transport mainly from outlying areas
- \$4.8 million in rail ticket subsidies through the Department of Infrastructure.

Full fee-paying overseas students

In 2004–05, in accordance with Section 65 of the *Education Act 1958*, the Minister for Education and Training authorised the Department officer holding the position of Chair of the Registered Schools Board to endorse non-government schools to accept full fee-paying overseas students. As a result of this delegation, the administration of the program moved from the Registered Schools Board to the Office of School Education in the Department.

As of June 2005, there were 131 registered schools endorsed to accept full fee-paying overseas students.

Registered Schools Board

The Registered Schools Board is the statutory authority responsible for the registration of Victorian non-government schools. The *Education Act 1958* (the Act) requires the Registered Schools Board to:

- register and, where appropriate, revise the registration of schools
- conduct a registration review every six years to assess compliance with the Act.

Registration of non-government schools

During 2004–05, the Registered Schools Board approved the registration, or revision of registration, of schools in the following categories.

New primary schools	2
New secondary schools	2
New primary and secondary schools	1
Additional secondary year levels	29
Additional campuses	2
School amalgamations (two schools to form one school)	1
Relocations	8
School closures	2
Campus closures	2

All schools complete an 'approval to open' application at least six months prior to opening. Before being granted approval to open, schools must be able to demonstrate that the curriculum, policies, facilities and organisation are of a satisfactory standard and that teachers are registered. New schools must also meet probity requirements and demonstrate that they are financially viable. A school must apply to the Registered Schools Board for registration within 14 days of opening.

Monitoring of schools

Annual returns

As a requirement of the Act, the Registered Schools Board maintains a database of school details that are collected on census day in February. Schools submit their returns electronically.

Registration reviews

In order for non-government schools to maintain registration under the Act, the Registered Schools Board must be satisfied that the school continues to meet the requirements for registration. Registration review material is updated annually in accordance with changes in legislation and regulations relevant to non-government schools. During 2004–05, 98 schools undertook registration reviews.

Membership

The Board, which meets monthly, consists of eight members: four from the public sector, including the nominee of the Secretary of the Department as Chair, and four from the non-government sector, appointed by the Governor-in-Council.

Membership of the Registered Schools Board as at 30 June 2005 was as follows:

Department of Education & Training

Ms Lesley Foster (Chair)
 Ms Maria Kelly
 Mr Don King
 Mr John McCarthy

Catholic Education Commission of Victoria

Mr Tony O'Meara
 Ms Pauline Audley

Association of Independent Schools of Victoria

Ms Michelle Green
 Vacant position (Geoff Ryan resigned effective 11 March 2005)

Post-compulsory education and training

Post-compulsory education and training involves educating and training students of 15 years of age and older. The successful provision of post-compulsory education and training is important in improving transition to further education, training or employment for young people. It is also important in ensuring that people have access to opportunities to update their skills throughout their lives.

Programs and services are delivered to the Victorian community through a range of providers:

- government and non-government schools
- TAFE institutes and TAFE divisions within universities
- private providers of vocational education and training
- ACE organisations, including community-based adult education centres and neighbourhood houses
- adult education institutions – Adult Multicultural Education Services (AMES) and the CAE
- universities and private providers of higher education.

Overview

Department programs and initiatives such as VET in Schools, the VCE, the VCAL, the Youth Pathways program, the MIPs program, the On Track initiative and Local Learning and Employment Networks (LLENs) ensure that multiple education and training pathways and support are available to young people from school through to employment. Both the Department and a range of providers are responsible for these programs, which involve schools, TAFE institutes and the ACE sector in a variety of collaborative arrangements.

General education and skills training is provided through:

- courses in basic literacy and numeracy
- basic preparation for work
- entry or certificate-level training, including apprenticeships and traineeships
- advanced vocational training, including training for paraprofessionals.

The Department also supports and manages the provision of training and further education and adult community education, and provides higher education accreditation and monitoring services. The Department is responsible for overseeing the administration and coordination of programs for vocational education and training, adult community education and tertiary education in Victoria. The delivery of training and further education programs and services in Victoria is provided through:

- 560 government and non-government schools
- 19 TAFE institutes (including five universities with TAFE divisions)
- over 450 ACE organisations and two adult education institutions
- 1191 registered training organisations.

The regulation of TAFE institutes, registered training organisations and ACE organisations is managed through three independent statutory authorities: the VLESC, the VQA and the ACFE Board. The VLESC and the ACFE Board in particular have broad advisory, policy, regulatory and management functions.

The VLESC, the VQA and the ACFE Board report separately to Parliament. Their annual reports provide additional information relating to training and tertiary education services.

Later years

The later years output involves provision of education, training and other associated services designed to improve the quality of student learning of those in Years 10–12 in government and non-government schools. The priorities for the later years of schooling are the provision of effective and varied pathways for young people, and support to secure their first formal qualification and make a successful transition to further study, employment or a combination of both.

Qualifications and programs available to students at this stage of schooling are the VCE, VCAL and VET in Schools including school-based new apprenticeships and traineeships.

VET in Schools

VET in Schools programs provide VCE and VCAL students with a range of options in the senior secondary years of schooling. Both TAFE institutes and LLENs play a significant role in supporting these programs. There was significant growth in the participation in VET in Schools during 2004–05.

Highlights

- VET in Schools certificate enrolments, including school-based new apprenticeships, increased to 42,934 in 2004 across all sectors, with 25,985 enrolments in government schools. In 2004, 12,566 students attained a total of 13,211 VET in Schools certificates.
- With the growth of the VCAL and the introduction of block credit for VET VCE programs for students, the range of VET certificates students enrolled in grew to 253 in 2004.
- The number of secondary schools in all sectors providing VET in Schools programs increased by 7 per cent to 509 in 2004.
- In 2004, more than one-third of all VET in Schools activity was provided by TAFE institutes through partnership arrangements with schools.
- The number of students enrolled in a school-based new apprenticeship and traineeship increased from 1937 in 2003 to 3201 in 2004.

The success of this program is shown in the results from the On Track destination survey. Results for the 2004 VET in Schools cohort showed the following destinations of students who had included VET in Schools in their senior secondary program:

- 27 per cent to university
- 29 per cent to vocational education and training
- 14 per cent to apprenticeships/traineeships
- 25 per cent employed
- 5 per cent looking for employment.

VCE and VCAL

The VCE and VCAL are senior secondary certificates of education that provide students in Years 11 and 12 with pathways to further study and employment.

Highlights

- In 2004, 148,294 students were enrolled in at least one unit of the VCE (including 33,514 students at Year 10 or earlier) at 587 providers: 331 government, 89 Catholic and 125 Independent schools, 34 adult VCE providers and eight other providers.
- Nearly 50,000 students were eligible to complete their VCE in 2004. Of these students, 97 per cent successfully completed their VCE.
- In 2004, a total of 8125 students enrolled in the VCAL at 322 sites. Of those students eligible to complete a VCAL certificate, 60 per cent successfully completed their VCAL.

Cross-sectoral initiatives

Managed Individual Pathways

The Managed Individual Pathways (MIPs) program in government schools was successfully expanded in 2004 to include special schools. This program supports post-compulsory students to develop appropriate pathway plans towards further education and training or full-time employment.

Additional support is provided to students at risk of leaving school early. In 2004, approximately \$14.3 million was allocated to the MIPs initiative. MIPs plans were developed for 95 per cent of students in Years 10–12 in government schools.

The MIPs in Schools program was reviewed early in 2005. The outcomes of the review related to the development of a good practice framework, future program focus, funding, accountability and capacity building. The recommendations from the review will be implemented in 2005–06. The MIPs program in TAFE institutes and ACE organisations was also reviewed early in 2005 and recommendations from this review are being progressively implemented.

On Track

The On Track initiative continued in 2005. The initiative has funding of \$4.8 million over four years, and builds on the MIPs program. On Track follows up school leavers (both government and non-government) through a telephone survey, and offers them assistance and advice if they are not in education, training or full-time employment.

On Track has surveyed approximately 150,000 school leavers from 2002, 2003 and 2004. Information collected about destinations of post-Year 12 students has been published annually, in line with a commitment by the Minister for Education and Training to improve the quality of reporting to parents and the Victorian public on educational outcomes.

The project includes a four-year longitudinal survey which follows specific groups of those who completed Year 12 in 2003. The survey provides a more detailed picture of their transitions over the four years after they leave school.

In 2004, On Track incorporated the TAFE as First Choice survey by adding questions on why young people did not apply for a TAFE place, or if they did, why they did not take it up.

Youth Pathways program

The Youth Pathways program provides customised education and support to young people aged 15–19 years at a TAFE institute or ACE organisation who have not completed Year 12. It provides a pathway to further learning and/or employment.

In 2004, there were 3000 young people participating in the Youth Pathways program at a TAFE institute or ACE organisation. All participants were assisted as part of the MIPs program and participants' choices were tracked via a survey undertaken six months after exiting the program.

Tracking surveys demonstrate that participants undertaking the Youth Pathways program at a TAFE institute or ACE organisation in 2004 achieved very positive outcomes, with over half of the students continuing in education or training. Almost one-third secured employment, including 9.16 per cent who successfully obtained a new apprenticeship.

VCE and VCAL

TAFE institutes and ACE organisations deliver the VCE and the VCAL to post-compulsory learners. In 2004, there were 1200 students aged 15–19 years studying the VCE at a TAFE institute, and a further 1125 students participating in a VCAL program.

Over the past three years there has been a coordinated effort to increase opportunities for young people who have left school to achieve their VCE or VCAL.

In 2004, the Ministerial Statement *Future Directions in Adult Community Education in Victoria* identified the CAE as a centre of excellence for VCE for Adults. Through this arrangement, professional development was provided to VCE teachers in ACE organisations and TAFE institutes. The support needs of VCE students undertaking VCE through distance education were also identified.

A total of 14 ACE organisations, including AMES and the CAE, delivered the VCAL qualification. Numerous ACE organisations were also engaged in partnership arrangements with schools or other community organisations to deliver parts of the VCAL learning program.

Vocational education and training

In 2004, nearly 71,000 young people aged 15–19 years undertook vocational education and training in government-funded programs in TAFE institutes, ACE organisations and private

registered training organisations. These programs provide opportunities for early school leavers to continue in education and improve their career and employment options.

School-based apprenticeships and traineeships

Senior school students continued to combine apprenticeship and traineeship options with their studies. In 2004, 3200 school students undertook a part-time apprenticeship or traineeship as part of a program of studies that combined the VCE or VCAL with a nationally accredited training certificate and employment.

ACE and Schools Partnership Delivery program

The Minister for Education and Training endorsed guidelines and funding arrangements for the ACE and Schools Partnership Delivery program for 2004–05. These arrangements allow for a small number of students under 15 years of age to enrol at an ACE organisation to maintain the student's engagement in learning. A total of 28 Memoranda of Understanding were formalised to allow 45 students to undertake vocational education and training in an ACE organisation while maintaining their relationship with their school.

Local Learning and Employment Networks

Thirty-one LLENs across the state continue to link education and training providers, employers, unions, community and government agencies, and individuals. These links facilitate improved education, training and employment outcomes of young people, particularly those who might otherwise leave education without a qualification.

The contractual arrangements with LLENs for 2004 had additional quantitative performance measures to better assess the ongoing value of the partnerships and collaborative arrangements brokered by LLENs between stakeholders.

LLENs met the targets set in their contracts. They established 389 partnerships between stakeholders including partnerships between education and training providers and industry. LLENs influenced the education, training and

employment outcomes of 13,570 young people, many of whom were at risk of disengagement or already disengaged.

For further information regarding LLENs and issues related to good governance, refer to the VLESC annual report for 2004–05.

LLENs supported wider dissemination and use of On Track data in provision and curriculum planning through a series of stakeholder briefings held across Victoria.

Knowledge & Skills for the Innovation Economy

In June 2002, the Minister for Education and Training released the Ministerial Statement *Knowledge & Skills for the Innovation Economy*, a comprehensive plan addressing Victoria's future skills requirements. In 2004–05, implementation of the initiatives contained in the statement continued. These initiatives are outlined below.

A new approach to financing skills development

A key objective outlined in the Ministerial Statement is the improvement of the long-term financial sustainability of the VET system, in the context of increased demand for VET programs.

In response to this objective, the Department undertook a number of initiatives in 2004–05 including:

- the development of a model to inform the distribution of government-funded training between industries
- a costing project to ascertain the relative cost of providing VET courses.

Establishing priorities for vocational education and training

In December 2002, the VLESC approved a framework for assessing need and establishing priorities for vocational education and training in Victoria. The framework includes a comprehensive research program, consultation with stakeholders and processes for resource allocation.

In February 2005, the VLESC endorsed an Industry Shares Model to inform the allocation of publicly funded training between industries. The model aims to determine the most reasonable distribution of shares of Government-funded training effort between industries. It is based on three criteria that measure the relative levels of industry skills needs, return on investment and impact of government policy.

Training delivery in TAFE institutes continues to be directed to industry areas of high priority. A comparison of training delivery in 2003 and 2004 indicates that 1.6 per cent of training delivery in 2004 was reoriented from areas of low priority to areas of high priority.

Relative cost of VET course provision

Following a review of the costs of delivering vocational education and training programs in TAFE institutes, the Department consulted with institutes about a new approach to funding based on the relative costs of delivering programs in industry sectors. The Department tested this funding approach in 2005 for implementation through each institute's performance agreement in 2006.

Fees and charges for VET students

The Department conducted a review of vocational education and training fees and charges during 2004. This review informed the development of a new policy which increased equity of access for students and enhanced the flexibility of the VET system. Following an extensive consultation process, this new fees and charges policy was implemented on 1 January 2005. The policy was supported by the VLESC and the ACFE Board and resulted in:

- the removal of course-specific caps, in line with the principle that all concessions are now based on capacity to pay
- allowing all providers to levy ancillary and amenities fees, but requiring that students be provided with an itemised list of all fees prior to enrolment
- the extension of concessions to all eligible Health Care card holders.

Reinvigorating TAFE

Specialist Centres

The Ministerial Statement announced an initial allocation of \$5 million seed funding for Specialist Centres. These centres deliver specialist training to students in particular industry areas and support broader efforts to improve access to the generic and technical skills that particular industries need to compete effectively. Fifteen specialist centres have been established in areas such as manufacturing, hospitality, tourism, primary industry, sustainable building and environmental technology. In 2004–05, four new Specialist Centres were established in the areas of biotechnology, heritage trades, textiles and e-business.

Design initiative

The Department of Education & Training, in partnership with the Department of Innovation, Industry and Regional Development, is continuing to implement initiatives in response to the Government's Statement *The State of Design – Future Directions*, which outlines how Victoria will be positioned as an international centre for excellence in applied design. The initiatives the Department is undertaking include:

- design professional development for TAFE institutes and schools
- integration of design into the P–10 curriculum
- piloting of the design qualifications framework
- the Design Innovation Professional Development program pilot project for designers in schools
- supporting lab3000, a centre for excellence in digital design.

Transforming the TAFE workforce

In April 2005, the Minister announced the establishment of the TAFE Development Centre. The Centre is responsible for promoting the development and raising the professional standing of staff in TAFE institutes across Victoria.

The Centre's objectives are to:

- provide ongoing professional development opportunities for all staff

- develop and recognise high-quality teacher training and develop innovative approaches to ongoing teacher education
- support the growth of leadership and management capability
- promote the use of professional standards
- facilitate information exchange and collaboration within the TAFE sector, industry and the wider community.

Degrees in TAFE

Another key initiative of the Ministerial Statement was the decision to allow TAFE institutes to apply to the Higher Education Advisory Committee (on behalf of the Minister for Education and Training) to deliver degree qualifications and expand access of students to higher education qualifications. As at June 2005, four TAFE institutes offered a range of higher education degrees in Associate Degree and Bachelor programs.

Innovation Fund

The Innovation Fund was established to enable TAFE institutes to trial new initiatives in innovation and flexible delivery. In 2004, 59 initiatives to a value of \$5.3 million were completed across 14 TAFE institutes. In 2005, 43 initiatives to a value of \$6 million were endorsed for implementation across 14 TAFE institutes.

Training and further education

The State Training System

Delivered training

In 2004, TAFE institutes and ACE and private registered training organisations provided approximately 500,600 students with 111.2 million student contact hours of training and further education (excluding non-VET activity). This is a decrease of 0.7 per cent on the 2003 delivery. Of this total delivery, government-funded delivery accounted for over 80.4 million of the reported contact hours, a decrease of 0.5 per cent on 2003.

This decrease can be attributed to better targeting of training and the reorienting of resources to areas of innovation and specialisation. Training delivery remained in excess of delivery required by the Victorian system under the Australian National Training Authority (ANTA) agreement.

In 2004, TAFE institutes delivered 63.4 million government-funded student contact hours, with the remainder delivered by ACE and private registered training organisations.

Training packages and implementation advice

Victoria develops training package implementation guides for both state and national use. Training packages describe the skills and knowledge needed to obtain a qualification and work effectively in particular industries. A high-level review of training packages undertaken by ANTA led to an agreement to include employability skills in packages, and to simplify advice and guidance to users. In 2004–05, the Department facilitated the development of guides to support the implementation of 16 training packages. Curriculum Maintenance Managers provide advice on these national training packages and other state vocational education and training products.

Apprenticeships and traineeships

In 2004–05, the number of new entrants to apprenticeships and traineeships was 58,939, a decrease of approximately 21 per cent compared with the intake in 2003–04. The overall commencement total (including existing employees who are not eligible for apprenticeship/traineeship funding under this scheme) was 80,883. The decrease in commencements of new entrants reflects recruitment decisions of enterprises, and may also have been affected by changes in Commonwealth incentives to employers. The intake of new entrants into apprenticeships and traineeships in the previous financial year was very high.

As at 30 June 2005, the number of apprentices and trainees overall was 134,498.

Apprenticeship and traineeship completions for 2004–05 increased to 30,617, an increase of nearly 1 per cent (excluding existing workers) on the previous financial year.

Apprenticeship/Traineeship Completion Bonus Scheme

The Apprenticeship/Traineeship Completion Bonus Scheme provides an incentive for employers to encourage apprentices and trainees to complete their training. The incentive payments available to employers were fully implemented during 2004–05.

During the financial year, employers of 11,252 apprentices and trainees qualified for Completion Bonus payments under the scheme. Employers of a further 2644 apprentices and trainees of not-for-profit group training organisations were eligible under the Group Training Employment Support Scheme.

The arrangements for recognised not-for-profit group training organisations were changed to reinstate payroll tax exemptions in lieu of access to Completion Bonus payments.

Apprenticeship/Traineeship Training program

The Apprenticeship/Traineeship Training program provides funding for registered training organisations to train apprentices and trainees. The program gives predominantly young people the opportunity to engage in employment while receiving formal training towards a nationally recognised qualification.

In 2004, 228 private registered training organisations offered over 23,000 apprenticeship and traineeship places. In 2005, 224 registered training organisations were funded for over 25,000 places, including Jobs for Young People placements in local government, which are administered by the Department for Victorian Communities. A further 1000 places were reserved for integrated school-based apprenticeships and traineeships.

Priority Education and Training program

The Priority Education and Training program funds private registered training organisations to provide training in industries and regions that have been identified as government priorities. This training is not apprenticeship- or traineeship-based training.

Through this program, over 1.9 million student contact hours of training were delivered in 2004.

Skill Up program

The Skill Up program is a rapid response program to retrain and support workers of all ages who are made redundant because of a major industry downturn or workplace closure, and so improve their employment prospects. Recipients are funded for an average of 80 hours training and are exempt from normal tuition fees. Training under the program is delivered by public and private providers in metropolitan Melbourne and regional Victoria.

As at June 2005, funding had been approved for over 1500 retrenched workers.

Fee-for-service activity

In addition to their government-funded delivery, TAFE institutes and ACE organisations delivered respectively 18.82 million and 1.75 million student contact hours of fee-for-service vocational and further education in 2004. TAFE institutes delivered a further 6.92 million student contact hours to full fee-paying overseas students. Over 2.1 million student contact hours in personal enrichment programs were also delivered to approximately 82,000 students.

Flexible learning

Victoria has a lead role in the implementation of the Australian Flexible Learning Framework for the National VET System 2005. The framework aims to develop Australia's flexible learning capacity and is designed to be responsive to the changing social, economic and policy environments in which it operates. The Flexible Learning Advisory Group oversees the implementation of the framework.

The Secretariat of the Flexible Learning Advisory Group sits within the Department of Education & Training.

The 2005 Australian Flexible Learning Framework supports the national strategy for VET and the need to broaden access to ICT throughout the education and training sectors. It also has a strong focus on outcomes and an increased focus on client needs and engagement. The 2005 framework extends the most successful aspects of the 2000–04 framework.

The framework also supports lifelong learning and effective, relevant and accessible vocational learning options for all Victorians. It ensures that Victorian TAFE and ACE personnel are in the best position to realise the potential of e-learning.

In the 2005 framework, Victoria has funded, and is responsible for, the development of the following projects:

- Quality e-learning Resources
- e-learning for target learner groups
- VET e-learning International
- State and Territory Coordination – State/Territory pro-rata allocation
- LearnScope – State/Territory pro-rata allocation.

Improving learner access

Providers across the State Training System continue to develop practices to provide training and employment opportunities for disadvantaged groups and people living in rural and remote areas.

Indigenous students

The Wurreker strategy was progressively implemented during 2004. Wurreker was developed to ensure that Koorie communities, through 29 Local Aboriginal Education Consultative Groups, are involved in decisions about the planning and delivery of training and that TAFE delivery and support services respect and value Koorie culture. In 2004, 3365 students identifying as Koorie were enrolled in government-funded VET programs.

Students with a disability

Under the implementation of Bridging Pathways, the national strategy for increasing opportunities in the VET sector for people with a disability, the Department conducted a review of provisions for students with a disability undertaking vocational education and training. A disability agenda for the VET sector in Victoria has been developed and will be implemented in 2005–06.

In 2004, the Department continued to assist TAFE institutes to support students with disabilities and meet TAFE institutes' statutory obligations under the *Disability Discrimination Act 1992*. In addition, each TAFE institute was provided with further funding for the development or redevelopment of a Disability Action Plan by the end of 2005. TAFE institutes received extensive information about the changes brought about by the introduction of the Education Standards under the Disability Discrimination Act.

The Department also supported the Centre of Excellence for Students who are deaf and hard of hearing by funding two projects: one to examine models of employing interpreters and another to examine models of delivery of Auslan and Auslan interpreter training to rural and regional areas using ICT.

Women

Work continued on specific initiatives to improve women's access to training and further education, including:

- provision of funding to the Equity Research Centre to provide advice on training needs and opportunities for women, particularly in emerging and non-traditional industries
- ongoing implementation of the Government's *Leading with Victoria's Women 2004–2007* report, which details strategies to be undertaken across and between departments
- trialing of MIPs for equity groups to provide individual pathway support into training or employment for students over 45 and not currently employed, sole parents who have not completed Year 12 or have been out of the workforce for longer than 12 months, and students from culturally or linguistically diverse backgrounds.

Parents

The Parents Returning to Work program provides grants of up to \$1000 to parents who have been out of the workforce for two or more years and are caring for children aged 12 years and under. In 2004–05, 2255 grants were issued to eligible parents to cover course fees, child-care or material costs while parents undertook training.

Review of TAFE governance

In 2003, the Department undertook a review of the governance practices of TAFE institute councils. While the review did not recommend any changes to current governance structures, it identified a need to enhance the governance practices within the existing framework.

In response to the recommendations the Department set up the Governance project, which aims to strengthen the governance culture and enhance the practices of members of TAFE governing bodies. Resources and a training program are being developed for these purposes.

Quality assurance

The Department works to ensure that vocational education and training in Victoria is delivered to a high standard. This includes registering and monitoring the performance of training organisations in accordance with the Australian Quality Training Framework (AQTF) Standards.

In 2004–05, the Department undertook the following functions on behalf of the VQA:

- registering training organisations to deliver nationally recognised training
- approving training organisations to provide courses to overseas students
- ongoing performance monitoring of training organisations
- annual reviews of Victoria's performance and delivery of services in accordance with the ANTA Performance Agreement.

The Department also provided a report on its registration and audit activity to each meeting of the VQA Board.

Risk assessment

The Department has developed a risk management strategy as part of its annual audit program that addresses the following key risk areas:

- the number and/or seriousness of verified complaints against registered training organisations
- apprenticeships and traineeships delivered by exclusive (full-time in a workplace) pathways
- priority interface areas as defined by a State or Territory that may include providers in receipt of government funds, unsatisfactory statistical returns and/or particular courses and qualifications.

During 2004–05, 227 registered training organisations were audited for compliance with the AQTF Standards. In addition, audits took place in:

- 109 organisations in receipt of government funding
- 42 providers of vocational education and training programs to overseas students
- 20 group training organisations.

Strategic industry audits

Strategic industry audits were introduced to identify compliance and quality issues in specific industry areas or training market sectors in order to provide a basis for systematic improvements in the quality of training delivery. The selection of industry areas includes those:

- with a recent strong growth in training
- of importance to the Victorian economy
- with a short history of participation in recognised training
- where concerns have been raised about the quality of training.

In 2004, a national strategic audit of training in the transport industry was conducted in collaboration with other States and Territories. This was the first national audit undertaken in a target industry. Two qualifications were audited: the TDT30102 Certificate III in Transport and Distribution (Warehousing and Storage) and the TDT30202 Certificate III in Transport and Distribution (Road Transport).

Seventeen registered training organisations operating in Victoria were audited. Of those, 12 were Victorian registered training organisations (10 private providers and two TAFE institutes). On behalf of Tasmania, Victoria also undertook two audits of interstate providers operating in Victoria. South Australia and the Australian Capital Territory undertook three audits of Victorian-registered training organisations operating in their jurisdictions.

The registered training organisations audited were found to have a small number of minor non-compliances with the AQTF Standards. The Department initiated a range of activities to implement the recommendations of the audits.

Group training organisations

In Victoria, 30 organisations have been approved as meeting the national standards for group training organisations and included on the National Register of Group Training Organisations. Group training organisations are largely non-profit and recruit and employ people in apprenticeships and traineeships. In 2004, 22 group training organisations successfully participated in the audit review program.

In 2004–05, the State and Commonwealth governments jointly funded 24 not-for-profit group training organisations through the Joint Group Training program. Payments were made for commencement, progression and completion milestones and increased payments were made to organisations catering for disadvantaged groups, vocations experiencing skills shortages and school-based new apprenticeships.

In November 2003, the ANTA Ministerial Council determined that, over a three-year period, 15 per cent of funding for group training organisations would be provided under open-market conditions. Following consultation with Group Training Australia (Victoria), the Group Training – Innovation Fund program was established in 2004.

The first round of funding under this program occurred in 2004–05 and has funded four projects undertaken by five group training organisations to target areas of skills shortages.

Capital resources

Asset management

The TAFE asset portfolio is made up of 1055 buildings worth approximately \$2.1 billion. The age of the asset portfolio ranges from new to over 100 years old. The average age of the building stock is approximately 22 years.

Asset management includes both the acquisition and the disposal of properties. This approach ensures that the overall use of TAFE institute building stock is maximised.

Asset investment

In 2004–05, major capital developments commenced at Bendigo Regional, East Gippsland, and Holmesglen TAFE institutes. Major refurbishment works were continued at the city campus of the Gordon Institute of TAFE and works continued at the Kangan Batman Institute of TAFE Automotive Centre of Excellence at Docklands.

State funding allocated to capital infrastructure funding, including the replacement of TAFE teaching equipment, enables TAFE institutes to keep pace with new and emerging technology changes. Teaching equipment is aligned to industry standards, which ensures that students are well prepared for the workplace. During 2004–05, funding was directed to the University of Ballarat for the construction of a new Building and Construction Training Centre. This will create an outstanding regional centre in Victoria that will facilitate the promotion, identity and delivery of training opportunities for building-related trades.

Work is proceeding on a high-speed fibre optic link between Bairnsdale and Lakes Entrance. This link will connect the Bairnsdale and ForestTech campuses of the East Gippsland Institute of TAFE to the Bullock Island Campus shared by East Gippsland and RMIT.

Five TAFE institutes are involved in a cooperative project to improve voice communications and replace obsolete telephony equipment. The institutes involved are the Northern Melbourne Institute of TAFE, Wodonga Institute of TAFE, Gordon Institute of TAFE, Bendigo Regional Institute of TAFE and Goulburn Ovens Institute of TAFE.

Asset disposal

A number of assets have been found surplus to requirements and disposed of, including:

- part of a former RMIT campus at 24–26 Orr Street, Carlton
- former Sunraysia Institute of TAFE building at 226 Beveridge Street, Swan Hill.

TAFE capital works projects

Completed projects

The following projects were funded by the Victorian Government and completed in 2004–05:

- the refurbishment of the Berwick campus for the Electronics and Nursing programs at the Chisholm Institute of TAFE
- the refurbishment of buildings at the Gordon Institute of TAFE city campus
- the establishment of the Australian College of Wine at Aradale and Yarra Glen for the Northern Melbourne Institute of TAFE.

The following projects were funded by ANTA and completed in 2004–05:

- the construction of a new teaching and administration building for the Driver Education Centre of Australia at Altona North
- the construction of the science and technology facility at Werribee for Victoria University.

Projects under construction

The following project was funded by the Victorian Government and was under construction in 2004–05:

- the Automotive Centre of Excellence at Docklands for the Kangan Batman Institute of TAFE.

The following projects were funded by ANTA and were being undertaken in 2004–05:

- the replacement of the Cleeland Street buildings at the Dandenong campus of the Chisholm Institute of TAFE
- the construction of the Business Development Centre at the Frankston campus of the Chisholm Institute of TAFE
- the refurbishment of the Moorabbin campus of the Holmesglen Institute of TAFE

- the construction of a wine industry training centre at the Bendigo Regional Institute of TAFE
- the construction of a new Automotive and Building Studies facility and refurbishment of the Hospitality faculty building at the East Gippsland Institute of TAFE
- horticulture redevelopment at the Holmesglen Institute of TAFE
- the connection of an optical fibre between the Bairnsdale, ForestTech and Lakes Entrance campuses of the East Gippsland Institute of TAFE.

National policy and funding arrangements

ANTA was an Australian Government statutory authority, established in 1992, to provide a national focus for vocational education and training. In October 2004, the Prime Minister announced that ANTA would be abolished from 1 July 2005 with the responsibilities and functions of ANTA transferred to the Commonwealth Department of Education, Science and Training. A new Ministerial Council on Vocational Education will be formed to lead the new national training system.

ANTA Agreement

The ANTA Agreement reinforced the commitment of all Australian governments to a strong, national, industry-led VET system and established funding, planning, reporting and accountability arrangements.

As part of the reforms to the national VET system, a new inter-governmental agreement for vocational education and training will replace the current ANTA Agreement. The Commonwealth Department of Education, Science and Training and State and Territory governments recommenced negotiations in the first half of 2005 for the new Commonwealth–State Agreement for Skilling Australia's Workforce 2005–08. The 2001–03 ANTA Agreement was rolled over in 2004.

The rollover arrangement was continued for 2005 in order to maintain the funding, planning and accountability arrangements of the national system, while the new agreement is negotiated.

National VET strategy 2004–10

Under the ANTA legislation, the ANTA Board was required to develop a national strategic plan for the VET system within the framework of national goals, objectives and priorities established by the ANTA Ministerial Council. The national strategy, *Shaping our Future*, was to apply until 2010. Under proposed Commonwealth legislation and a new inter-governmental agreement, the strategy will be reviewed by the new Ministerial Council to determine the content of a national strategy under the new national training arrangements.

Adult community education

ACE organisations provide lifelong learning opportunities for Victorian adults. Characterised by a flexible learning environment, the sector contributes to the educational, social, economic and cultural development of individuals and Victorian communities.

ACE organisations, Learning Towns and adult education institutions (AMES and the CAE), provide adult community education through the following programs:

- adult literacy and numeracy programs (incorporating ESL)
- vocational education programs for learners who require specific skills to re-enter the workforce
- employment skills programs, which equip learners with the essential skills required to effectively participate in the workforce
- the VCE and VCAL for adults as a pathway to returning to school, education and training or employment
- enrichment programs, which meet personal development and special interests.

The Government funds ACFE program delivery through the ACFE Board. This funding is administered by the Department. Enrichment programs are funded on a fee-for-service basis.

Participation

Nearly 12.6 million student contact hours across 447,882 module enrolments were delivered in ACE organisations and adult education institutions in 2004. Over 7 million student contact hours were funded by the Victorian Government. Program funding was also received from the Commonwealth Department of Immigration and Multicultural and Indigenous Affairs and delivered by AMES.

Participants ranged in age from early school leavers and were from diverse educational, cultural and linguistic backgrounds. More women than men participated.

In 2004, nearly 9200 students aged 15–19 were enrolled in ACE, representing a 5 per cent increase on the previous year. On average, there was an increase in the number of hours delivered to each student. In 2004, 1.6 million contact hours were delivered, an increase of 10 per cent on the total training hours delivered in 2003.

All reported participation is for the 2004 calendar year unless otherwise indicated.

Ministerial Statement on adult community education

Following the launch of the Ministerial Statement, *Future Directions in Adult Community Education in Victoria* in June 2004, the Department has worked to support the ACFE Board in implementing the initiatives in the Statement. The three-year policy framework identified strategies in four key priority areas:

- broadening the role of adult community education
- recognising specific groups of learners
- enhancing the sustainability of ACE provision
- investing in ACE.

Broadening the role of adult community education

Learning Towns

In response to the Ministerial Statement, the work of ten Learning Towns in rural and regional Victoria has been refocused. Learning Towns are working together with ACFE Regional Councils to improve community building through the implementation of Measuring Impact – A Project Evaluation Tool with Community Learning Partnerships. They are also delivering a variety of learning projects in their communities.

Community Learning Partnerships

The Community Learning Partnerships is another key initiative outlined in the Ministerial Statement. Funding has been allocated in 2005 to establish 18 Community Learning Partnerships across the state.

These partnerships focus on outcomes for learners and communities by creating relationships with local stakeholders and using a variety of resources. These relationships will strengthen communities, build social capital and enhance the sustainability of communities.

Community Building Hubs

Community Building Hubs aim to build the governance capacity of community-based organisations, and to establish ACE organisations as focal points or 'hubs' for community groups seeking training and support on issues such as governance, strategic planning, risk management, working with volunteers and financial management.

A network of over 100 Community Building Hubs has now been established. These hubs have worked with over 900 diverse community groups on issues affecting their governance and operation.

Recognising specific groups of learners

Disability

A new disability strategy is being implemented across adult community education that addresses the participation needs of people with disabilities. Built into this strategy are new measures for professional development, stronger partnerships

with TAFE institutes and disability organisations, resource and service requirements and the identification of relevant education and training that leads to further study and employment for learners with a disability.

Wurreker

A new Wurreker strategy was released in 2005. The strategy will inform the development of the future directions of Wurreker in adult community education, align current and future strategies to the framework that Wurreker provides and enable the development of collaborative policy and planning frameworks for the provision of adult community education for Koorie people and communities.

Youth

A Youth strategy, Young Learners in ACE, was released in 2005 and aims to improve the learning outcomes of 15–19-year-olds in adult community education. It encourages partnership arrangements between ACE organisations, schools and TAFE institutes so that young learners can retain engagement with school or access pathways to employment or further education and training.

Other learner groups

Programs available across the ACE sector that also target specific groups of learners include training for offenders on community-based work orders, volunteer training for the 2006 Commonwealth Games and a Gambling Intervention program.

Enhancing the sustainability of ACE provision

Building sustainable community businesses

An investigation was conducted into ACE organisations' understanding and use of community business and management practices, community entrepreneurship, and organisational arrangements. The investigation led to the development of a framework that provides direction and information in sustainable business practices for ACE organisations. This is accompanied by case studies, and self-assessment and support tools.

Workforce planning

An ACE Workforce Planning project used a profile of current practices to assess the impact of ACE provision on sustainability and to inform the development of a guide for workforce planning. This guide provides practical tools and processes which will better support community business models and sustainable provision.

Curriculum strategy

A curriculum strategy has been designed to provide curriculum arrangements that assist the ACFE Board, its partners and stakeholders in meeting the goals of the Ministerial Statement. It provides an integrated approach to accredited and non-accredited delivery in the ACE sector that promotes pathways and options for learners with outcomes for learners in ACE as the clear and central focus.

Investing in ACE

Three-year funding agreement

Three-year (2005–07) funding and service agreements with ACE organisations were implemented in 2005 for the first time. Replacing one-year agreements, the new arrangements provide increased certainty of funding to ACE organisations and enhance their flexibility in meeting local community needs.

Increasing access through information and communications technology

To improve access to ICT, funding for laptop computers and data projectors has been provided to ACE organisations located in remote Victoria or in areas of significant population growth in Melbourne.

Fee concessions reimbursement

Additional funding has been allocated to organisations for the reimbursement of fee concessions for delivery of Government-purchased education and training to learners under concession arrangements,

ACE capital funding program

The Government committed funds to support renovations, extensions and refurbishments in community-based adult education organisations.

This program is in its final stages, with 14 projects completed in 2004–05. The program has attracted an additional contribution of \$16 million from the community.

Higher education

During 2004–05, there were eight public universities, one private university (Melbourne University Private) and two campuses of the Australian Catholic University established and operating in Victoria. Some of these institutions are multi-campus, with campuses located in both metropolitan and regional areas. Others are dual-sector institutions with large TAFE divisions. In June 2005, the University of Melbourne Council decided to cease the operations of Melbourne University Private from 2006.

The Commonwealth Government funds Victoria's public universities. The State Government, through legislation and the Minister's requirements, approves the establishment of universities and ensures their accountability. It also ensures that institutions are equipped to meet Victoria's diverse educational, economic, social and cultural needs.

In addition to its regulatory role, the State Government provides some targeted funding and engages in strategic partnerships with universities to encourage the provision of high-quality teaching, research, innovation and research infrastructure across the state. This includes ensuring that, while universities increasingly operate in international markets and global networks, they also remain relevant to their local communities.

Ministerial Statement on higher education

The Ministerial Statement *Future Directions for Victorian Higher Education*, released in October 2002, sets out the Government's strategies for positioning universities to meet the changing knowledge and skills demands of the community and industry. The Higher Education

– Opportunities for Victoria, 2005 and Beyond project commenced in 2004–05, to build on the Ministerial Statement. The project will identify and deliver advice on opportunities and mechanisms for Victoria to further influence universities to support the State Government's economic and social objectives.

To address the requirement in the Ministerial Statement to promote community engagement, the Department commissioned a major study on the links between Victorian universities and their communities in 2004–05.

The Ministerial Statement also called for a long-term strategy to enhance access to higher education for all Victorians. The Ministerial Higher Education Round Table, which promotes the Government's strategic engagement with universities, commissioned two reviews into access to higher education by Victorians living in outer urban and regional centres. In 2004–05, the Minister accepted a series of recommendations arising from the reviews to improve access to higher education in these areas.

An inter-departmental Higher Education Coordination Committee meets regularly to improve coordination of government activity in the higher education sector.

Participation and access

In 2004, the total undergraduate student enrolments in Victorian public universities, including domestic fee-paying and international students, was 169,740. This was up from 167,907 in 2003. Postgraduate enrolments increased from 68,915 in 2003 to 72,015 in 2004.

The Government supports clear targets to increase the participation of under-represented groups and seeks to maximise opportunities for access to universities. The recommendations adopted as a result of regional and outer-urban higher education working parties will provide valuable support for the development of strategies to maximise provision in these under-represented areas.

International students

Victoria continues to attract an increasing number of overseas students. In 2004, 66,829 international students were enrolled in Victorian universities, an increase of 10.5 per cent from the previous year. International students now make up 24.2 per cent of the student population in universities (an increase of 22.6 per cent in 2003). Of the total number of 228,555 international students studying in Australia in 2004, 29.2 per cent were studying in Victoria.

Liaison with the Commonwealth

The Department is committed to representing and promoting the interests of Victorian universities and other higher education providers at the national level. The Victorian Government continues to lobby the Commonwealth Government to fund an adequate number of higher education places in Victoria in accordance with the state's need, particularly in regional areas.

The Department has been seeking new partnership arrangements with the Commonwealth, including consultative planning related to the range and location of programs offered, and allocated university place numbers.

Regulation

The Department's role in higher education includes developing and implementing legislation for Victorian universities and other higher education providers. The Department monitors the governance and compliance of each university and coordinates the preparation and tabling of each university's annual report in the Victorian Parliament.

Accreditation

Publicly funded universities offer most of the higher education programs in Victoria. However, private providers can be authorised to conduct programs accredited under the *Tertiary Education Act 1993*. Private providers of higher education courses require accreditation of their courses

to ensure standards are comparable with those of public universities. Approval is subject to a rigorous review conducted by expert panels that make recommendations to the Minister for Education and Training through the Higher Education Advisory Committee.

In 2004:

- three new private providers, and two TAFE institutes, were authorised to deliver higher education courses and had eight courses accredited; there are now four TAFE institutes authorised to deliver higher education in Victoria
- three established private providers were reaccredited and reauthorised to deliver higher education courses
- seven interstate universities were endorsed to offer higher education courses in Victoria
- 49 private providers were approved to operate in Victoria
- nine new private provider courses were endorsed for delivery to overseas students
- 150 new public university courses and 1708 amended public university courses were endorsed for registration on the Commonwealth Register of Institutions and Courses for Overseas Students.

University governance

As part of the Commonwealth Government's policy statement, *Our Universities: Backing Australia's Future*, a component of funding to universities is contingent on adoption of a set of governance arrangements referred to as the National Governance Protocols. Commonwealth legislation enables the Commonwealth Minister with responsibility for education, science and training to make additional grants in 2005 to universities which the Minister believes are endeavouring to implement the protocols within acceptable timelines. Implementation requires legislative change.

Accountability for ensuring the effective governance of public universities rests with the State Government, which is responsible for university establishing Acts. Following extensive consultations with the eight public universities in Victoria, the State Government introduced the Higher Education Acts (Amendment) Bill, which amends the Acts establishing Victorian universities. This legislation will enable Victorian universities to comply with new National Governance Protocols and be eligible to receive additional funding under the Commonwealth *Higher Education Support Act 2003*.

Portfolio management services

International education

The provision of education and training to overseas students is a central element of Victoria's export profile. After a period of dramatic and sustained growth in international education enrolments in Victoria, there is evidence of a slowing down both in Australia and Victoria. The international education market is highly competitive and prone to fluctuation. Contributing factors include competition from other jurisdictions, the appreciation of the Australian dollar and, particularly, better supply of education in source countries.

The Department's international services include:

- marketing, recruitment, assessment and placement services for full fee-paying overseas students in Victorian government schools
- generic marketing support for vocational education and training providers and the higher education sector
- marketing of the Department's capabilities and programs to international communities
- organisation of overseas delegations and study tours to Victorian education and training institutions and agencies
- organisation and implementation of teacher and principal exchange programs, student exchange and student study tours
- delivery of associated consultancy and training services to international clients.

A new strategic direction

In March 2004, the Minister for Education and Training launched the Ministerial Statement *Global Pathways: International Education for Victoria*.

The statement highlights the social, cultural and economic benefits of international education to Victoria. It outlines three global strategies: global learning, positioning Victoria and quality assurance. The strategies are designed to ensure

that Victoria can make the most of the opportunities presented by the growth in international education.

The implementation of the Global Learning strategy includes support for the Peace Scholarship Trust and two scholarships to the Veneto region of Italy for TAFE teachers awarded by the International Specialised Skills Institute. In addition, the Department has developed a Memorandum of Understanding with Australian Volunteers International to facilitate involvement of Department staff in international development projects.

In 2004, the cross-sectoral Positioning Victoria Working Party, chaired by Paul Ramler, Deputy Vice-Chancellor of Monash University, advised the Minister on the ways in which Victoria can position itself as a world-class education destination. Strategies encompassing branding, positioning and promotion, market research and strategic planning, support and loyalty programs, industry and product development, and policy and operational reforms will be progressively implemented from mid-2005.

In 2004–05, the Department undertook a quality assurance review aimed at enhancing and improving the delivery of the International Student program for overseas full fee-paying students in Victorian government schools. The review proposed a Quality Assurance Framework based on best practice including quality assurance standards for the International Student program in government schools. Further development of the Quality Assurance Framework will take place during 2005–06.

Industry involvement

In March 2005, International Education Week celebrated the contribution that international education makes to Victoria's cultural diversity and social and economic development. The week

included a formal reception at Government House for international students hosted by the Governor in the presence of the Minister for Education and Training, four welcome receptions sponsored by the Department and hosted by local city councils in Ballarat, Bendigo, the Latrobe Valley and Warrnambool, and an Overseas Study Fair aimed at encouraging young Victorians to undertake a short- or long-term international education experience.

The Department worked with the Victorian TAFE Association and the Victorian Government Business Office in Dubai to facilitate a delegation of five students from Victorian TAFE institutes to attend the international student conference, E-ducation without Borders, in the United Arab Emirates in February 2005. The students were selected on the basis of papers they submitted on e-learning. The Minister for Education and Training presented a paper at the conference.

In support of the whole-of-government approach to the World Expo in Japan in 2005, the Division organised for education and training representatives to be members of five industry trade missions to Japan, with a view to further integrating education and training with key industry sectors.

Strengthening linkages across government

A key aim of the Global Pathways statement is to strengthen linkages with other Victorian government agencies and develop whole-of-government strategies that effectively utilise Victorian Government infrastructure overseas.

The General Manager of the International Division continues to chair a consortium comprising education providers as well as representatives from the Department of Innovation, Industry and Regional Development, to develop educational business opportunities in the Middle East. The consortium provides funding for an education officer in the Victorian Government Business Office in Dubai. The consortium is reviewing future strategic directions in the context of the Department's discussions with the Department of Innovation, Industry and

Regional Development on provision of education services off-shore through Victorian Government business offices.

In addition, the Department supported the Department of Innovation, Industry and Regional Development in the development of whole-of-government strategies for promoting Victorian education in Japan, India and China.

The Department, in cooperation with the Department of Innovation, Industry and Regional Development, was involved in an international education and training marketing strategy to support the whole-of-government initiative at the World Expo, held in the Aichi Prefecture, Japan. The International Education and Training marketing strategy included showcasing Victoria's education and training capabilities during Victoria Week and Education Week and launching the Dear Aichi Pen-Pal program for primary and secondary schools.

The Department is also working with the Department of Victorian Communities to develop and implement a skilled migration project whereby international students obtain work experience in regional areas.

Full fee-paying overseas students

Full fee-paying overseas students make an important contribution to the Victorian economy. In 2004, nearly 89,000 international students were enrolled with education and training on-shore providers in Victoria, compared to approximately 84,000 in 2003. Over half of these students were enrolled in higher education institutions, 15 per cent with VET providers, 10 per cent in schools, and 15 per cent in the English Language sector.

Victoria is a market leader in the recruitment of international students to government schools, with 30 per cent of international school students in Australia studying in Victoria. At June 2005, there were approximately 2400 international students from more than 50 different countries enrolled in Victorian government schools, bringing an international presence to more than 200 primary and secondary schools across Victoria.

Student study tours

The Department conducts student study tours for prospective overseas students. In 2004–05, 1174 students visited 74 metropolitan, rural and regional schools for a total of 11,399 student days. This figure is slightly less than the previous year. The reduction was largely due to increased global competition. Most of the groups were from Japan and China.

International cooperation

In 2004–05, the Department successfully concluded new Memoranda of Cooperation aimed at strengthening education and training relationships with other countries. Memoranda were concluded with the:

- Ministry of Education, Hashemite Kingdom of Jordan
- Technical and Vocational Training Organisation, Ministry of Labour and Social Affairs, Islamic Republic of Iran
- Ministry of Education, Kingdom of Denmark
- Ulsan Metropolitan Office of Education, Republic of Korea.

In addition, the Department continued to coordinate the delivery of Victorian Government support for the reconstruction of the education and training system in East Timor. Specific assistance for the Australia East Timor Friendship Schools project, in conjunction with the Alola Foundation, was provided by the Government.

Victoria also coordinated the UNESCO Associated Schools project in Victorian government schools on behalf of the Commonwealth.

Exchanges and language support

The Department organises a range of overseas exchange programs for Victorian teachers and principals. In 2004–05, 50 teachers and principals participated in the International Teaching Fellowship Exchange program. This program facilitated long-term exchanges with countries such as Canada, Denmark, France, Switzerland, the United Kingdom and the United States. Short-term exchange programs also provided opportunities for teachers and principals to visit Italy.

In order to strengthen the provision of language education in government schools, 157 native-speaker assistants provided classroom-based support for teachers and students.

International delegations

Delegations of teachers, principals and education officials from overseas visit Victoria on a regular basis. In 2004–05, 68 delegations involving 979 participants were organised.

Programs focusing on school and vocational education and training were organised for delegations from the People's Republic of China, Denmark, India, Indonesia, Japan, Laos, Malaysia, Maldives, Mexico, Oman, Pakistan, Philippines, Saudi Arabia, South Korea, Sri Lanka, Thailand, Uganda, United Arab Emirates, United Kingdom, United States of America, Uzbekistan and Vietnam.

International projects

In partnership with Sinclair Knight Merz, who purchased the Overseas Projects Corporation of Victoria from the Victorian Government, the Department has played an important role in the delivery of offshore education and training projects in the Asia-Pacific region. In 2004–05 these included:

- the Institutional Strengthening project in Samoa, funded by AusAID
- the Basic Education of Girls project in Laos, funded by AusAID and the Asian Development Bank
- the Secondary Education Development and Improvement project in the Philippines, funded by the Asian Development Bank
- the Asian Development Bank Education Sector project in Samoa.

Teacher training and development

In conjunction with Victorian universities the Department provides specialised on-shore training programs for groups of overseas English and science teachers. During 2004–05, seven programs delivered training to 245 teachers from the Republic of Korea, the People's Republic of China and Thailand.

Public information and promotion

The Department promotes education and training opportunities throughout Victoria in a variety of ways.

The *Education Times* newspaper is the main communication link within the government school education sector and is published fortnightly during school terms. A readership survey conducted in April 2005 showed that it is the most frequently mentioned source of information about news and developments in education. Findings were very positive, with more than nine in ten respondents satisfied or very satisfied with the newspaper.

Major publications in 2004–05 included *Bringing Learning to Life*, an information handbook for parents, and the *TAFE Courses Directory 2006*. These publications are available at <www.det.vic.gov.au/parents/handbook> and <www.tafe.vic.gov.au> respectively.

The *Bringing Learning to Life* handbook is distributed to all parents of Prep and Year 7 students at the beginning of the school year, and is also distributed through child-care centres, public libraries and Information Victoria. The *TAFE Courses Directory* is distributed to careers teachers in schools, and to prospective post-compulsory education students on request through Information Victoria and at employment exhibitions.

In May 2005, the Department launched *Parent Update*, an electronic newsletter for parents. This publication provides information to parents and the broader community about initiatives in Victorian government school education. *Parent Update* is published eight times a year during school term. Parents and members of the broader Victorian community receive this free newsletter by subscription. At 30 June 2005, the Department had published two editions for 1250 subscribers.

The Department's Communications and Events Coordination Branch managed strategic events and a promotions program, including the School Sports Awards, VCE Awards, Education Week, Victorian Education Excellence Awards, TAFE Week, Victorian Training Awards, Literacy and Numeracy Week, and Adult Learners' Week.

At the commencement of 2005, the installation of new telephone software enabled the Department to provide a streamlined Information and Referral Service that integrates the previously existing services, Education Line and the TAFE Course Line. This enhanced service provides 24-hour access to recorded information about frequently sought information, for example school term dates for Victoria (2005–07) and for all other states, contact details for Department regional offices, and information about special education and training dates and events.

In addition, the service responds to telephone and email enquiries regarding a broad range of school and training issues, including school and Department policies and post-compulsory accredited and short courses conducted by TAFE institutes and private providers. The service is used by parents, students, school staff and other community members. During 2004–05, the Information and Referral Service assisted with 54,120 telephone and 5670 email enquiries. The service can be contacted on 188 089 834 or 03 9637 2222.

Services to Ministers and policy

External and inter-governmental relations

The Department supports Ministers and the Department's Executive in fulfilling their responsibilities across the portfolio, through Ministerial and Executive support functions, inter-agency relations, legal services and privacy administration.

Services provided include the coordination of briefings, correspondence, Community Cabinet, Parliamentary services, Cabinet and legislation, archives and records management, Freedom of Information and the Ombudsman. These areas provide the interface between the Department and the Ministers on day-to-day matters and ensure the Department's administrative support functions operate effectively.

The Department provides advice on portfolio policy and funding relationships with other Victorian Government departments, State jurisdictions and Commonwealth agencies. The Department supports the Minister for Education and Training, the Minister for Education Services and the Secretary as members of the Ministerial Council on Education, Employment, Training and Youth Affairs and the Australian Education Systems Officials Committee. It also provides advice to Commonwealth and State parliamentary enquiries and reviews on education and training policy.

Yearly management cycle

In 2004–05, major activities in the coordination of the Department's yearly management cycle included:

- replacing the initial priorities within the Corporate Plan 2003–06
- developing Office Strategic plans as well as Divisional and Regional Business plans
- implementing a strategic framework to improve business planning across the Department
- developing the Department's budget submissions, culminating in the 2005–06 State Budget
- evaluating major activities and programs within the Department
- preparing presentations and briefings to the Public Accounts and Estimates Committee of the Victorian Parliament
- managing the preparation of quarterly performance reports for the Expenditure Review Committee for the purpose of revenue certification
- managing the preparation of the portfolio annual reports for 2004–05
- supporting the operation of the statutory authorities.

Legislative Review

During 2004–05, a program commenced to review and update the legislative framework that underpins education and training delivery in Victoria. A discussion paper seeking community and stakeholder views on how new legislation might best meet contemporary needs and expectations of education and training was released in February 2005. The purpose of the discussion paper was to canvass views of the whole community – parents, teachers, education providers, principals, students and other education stakeholders.

The issues raised in the discussion paper included whether the legislation should acknowledge the right of students and parents to make choices about education and training; whether the public should have access to information about education and training institutions; whether the legislation should require education and training providers to deliver their teaching in a manner consistent with Australian democratic principles; whether the principles of free, compulsory and secular instruction in government schools be reaffirmed in the new legislation; whether a common regulatory regime for all schools be established to ensure high-quality student outcomes; and the roles and responsibilities of the education and training statutory authorities.

A large number of formal submissions were received in response to the discussion paper. Respondents included education stakeholders (school, training, higher education and statutory authority stakeholders), community organisations and private individuals. The outcomes of the Review, due to be released in September 2005, will be detailed in the 2005–06 annual report.

Outputs and performance measures

This section reports on achievement against the output and performance measures listed in the 2004–05 Budget Papers (Budget Paper no. 3, chapter 3). Outputs and performance measures are listed under the categories of compulsory years, post-compulsory years, services to students and portfolio management.

The education and training outputs are the primary mechanism through which the Government will achieve its key outcome: Valuing and investing in lifelong education.

These outputs will also make a significant contribution to the following key Government outcomes:

- growing and linking all of Victoria
- building cohesive communities and reducing inequalities
- promoting rights and respecting diversity.

All targets and results refer to the 2004 calendar year unless otherwise stated.

Compulsory years

These outputs involve the provision of education and associated services designed to improve the quality of student learning of those in P–Year 9 in government and non-government schools.

The compulsory years category comprises two outputs.

The early years output is concerned with developing the essential skills necessary for ongoing progress in education and providing learning experiences to engage young minds. Literacy and numeracy are foremost among the skills learnt during these foundation years.

The middle years of schooling is a fundamental stage of learning during which students, growing from childhood to adolescence, consolidate competency in literacy and numeracy, and their physical, social, emotional and intellectual development of early adolescence. It is also a stage when they attain a greater breadth of knowledge and learning, including extending their capacity for creative and critical thinking.

These outputs include development and management of education programs and curriculum.

Early years

This output involves provision of education and other associated services designed to improve the quality of student learning of those in Prep–Year 4 in government and non-government schools.

Performance Measure	Unit of measure	2004–05 Target	2004–05 Result	Comments
Quantity				
Additional principals accessing new leadership programs	per cent	8	10	
Average P–2 class size	number	21	20.9	
Average Years 3–6 class size	number	24.8	24.3	
Eligible students in regular schools receiving ESL support: primary	per cent	92.1	91.2	
Koorie Educators employed	number	15	13	All positions were filled but two vacancies arose as staff left. These vacancies have since been filled.
Koorie Home School Liaison Officers employed	number	6	5	All positions were filled but one vacancy arose as staff resigned. This vacancy has since been filled.

Performance Measure	Unit of measure	2004–05 Target	2004–05 Result	Comments
New-arrival students receiving intensive or targeted support: primary	number	1,150	1,172	
Non-government students receiving supplementary funding as percentage of all non-government school students	per cent	79	79	
Percentage of eligible after-hours ethnic schools provided with grants	per cent	100	100	
Percentage of schools with an early years numeracy coordinator	per cent	100	94.8	The result reflects the level of vacancies at the time of data collection as staff leave, retire or transfer to other positions.
Primary school welfare officers employed ^(a)	number	193	192	
Schools with a 1:5 or better computer to student ratio: primary ^(a)	per cent	95	87	The Government provides \$7 million annually in targeted funding for computer purchases. The impact of an additional one-off grant of \$7 million distributed to schools in June 2005 will show in the 2006 results.
Teachers and principals with a notebook computer: primary	per cent	95	90.4	
Teacher–student ratio: primary	ratio	1:16.3	1:16.2	
Year 1 cohort accessing one-to-one literacy intervention programs such as Reading Recovery	per cent	20	17.7	Schools may employ a range of literacy intervention programs to assist lower performing students. The result relates only to schools using the Reading Recovery intervention program.
Quality				
Parent satisfaction with primary schooling on a 100-point scale ^(b)	per cent	85	86	
Percentage of Year 3 Indigenous students reaching national benchmarks in numeracy	per cent	79	Not available	2004 national benchmark results have not yet been released.
Percentage of Year 3 Indigenous students reaching national benchmarks in reading	per cent	70	Not available	2004 national benchmark results have not yet been released.
Percentage of Year 3 students reaching national benchmarks in numeracy	per cent	95	Not available	2004 national benchmark results have not yet been released.
Percentage of Year 3 students reaching national benchmarks in reading	per cent	92	Not available	2004 national benchmark results have not yet been released.
Primary schools identified as performing at or above expected levels as identified in the triennial review process	per cent	93	95	
Student attainment at text level 1 at end of Prep in reading (metropolitan and non-metropolitan students) ^(c)	per cent	96	94.1	
Student attainment at text level 5 at end of Year 1 reading (metropolitan and non-metropolitan students) ^(d)	per cent	99.6	98.1	
Students in non-metropolitan regions achieving at text level 1 at end of Prep in reading ^(c)	per cent	96	95.6	

(a) 2004–05 financial year measure and result

(b) Data refers to 2003 calendar year.

(c) Students deemed as capable of reading previously unseen text with 90 per cent accuracy at text level 1.

(d) Students deemed as capable of reading previously unseen text with 90 per cent accuracy at text level 5.

Middle years

This output involves provision of education and other associated services designed to improve the quality of student learning of those in Years 5–9 in government and non-government schools.

Performance Measure	Unit of measure	2004–05 Target	2004–05 Result	Comments
Quantity				
Average rate of student attendance at Year 5	per cent	95	94	The Student Absence Day project found that the main reasons for absence were health related and parent choice, accounting for over 90 per cent of absence.
Average rate of student attendance at Year 6	per cent	95	93	The Student Absence Day project found that the main reasons for absence were health related and parent choice, accounting for over 90 per cent of absence.
Average rate of student attendance in Years 7–10	per cent	93	91	The Student Absence Day project found that the main reasons for absence were health related and parent choice, accounting for over 90 per cent of absence.
Eligible students in regular schools receiving ESL support: secondary	per cent	96	96	
New-arrival students receiving intensive or targeted support: secondary	number	882	913	
Schools with a 1:5 or better computer to student ratio: secondary ^(a)	per cent	95	80.3	The Government provides \$7 million annually in targeted funding for computer purchases. The impact of an additional one-off grant of \$7 million distributed to schools in June 2005 will show in the 2006 results.
Teachers and principals with a notebook computer: secondary	per cent	95	91	
Teacher–student ratio: secondary	ratio	1:12.1	1:12.0	
Years 7–10 English class sizes with less than 26 students	per cent	86	86.4	
Quality				
Parent satisfaction with secondary schooling on a 100-point scale ^(b)	per cent	75	79	
Percentage of Year 5 Indigenous students reaching national benchmarks in numeracy	per cent	82	Not available	2004 national benchmark results have not yet been released.
Percentage of Year 5 Indigenous students reaching national benchmarks in reading	per cent	73	Not available	2004 national benchmark results have not yet been released.
Percentage of Year 5 students reaching national benchmarks in numeracy	per cent	95	Not available	2004 national benchmark results have not yet been released.
Percentage of Year 5 students reaching national benchmarks in reading	per cent	92	Not available	2004 national benchmark results have not yet been released.
Percentage of Year 7 Restart students whose reading improved	per cent	75	67	This was a new measure in 2003-04. Target was set at 75% without the benefit of accurate performance data.
Percentage of Year 8 students assessed as 'consolidating' at CSF level 5 or above in English: Reading ^(c)	per cent	85	85	
Percentage of Year 8 students assessed as 'consolidating' at CSF level 5 or above in English: Writing ^(c)	per cent	85	84	
Percentage of Year 8 students assessed as 'consolidating' at CSF level 5 or above in Mathematics: Algebra ^(c)	per cent	82	83	
Percentage of Year 8 students assessed as 'consolidating' at CSF level 5 or above in Mathematics: Chance & Data ^(c)	per cent	83	83	
Secondary schools identified as performing at or above expected levels as identified in the triennial review process	per cent	90	92	
Years 5–9 students' opinion of the level of expectations their teachers have of them	Number (1–4)	3	3.1	
Years 5–9 students' opinion of the quality of instruction they receive	Number (1–4)	3	3.02	
Years 5–9 students' opinion of their connectedness with school	Number (1–5)	3.1	3.17	
Years 5–9 students' opinion of their motivation to learn	Number (1–5)	4	4.1	

(a) 2004–05 financial year measure and result

(b) Data refers to 2003 calendar year

(c) Results include percentage of students assessed as 'consolidating' or above.

Post-compulsory years

Post-compulsory years consist of four outputs. The later years output involves provision of education, training and other associated services designed to improve the quality of student learning of those in Years 10–12 in government and non-government schools. The priority during the later years of schooling is to provide young people with effective and varied pathways and support to secure their first formal qualification and to make a successful transition to further study, employment or a combination of both.

The training and further education output involves provision of training programs and support for students in TAFE institutes and other registered training organisations in accordance with Government priorities and in response to industry and community demands.

The ACE output involves provision of education and training in community settings and adult education institutions (including AMES and the CAE) in accordance with priorities set by Government and in response to local community demand.

The cross-sectoral output involves provision of integrated support across education and training sectors through organisational networks and linkages. It also involves support for students to make successful transitions between education and training sectors, for example through transition support such as pathway plans and monitoring of destination data.

Later years

This output involves provision of education and other associated services designed to improve the quality of student learning of those in Years 10–12 in government and non-government schools.

Performance Measure	Unit of measure	2004–05 Target	2004–05 Result	Comment
Quantity				
Annual student contact hours in VET in Schools programs ^(a)	number (million)	7.6	9.6	Result is greater than target due to increased student contact hours undertaken by enrolled students in the VET in Schools program.
Average number of VCE studies provided per school	number	27	30	
Number of providers offering the VCAL	number	300	322	
Number of student enrolments in the VCAL	number	6,500	8,125	
Student enrolments in VET in Schools certificate programs ^(a)	number	31,220	42,934	
Quality				
Average rate of student attendance in Years 11 and 12	per cent	93	91	The 91 per cent result does not mean that the level of truancy is at 9 per cent. The 9 per cent includes absence due to illness and being away on family holidays.
Enrolments in VET in Schools units as a proportion of total VCE unit enrolments ^(a)	per cent	5	6.9	
Median VCE study score	number	29	28	Result refers to government schools only.
Percentage of Year 10 students assessed as 'consolidating' at CSF level 6 or above in English: Reading ^(b)	per cent	81	83	
Percentage of Year 10 students assessed as 'consolidating' at CSF level 6 or above in English: Writing ^(b)	per cent	82	82	
Percentage of Year 10 students assessed as 'consolidating' at CSF level 6 or above in Mathematics: Algebra ^(b)	per cent	73	75	
Percentage of Year 10 students assessed as 'consolidating' at CSF level 6 or above in Mathematics: Chance & Data ^(b)	per cent	74	77	
Statewide rate of transition from Year 10 to Year 11	per cent	95.5	98.1	
Students continuing past Year 10 in the VCAL sites	per cent	90	97.4	
Students satisfactorily completing the VCAL	per cent	50	59.7	

Performance Measure	Unit of measure	2004–05 Target	2004–05 Result	Comment
VET in Schools students completing a qualification ^(a)	number	12,488	13,211	
VET in Schools students progressing to further education, training or work ^(a)	per cent	90	95	
Years 10–12 apparent retention rate (August census)	per cent	78	78	
Years 7–12 apparent retention rate (August census)	per cent	75	75	

(a) Government and non-government schools; VET in Schools covers VET and VCAL students undertaking vocational education and training as well as school-based new apprenticeships.

(b) Results include percentage of students assessed as 'consolidating' and above.

Training and further education

Provision of training and further education by TAFE institutes and other registered training organisations in accordance with priorities set by Government, industry and the community.

This output also includes a range of services to providers and the community to ensure and enhance the quality of the education and training places purchased.

Performance Measure	Unit of measure	2004–05 Target	2004–05 Result	Comment
Quantity				
Annual Government-funded module enrolments	number (million)	2.65	2.25	The average duration of modules continues to increase resulting in fewer module enrolments being made available.
Audit of contract compliance by registered training organisations and other State Training System organisations ^(a)	number	350	392	Each provider must be audited in their first year of operation. The high result for 2004–05 is due to a backlog of first year audits from 2003–04.
Government-funded student contact hours of training and further education provided	number (million)	69.83	72.99	
Government-funded student contact hours of training and further education provided to 15–24 year olds	number (million)	40	44	
Number of apprentices/trainees completions who qualify for the completion bonus ^(a)	number	7,670	11,252	Target and results exclude bonuses paid to not-for-profit Group Training Organisations. Target was exceeded due to higher than predicted numbers of apprentice and trainee completions. The target has been revised up to 12,700 for 2005–06.
Number of apprenticeship/ traineeship commencements by new employees ^(a)	number	64,325	58,939	Performance reflects recruitment decisions of employers.
Number of individuals assisted through the Skill Up program ^(a)	number	1,200	720	Access to Skill Up funding is approved as the need arises. The number of individuals assisted is determined by the extent of workplace closures and uptake by eligible retrenched workers. Due to current economic conditions and cycles, there was a lower level of uptake.
Number of people assisted by Parents Returning to Work grants ^(a)	number	2,475	2,475	
School-based apprentices/trainees in training. ^{(a) (b)}	number	1,800	3,200	High result due to successful promotion strategies and coordination initiative.
Quality				
Participation rate of 15–19-year-olds in training and further education in Victoria: non-metropolitan Victoria ^(c)	per cent	31.1	33.4	
Participation rate of 15–19-year-olds in training and further education in Victoria: all Victoria ^(c)	per cent	27.8	27.9	
Percentage of TAFE graduates who rate quality of training as 4 or more out of 5	per cent	65	83	
Persons aged 15–64 participating in TAFE programs as proportion of population	per cent	14.8	14.3	
Successful training completions as measured by module load pass rate	per cent	75.5	77.1	
TAFE graduates in employment six months following graduation	per cent	75	76	

(a) 2004–05 financial year measure and result

(b) Calendar year results to be reported from 2005–06 onwards to align with the school year.

(c) Excludes participation undertaken through ACE organisations and adult education institutions.

Adult and community education

Provision of education and training places and support for education for adults in community settings and adult education institutions (AMES and the CAE), in accordance with priorities established by the Government and regional

demand. This output also includes provision of a range of support services for providers, networks and the community to ensure and enhance the quality of the education and training places purchased.

Performance Measure	Unit of measure	2004–05 Target	2004–05 Result	Comment
Quantity				
Government-funded annual module enrolments – ACE organisations and adult education institutions	number	129,000	193,968	High result due to over-delivery (by providers) above contractual requirements.
Government-funded student contact hours of VET activity provided to 15–24-year-olds through ACE organisations and adult education institutions	number (million)	1.8	2.1	
Government-funded student contact hours of vocational education and training activity provided through ACE organisations and adult education institutions	number (million)	3.68	5.8	High result due to over-delivery (by providers) above contractual requirements.
Quality				
Persons aged 15 and over participating in adult community education as a proportion of the population	per cent	4.6	4.04	Increased levels of participation in longer duration courses contributed to the lower overall participation rate. This decrease in overall participation is consistent with national trends.
Student satisfaction with adult community education courses meeting overall needs ^(a)	per cent	80	86	
Successful completions as measured by module load completion rate in ACE organisations and adult education institutions	per cent	78.5	77.6	

(a) Survey instrument has changed for 2004–05 and results are not comparable with results published in previous annual reports.

Cross-sectoral

This output involves provision of integrated support across sectors (schools, TAFE and ACE) through organisational networks and linkages as well as pathway plans and monitoring of individual students.

Performance Measure	Unit of measure	2004–05 Target	2004–05 Result	Comments
Quantity				
LLEN strategic plans forwarded to and approved by the VLESC	per cent	100	100	
Quality				
ACE and adult education institution students funded through Youth Pathways program leaving adult community education who are tracked by a provider six months after exiting	per cent	100	100	
ACE and adult education institution students funded through Youth Pathways program with a MIPs plan	per cent	100	100	
Percentage of Year 10–12 school students provided with detailed (mail and phone) follow-up in the year after exit	per cent	68	69	

Performance Measure	Unit of measure	2004–05 Target	2004–05 Result	Comments
Percentage of Year 10–12 school students provided with initial (mail) follow-up in the year after exit	per cent	95	Not applicable	The On Track methodology for 2004 involved a telephone survey for initial follow-up, and so letters were not sent out.
Proportion of students leaving government schools after Year 9 but before completing Year 12 who were tracked by a school six months after exiting	per cent	60	78	
TAFE students funded through the Youth Pathways program leaving TAFE who are tracked by a provider six months after exiting	per cent	100	100	
TAFE students funded through the Youth Pathways program with a MIPs plan	per cent	100	100	
Timeliness				
Percentage of participating Year 10–12 school students provided with a detailed follow-up by June in the year after exit (six months after the school year completes)	per cent	90	89	

Services to students

This consists of one output that covers student welfare and support, services to students with disabilities, the Education Maintenance Allowance and student transport. It involves provision of:

- education services relating to student welfare, including drug education and mental health issues
- student support services in the area of student wellbeing including speech pathology, visiting teacher services for hearing, visually, health and physically impaired students, curriculum services and alternative programs
- education services for students with disabilities in regular and specialist schools
- payment of the Education Maintenance Allowance to eligible parents of school students up to the age of 16 years in government and non-government schools
- administration of student conveyance allowances and the transport of government and non-government school students, including those attending specialist schools.

Performance Measure	Unit of measure	2004–05 Target	2004–05 Result	Comments
Quantity				
Eligible special school students provided with appropriate travel	number	5,800	5,800	
Percentage of Victorian government schools meeting minimum requirements of the Framework for Student Support Services in Victorian government schools	per cent	not applicable	98	Target not advised as the framework was under review.
Regular schools with students with disabilities	per cent	89	91.6	
School students (government) supported by the conveyance allowance	number	11,500	11,938	
School students (non-government) supported by the conveyance allowance	number	28,000	28,772	
School students receiving the Education Maintenance Allowance	number	205,000	199,567	
Students funded under the disabilities program in government schools as a proportion of the total student population	per cent	3	3	

Performance Measure	Unit of measure	2004–05 Target	2004–05 Result	Comments
Quality				
Government schools who have completed an Individual School Drug Education strategy or an action plan as part of the review process	per cent	100	98	
Parent satisfaction with special education on a 100-point scale ^(a)	per cent	92	92	
Percentage of parents participating in drug education activities who believe they will be better able to address drug-related issues with their children	per cent	90	91	
Percentage of students who participated in an alternative program who, on completion of the program, are engaged in education, training or employment	per cent	90	90	
School satisfaction with student support services	per cent	82	91.5	
Timeliness				
Student transport payments made according to published schedule	per cent	100	100	

(a) Data refers to 2003 calendar year.

Portfolio management services

Portfolio management consists of two outputs.

The services to Ministers and policy output involves provision of policy, administrative support and strategy advice to the Ministers in relation to their parliamentary and legislative responsibilities. It includes provision of information services about education and training to the community, including dissemination of information through public promotions, telephone services, publications, and advertising services.

The Regulation output involves the provision of administrative support services for the statutory authorities in the education and training portfolio including the VCAA, the VLESC and the VQA, regulatory and advisory bodies and for higher education and international education. It includes:

- regulatory activities such as school registration by the Registered Schools Board
- the registration of providers to deliver accredited vocational education and training courses
- services to universities and higher education private providers such as endorsement and approval to deliver higher education courses
- services for international education including recruitment, assessment, student placement, registration, marketing, organisation of study tours, and international teacher and principal exchange programs.

Services to Ministers and policy

This output involves provision of policy, administrative and strategy advice to the Ministers (including parliamentary and legislative responsibilities).

Performance Measure	Unit of measure	2004–05 Target	2004–05 Result	Comments
Quantity				
Number of briefings provided following requests from the Ministers ^(a)	number	1,000	709	The result is dependent on requests for briefings and does not reflect poor performance by the Department.
Number of responses to items of correspondence provided for the Ministers' signatures ^(a)	number	1,380	1,138	The result is dependent on the amount of incoming correspondence requiring a response with the Ministers' signature and does not reflect poor performance by the Department.
Percentage of publications published online ^(a)	per cent	50	60	

Performance Measure	Unit of measure	2004–05 Target	2004–05 Result	Comments
Responses to telephone and email information queries ^(a)	number	60,000	59,790	
Quality				
Reader satisfaction with news publications ^(a)	per cent	95	97	
Timeliness				
Percentage of responses to items of Ministerial correspondence that are provided within 14 days ^(a)	per cent	100	76	Administrative processes are being improved. Enhancements resulted in a significant improvement in performance for the last three months of 2004–05, when the percentage of responses provided on time was 96 per cent.
Requirements documentation for student relationship management system and information systems architecture for schools completed ^(a)	date	June 2005	Completed on 20 June 2005	

(a) 2004–05 financial year measure and result

Regulation

This output involves provision of administrative support services for the various statutory authorities

including the VCAA, VLESC and VQA, regulation and advisory bodies, and for higher education and international education.

Performance Measure	Unit of measure	2004–05 Target	2004–05 Result	Comments
Quantity				
Overseas student study tour days into Victoria	number	12,500	11,350	Lower than expected growth is due to increased competition from other providers. The 2004–05 result represents an increase of about 15 per cent over 2003–04 results.
Overseas students recruited to study in Victorian government schools in the year	number	800	1025	
Proportion of costs met by revenue raised from delivery of adult international study tours into Victoria ^(a)	per cent	150	106	Increased competitor activity has resulted in lower than expected revenue and margins. However, programs have still maintained full cost recovery.
Proportion of costs met by revenue raised from delivery of international projects and programs ^(a)	per cent	80	123	The performance measure relates to the Department's participation in two overseas projects during 2004–05. The Department was able to provide the contracted services with reduced overheads, which resulted in a higher than expected surplus.
Teacher scholarships taken up ^{(a) (b)}	number	180	178	
Universities participating in cooperative arrangements in regional areas ^(a)	number	9	9	
Quality				
Direct costs of accrediting private providers recovered through fees ^(a)	per cent	100	100	
Private providers complying with quality standards ^(a)	per cent	100	100	
Recommendations of non-government school registration reviews approved by the Registered Schools Board	per cent	99	99	
Satisfaction of agents with overseas student programs/services offered	per cent	80	82.2	
Satisfaction of clients with services provided in relation to projects and programs	per cent	80	83	
Timeliness				
Private provider applications assessed within six months ^(a)	per cent	75	76	

(a) 2004–05 financial year measure and result

(b) Target and results for 2004–05 and onwards include scholarships provided to those involved in a career change.

Financial Report

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Statement of financial performance for the year ended 30 June 2005

	Notes	2005 \$'000	2004 \$'000
Revenue from ordinary activities			
Output appropriations	3	6,205,448	5,756,770
Special appropriations	3	483	285
Resources received free of charge	3	–	9
Other revenue and revenue from other parties	3	494,703	429,433
		6,700,634	6,186,497
Expenses from ordinary activities			
Employee benefits	5	(3,468,449)	(3,351,669)
Depreciation and amortisation	5	(224,572)	(209,156)
Grants and other payments to service providers	5	(1,141,951)	(1,063,523)
Resources provided free of charge or for nominal consideration	6	(1,734)	(1,748)
Capital asset charge	1(q)	(764,622)	(666,780)
Supplies and services	5	(924,077)	(862,497)
Borrowing costs	5	(127)	(11)
Other expenses from ordinary activities		(10,980)	(15,421)
		(6,536,512)	(6,170,805)
Net result for the reporting period	16(c)	164,122	15,692
Net increase in asset revaluation reserve	16(b)	392,161	991,196
Total changes in equity other than those resulting from transactions with Victorian State Government in its capacity as owner on behalf of the Crown	16(d)	556,283	1,006,888

The above statement of financial performance should be read in conjunction with the accompanying notes.

Statement of financial position as at 30 June 2005

	Notes	2005 \$'000	2004 \$'000
Current assets			
Cash assets	7	463,777	384,782
Receivables	8	371,907	262,450
Prepayments	9	8,095	11,671
Total current assets		843,779	658,903
Non-current assets			
Receivables	8	150,880	144,748
Other financial assets		11,300	6,820
Intangible assets	10	15,942	15,205
Property, plant and equipment	11	9,019,448	8,542,429
Total non-current assets		9,197,570	8,709,202
Total assets		10,041,349	9,368,105
Current liabilities			
Payables	12	236,879	239,395
Interest-bearing liabilities	13	1,343	226
Provisions	14	140,984	132,196
Other	15	16,371	11,107
Total current liabilities		395,577	382,924
Non-current liabilities			
Interest-bearing liabilities	13	2,200	779
Provisions	14	766,306	728,248
Total non-current liabilities		768,506	729,027
Total liabilities		1,164,083	1,111,951
Net assets		8,877,266	8,256,154
Equity			
Contributed capital	16(a)	4,706,289	4,641,462
Reserves	16(b)	3,696,612	3,304,451
Accumulated surplus	16(c)	474,365	310,241
Total equity	16(d)	8,877,266	8,256,154
Contingent liabilities and contingent assets	21	15,303	15,761
Commitments for expenditure	22	233,262	344,704

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

Statement of cash flows

for the year ended 30 June 2005

	Notes	2005 \$'000	2004 \$'000
Cash flows from operating activities			
Receipts from Government		6,095,606	5,698,717
Receipts from other entities		470,223	413,731
Payments to suppliers and employees		(5,536,934)	(5,295,144)
Goods and Services Tax recovered from the ATO		77,141	107,939
Interest received		24,261	20,026
Capital asset charge		(764,622)	(666,780)
Net cash inflow from operating activities	26	365,675	278,489
Cash flows from investing activities			
Payments for property, plant and equipment		(352,760)	(356,972)
Movement of investments		(4,480)	(445)
Proceeds from sale of property, plant and equipment		3,193	2,320
Net cash (outflow) from investing activities		(354,047)	(355,097)
Cash flows from financing activities			
Capital contributions from owner		64,827	59,774
Finance lease repayments		(51)	(24)
Finance lease receipts		2,591	–
Net cash inflow from financing activities		67,367	59,750
Net increase (decrease) in cash held		78,995	(16,858)
Cash at the beginning of the financial year		384,782	401,640
Cash at the end of the financial year	7	463,777	384,782

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

Notes to and forming part of the financial statements for the year ended 30 June 2005

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NOTE 1 Summary of significant accounting policies

This general-purpose financial report has been prepared in accordance with the *Financial Management Act 1994*, Australian accounting standards, Statements of Accounting Concepts and other authoritative pronouncements of the Australian Accounting Standards Board, and Urgent Issues Group Consensus Views.

The financial report is prepared in accordance with the historical cost convention except for certain assets and liabilities, which, as noted are reported at valuation. The accounting policies adopted, and the classification and presentation of items, are consistent with those of the previous year, except where a change is required to comply with an Australian accounting standard or Urgent Issues Group Consensus View, or an alternative accounting policy permitted by an Australian accounting standard is adopted to improve the relevance and reliability of the financial report. Where practicable, comparative amounts are presented and classified on a basis consistent with the current year.

The financial report includes all transactions of the state's 1617 primary and secondary schools. All transactions between the Department and schools have been eliminated as required by Australian accounting standards.

The accrual basis of accounting has been applied except to the extent that schools operate on a cash basis. The schools' balances for cash, investments, creditors and operating leases incorporated into these financial statements are those held by them as at 31 December 2004.

(a) Reporting entity

The financial statements include all the controlled activities of the Department.

Administered resources

The Department administers but does not control certain resources on behalf of the Victorian Government. It is accountable for the transactions involving those administered resources, but does

not have the discretion to deploy the resources for achievement of the Department's objectives. Such administered transactions include Commonwealth funds on-passed by the Department to Victorian non-government schools. The accrual basis of accounting has been used in the reporting and recognition of the administered resources.

Transactions and balances relating to these administered resources are not recognised as Departmental revenues, expenses, assets or liabilities within the body of the financial statements but are disclosed in note 24.

Victorian Government

The Department has received monies in a trustee capacity for various trusts including prizes and scholarships. As the Department performs only a custodial role in respect of these monies and because the monies cannot be used for achievement of the Department's objectives, they are not recognised in the statement of financial performance and statement of financial position of the Department. The transaction balances are reported in note 24.

Administrative changes

There were no administrative changes during 2004/05.

(b) Objectives and funding

The objectives of the Department of Education & Training are to:

- increase learner participation, engagement and achievement
- expand options and pathways in education and training
- strengthen the quality of delivery to clients
- strengthen a culture of working together
- develop services in response to community and industry priorities
- maintain sound financial management.

The Department provides support and advisory services to the Minister for Education and Training

and the Minister for Education Services, as well as a number of statutory bodies. The Department is predominantly funded by accrual-based parliamentary appropriations for the provision of outputs.

(c) Outputs of the Department

Information about the Department's output activities and the expenses, revenues, assets and liabilities which are reliably attributable to those output activities is set out in the Departmental Outputs Schedule, which has changed this reporting period. Due to system constraints, comparatives under the new reporting structure have not been recast, the 2003–04 comparative is shown in the previous output reporting structure (note 2). Information about expenses, revenues, assets and liabilities administered by the Department are given in the Schedule of Administered Items (note 24).

(d) Revenue recognition

All revenue received by the Department is generally required to be paid into the Consolidated Fund.

Revenue becomes controlled by the Department when it is appropriated from the Consolidated Fund by the Victorian Parliament and applied to the purposes defined under the relevant Appropriation Act. Additionally, the Department is permitted under section 29 of the *Financial Management Act 1994* to have certain receipts annotated to the annual appropriation. The receipts, which form part of a section 29 agreement, are received by the Department and paid into the Consolidated Fund as administered revenue (note 24). At that point, section 29 provides for an equivalent amount to be added to the annual appropriation. In respect to revenue from the provision of outputs, Commonwealth grants and sales of non-current physical assets, the Department may be permitted under section 29 of the *Financial Management Act 1994* to have this revenue initially paid into the Consolidated Fund, and an equivalent amount is provided by appropriation. In these instances the revenue 'received' by the Department is administered and disclosed in note 24.

Revenue is recognised for each of the Department's major activities as follows:

Output revenue

Revenue from the outputs the Department provides to Government is recognised when those outputs have been delivered and the Treasurer has certified delivery of those outputs in accordance with specified performance criteria.

Commonwealth grants

Grants payable by the Commonwealth are recognised as revenue when the Department gains control of the underlying assets. Where grants are reciprocal, revenue is recognised as performance occurs under the grant. Non-reciprocal grants are recognised as revenue when the grant is received or receivable. Conditional grants may be reciprocal or non-reciprocal depending on the terms of the grant.

Contributions

Contributions of services and non-current assets are recognised at their fair value when the Department obtains control over these resources.

Other revenue

Other revenue items are recognised as they are earned. Interest revenues are recognised as they accrue.

All other amounts of revenue over which the Department does not gain control are disclosed as administered revenue in the schedule of Administered Items (note 24).

(e) Acquisitions of assets

The cost method of accounting is used for all acquisitions of assets. Cost is measured as the fair value of the assets given up or liabilities undertaken at the date of acquisition plus incidental costs directly attributable to the acquisition. Assets acquired at no cost, or for nominal consideration, are initially recognised at their fair value at the date of acquisition.

(f) Cash

For purposes of the statement of cash flows, cash includes short-term deposits, which are readily convertible to cash on hand and are subject to an insignificant risk of changes in value, net of outstanding cheques yet to be presented by the Department's suppliers and creditors (note 7).

(g) Receivables

All debtors are recognised at the amounts receivable, as they are due for settlement at no more than 30 days from the date of recognition.

Collectability of debtors is reviewed on an ongoing basis. Debts known to be uncollectible are written off. A provision for doubtful debts is raised when some doubt as to collection exists.

(h) Revaluations of non-current assets

Subsequent to the initial recognition as assets, non-current physical assets, other than plant and equipment are measured at fair value. Plant and equipment are measured at cost. The Office of the Valuer-General undertook a full valuation of all the Department's land and buildings, including Crown land controlled by the Department, as at 30 June 1997. Land and buildings will be revalued on a progressive three-year cycle in accordance with the Victorian Government Policy *Revaluation of Non-current Physical Assets*. Revaluations are made with sufficient regularity to ensure that the carrying amount of each asset does not differ materially from its fair value at the reporting date. However where movements within the classes of assets are material, the entire class of assets are subject to detailed revaluation. The assets to be revalued in each year of the progressive revaluation period will be based on a similar percentage of the total value of the class prior to revaluation. This approach is based on the carrying amount of the class to be equally proportioned over the period of the progressive revaluation.

In the current year, 610 school sites were subject to a detailed valuation based on movements of relevant indices and rates which has been booked at Secretary's valuation (2003–04: 961 school sites) (refer note 11). Land not subject to detailed valuation is adjusted annually using indices provided by the Office of the Valuer-General.

Revaluation increments are credited directly to the asset revaluation reserve, except that, to the extent that an increment reverses a revaluation decrement in respect of that class of asset previously recognised as an expense in the net result, the increment is recognised immediately as revenue in the net result. Revaluation decrements are recognised immediately as expenses in the net result, except that, to the extent that a credit balance exists in the asset revaluation reserve in respect of the same class of assets, they are debited directly to the asset revaluation reserve. Revaluation increments and decrements are offset against one another within a class of non-current assets.

(i) Depreciation of property, plant and equipment

Depreciation is calculated on a straight-line basis to write off the net cost of each item of property, plant and equipment (excluding land and work-in-progress) over its expected useful life to the Department. Estimates of the remaining useful lives for all assets are reviewed at least annually. The expected useful lives for the financial years ended 30 June 2005 and 30 June 2004 and depreciation rates are as follows:

	Useful life Years	2005 %	2004 %
Buildings – permanent	60	1.7	1.7
Buildings – relocatable and other improvements	40	2.5	2.5
Plant and equipment	3–33	5–33	5–33

Where items of plant and equipment have separately identifiable components, which are subject to regular replacement, those components are assigned useful lives distinct from the item of plant and equipment to which they relate.

(j) Other financial assets – investments

Investments are recognised at cost. Where there has been a permanent diminution in the value of any individual investment, a provision for diminution in value is made. Interest revenues are recognised as they accrue.

(k) Leased non-current assets

A distinction is made between finance leases, which effectively transfer from the lessor to the lessee substantially all the risks and benefits incidental to ownership of leased non-current assets, and operating leases under which the lessor effectively retains substantially all such risks and benefits.

Finance leases are capitalised. A lease asset and liability are established at the present value of minimum lease payments. Lease payments are allocated between the principal component of the lease liability and the interest expense.

The lease asset is amortised on a straight-line basis over the term of the lease, or where it is likely that the Department will obtain ownership of the asset, the expected useful life of the asset to the Department. Lease assets held at the reporting date are being amortised over five years.

Incentives received on entering into operating leases are recognised as liabilities. Lease payments are allocated between interest (calculated by applying the interest rate implicit in the lease to the outstanding amount of the liability), rental expense and reduction of the liability.

The present value of future payments for surplus leased space under non-cancellable operating leases is recognised as a liability, net of sub-leasing revenue, in the period in which it is determined that the leased space will be of no future benefit to the entity. Each lease payment is allocated between the liability and finance charge.

Other operating lease payments are charged to the statement of financial performance in the periods in which they are incurred, as this represents the pattern of benefits derived from the leased assets.

(l) Restrictive nature of cultural and heritage assets and Crown land

During the reporting period, the Department may hold cultural assets, heritage assets and Crown land. Cultural and heritage assets are held for exhibition, education, research and/or historical interest.

Such assets, including Crown land, are deemed worthy of preservation because of the social rather than financial benefits they provide to the community. The nature of these assets means that there are certain limitations and restrictions imposed on their use and/or disposal.

(m) Leasehold improvements

The cost of improvements to or on leasehold properties is amortised over the unexpired period of the lease or the estimated useful life of the improvement to the Department, whichever is the shorter. Leasehold improvements held at the reporting date are being amortised over ten years at a rate of 10%.

(n) Trade and other creditors

These amounts represent liabilities for goods and services provided to the Department prior to the end of the financial year and which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition.

(o) Employee benefits

(i) **Wages, salaries and annual leave**

Liabilities for wages and salaries, including non-monetary benefits, annual leave expected to be settled within 12 months of the reporting date are recognised in respect of employees' services up to the reporting date and are measured as the amounts expected to be paid when the liabilities are settled. Liabilities for non-accumulating sick leave are recognised when the leave is taken and measured at the rates paid or payable.

(ii) Long-service leave

The liability for long-service leave expected to be settled within 12 months of the reporting date, is recognised as a current liability and is measured in accordance with (i) above. The liability for long-service leave expected to be settled more than 12 months from the reporting date is recognised in the provision for employee benefits and is measured at the present value of expected future payments to be made in respect of services provided by employees up to the reporting date. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using interest rates on national Government-guaranteed securities with terms to maturity that match, as closely as possible, the estimated future cash outflows.

(iii) Superannuation

The amount charged to the statement of financial performance in respect of superannuation represents the contributions by the Department to the superannuation funds (note 23).

(iv) Termination benefits

Liabilities for termination benefits are recognised when a detailed plan for the terminations has been developed and a valid expectation has been raised in those employees affected that the terminations will be carried out. The liabilities for termination benefits are recognised in other creditors unless the amount or timing of the payments is uncertain, in which case they are recognised as a provision.

Liabilities for termination benefits expected to be settled within 12 months are measured at the amounts expected to be paid when they are settled. Amounts expected to be settled more than 12 months from the reporting date are measured as the estimated cash outflows, discounted using interest rates on national Government-guaranteed securities with terms to maturity that match, as closely as possible, the estimated future cash outflows.

(v) Employee benefit on-costs

Employee benefit on-costs, including payroll tax, are recognised and included in employee benefit liabilities and costs when the employee benefits to which they relate are recognised as liabilities.

(p) Goods and Services Tax

Revenues, expenses and assets are recognised net of GST except where the amount of GST incurred is not recoverable, in which case it is recognised as part of the cost of acquisition of an asset or part of an item of expense. The net amount of GST recoverable from, or payable to, the Australian Taxation Office (ATO) is included as part of receivables or payables in the statement of financial position. The GST component of a receipt or payment is recognised on a gross basis in the statement of cash flows in accordance with Australian Accounting Standard AAS 28 'Statement of Cash Flows'.

(q) Capital asset charge

The capital asset charge is imposed by the Department of Treasury and Finance and represents the opportunity cost of capital invested in the non-current physical assets used in the provision of outputs. For the 2004–05 financial year, the basis of the charge is 8% of the budgeted estimate of the carrying amount of controlled non-current physical assets as approved by the Department of Treasury and Finance.

(r) Resources provided and received free of charge or for nominal consideration

Contributions of resources and resources provided free of charge or for nominal consideration are recognised at their fair value. Contributions in the form of services are only recognised when a fair value can be reliably determined and the services would have been purchased if not donated.

(s) Contributed capital

Consistent with Urgent Issues Group Abstract 38, *Contributions by Owners Made to Wholly-Owned Public Sector Entities* appropriations for additions to net assets have been designated as contributed capital. Other transfers that are in the nature of contributions or distributions have also been designated as contributed capital.

(t) Maintenance and repairs

Property, plant and equipment is managed as part of an ongoing maintenance program. The costs of this maintenance are charged as expenses as incurred, except where they relate to the replacement of a component of an asset, in which case the costs are capitalised and depreciated in accordance with note 1(i). Other routine operating maintenance, repair costs and minor renewals are also charged as expenses as incurred.

(u) Intangible assets and expenditure carried forward

(i) Software

Significant costs associated with the acquisition or development of computer software are capitalised and amortised on a straight-line basis over the periods of the expected benefit, which varies from three to five years. Software costs not capitalised are charged as expenses in the period in which they are incurred.

(ii) Website costs

Costs in relation to websites controlled by the Department are charged as expenses in the period in which they are incurred unless they relate to the acquisition of an asset, in which case they are capitalised and amortised over their period of expected benefit. Generally, costs in relation to feasibility studies during the planning phase of a website, and ongoing costs of maintenance during the operating phase are considered to be expenses. Costs incurred in

building or enhancing a website, to the extent that they represent probable future economic benefits controlled by the Department that can be reliably measured are capitalised as an asset and amortised over the period of the expected benefits, which vary from three to five years.

(v) Rounding of amounts

Amounts in the financial report have been rounded to the nearest thousand dollars or in other cases, to the nearest dollar.

(w) The impacts of adopting AASB equivalents to IASB standards

For interim and annual reporting periods ending on or after 30 June 2004, AASB 1047 *Disclosing the Impacts of Adopting AASB Equivalents to International Financial Reporting Standards (IFRS)* requires an explanation of how the transition process is being managed and a narrative explanation of the key differences in accounting policies that are expected to arise from the adoption of Australian equivalents to IFRS. Refer to note 31 for further details.

(x) Interest-bearing liabilities

Loans are carried at historical cost. Interest is accrued over the period it becomes due and is recorded as part of other creditors.

(y) Borrowing costs

Borrowing costs are recognised as an expense in the period in which they are incurred, except where they are included in the costs of qualifying assets. For this reporting period, borrowing costs consist of finance lease charges only.

NOTE 2 Departmental outputs

Compulsory years

These outputs involve the provision of education and associated services designed to improve the quality of student learning of those in Prep–Year 9 in government and non-government schools. It comprises two outputs.

The ‘early years’ is concerned with developing the essential skills necessary for ongoing progress in education and providing learning experiences to engage young minds. Literacy and numeracy are foremost among the skills learnt during these foundation years.

The ‘middle years’ of schooling is a fundamental stage of learning where students growing from childhood to adolescence consolidate competency in literacy and numeracy, and their physical, social, emotional and intellectual development of early adolescence. It is also a stage when they attain a greater breadth of knowledge and learning, including extending their capacity for creative and critical thinking.

These outputs include development and management of education programs and curriculum.

The compulsory years outputs, along with other education and training outputs, are the primary mechanism through which the Government will achieve its key outcome: valuing and investing in lifelong education. These outputs will also make a significant contribution to the following key Government outcomes:

- growing and linking all of Victoria
- building cohesive communities and reducing inequalities
- promoting rights and respecting diversity.

Post-compulsory years

Post-compulsory years consists of four outputs.

The later years output involves provision of education, training and other associated services

designed to improve the quality of student learning of those in Years 10–12 in government and non-government schools. The priority during the later years of schooling is to provide young people with effective and varied pathways and support to secure their first formal qualification and to make a successful transition to further study, employment or a combination of both.

The training and further education (TAFE) output involves provision of training programs and support for students in TAFE institutes and other registered training organisations in accordance with Government priorities and in response to industry and community demands.

The adult community education output involves provision of education and training in community settings and adult education institutions (including Adult Multicultural Education Services and the CAE) in accordance with priorities set by Government and in response to local community demand.

The cross-sectoral output involves provision of integrated support across education and training sectors through organisational networks and linkages. It also involves support for students to make successful transitions between education and training sectors, for example through transition support such as pathway plans and monitoring of destination data.

The post-compulsory years outputs, along with other education and training outputs, are the primary mechanism through which the Government will achieve its key outcome: valuing and investing in lifelong education. These outputs will also make a significant contribution to the following key Government outcomes:

- growing and linking all of Victoria
- building cohesive communities and reducing inequalities
- promoting rights and respecting diversity.

Services to students

This consists of one output which covers student welfare and support, services to students with disabilities, the Education Maintenance Allowance and student transport. It involves provision of:

- education services relating to student welfare, including drug education and mental health issues
- student support services in the area of student wellbeing including speech pathology, visiting teacher services for hearing, visually, health and physically impaired students, curriculum services and alternative programs
- education services to students with disabilities in regular and specialist schools
- payment of the Education Maintenance Allowance to eligible parents of school students up to the age of 16 years in government and non-government schools
- administration of student conveyance allowances and the transport of government and non-government school students, including those attending specialist schools.

The services to students output, along with other education and training outputs, is a primary mechanism through which the Government will achieve its key outcome: valuing and investing in lifelong education. These output classifications will also make a significant contribution to the following key Government outcomes:

- growing and linking all of Victoria
- building cohesive communities and reducing inequalities
- promoting rights and respecting diversity.

Portfolio management services

Portfolio management services consist of two outputs. The services to Ministers and policy output involves provision of policy, administrative support and strategy advice to the Ministers in relation to their parliamentary and legislative responsibilities. It includes provision of information services about education and training to the community, including dissemination of information through public promotions, telephone services, publications, and advertising services.

The regulation output involves the provision of administrative support services for the statutory authorities in the education and training portfolio including the Victorian Curriculum and Assessment Authority, the Victorian Learning and Employment Skills Commission and the Victorian Qualifications Authority, regulatory and advisory bodies and for higher education and international education. It includes:

- regulatory activities such as school registration by the Registered Schools Board
- the registration of providers to deliver accredited vocational education and training courses
- services to universities and higher education private providers such as endorsement and approval to deliver higher education courses
- services for international education including recruitment, assessment, student placement, registration, marketing, organisation of study tours, international teacher and principal exchange programs.

The portfolio management outputs, along with other education and training outputs, are the primary mechanism through which the Government will achieve its key outcome: valuing and investing in lifelong education. These outputs will also make a significant contribution to the following key Government outcomes:

- growing and linking all of Victoria
- building cohesive communities and reducing inequalities
- promoting rights and respecting diversity.

Departmental outputs schedule – controlled revenue and expenses for the year ended 30 June 2005

	Compulsory years	Post-compulsory years	Services to students	Portfolio management services	Departmental total
	2005 \$'000	2005 \$'000	2005 \$'000	2005 \$'000	2005 \$'000
Revenue					
Output appropriations	3,615,965	2,054,215	496,668	38,600	6,205,448
Special appropriations	330	109	44	–	483
Resources received free of charge or for nominal consideration	–	–	–	–	–
Revenue from other parties	313,198	148,551	22,808	10,146	494,703
Total revenue	3,929,493	2,202,875	519,520	48,746	6,700,634
Expenses					
Employee benefits	(2,425,290)	(744,851)	(284,590)	(13,718)	(3,468,449)
Depreciation and amortisation	(161,287)	(50,969)	(12,213)	(103)	(224,572)
Grants and other payments to other service providers	(288,893)	(764,955)	(70,841)	(17,262)	(1,141,951)
Resources provided free of charge or for nominal consideration	(1,145)	(427)	(150)	(12)	(1,734)
Capital asset charge	(435,674)	(295,939)	(32,879)	(130)	(764,622)
Supplies and services	(563,697)	(237,480)	(110,497)	(12,403)	(924,077)
Other expenses from ordinary activities	(6,459)	(2,712)	(1,178)	(631)	(10,980)
Borrowing costs	(84)	(31)	(11)	(1)	(127)
Total expenses	(3,882,529)	(2,097,364)	(512,359)	(44,260)	(6,536,512)
Net result for the reporting period	46,964	105,511	7,161	4,486	164,122
Net increase in asset revaluation reserve	275,305	84,551	32,305	–	392,161
Total changes in equity other than those resulting from contributions of Victorian State Government as owner	322,269	190,062	39,466	4,486	556,283

Departmental outputs schedule – assets and liabilities as at 30 June 2005

	Compulsory years	Post-compulsory years	Services to students	Portfolio management services	Departmental total
	2005 \$'000	2005 \$'000	2005 \$'000	2005 \$'000	2005 \$'000
Assets and liabilities					
Assets					
Current assets	590,975	181,499	69,347	1,958	843,779
Non-current assets	6,351,076	2,101,133	745,252	109	9,197,570
Total assets	6,942,051	2,282,632	814,599	2,067	10,041,349
Liabilities					
Current liabilities	276,616	84,954	32,459	1,548	395,577
Non-current liabilities	537,372	165,037	63,057	3,040	768,506
Total liabilities	813,988	249,991	95,516	4,588	1,164,083
Net assets/(liabilities)	6,128,063	2,032,641	719,083	(2,758)	8,877,266

Departmental outputs schedule – controlled revenue and expenses for the year ended 30 June 2004

	School education	Training and tertiary education	Policy, strategy and information services	Departmental total
	2004 \$'000	2004 \$'000	2004 \$'000	2004 \$'000
Revenue				
Output appropriations	4,918,202	812,418	26,150	5,756,770
Special appropriations	285	–	–	285
Resources received free of charge or for nominal consideration	9	–	–	9
Revenue from other parties	418,448	–	10,985	429,433
Total revenue	5,336,944	812,418	37,135	6,186,497
Expenses				
Employee benefits	(3,337,165)	(1,566)	(12,938)	(3,351,669)
Depreciation and amortisation	(209,126)	–	(30)	(209,156)
Grants and other payments to service providers	(429,215)	(623,356)	(10,952)	(1,063,523)
Resources provided free of charge or for nominal consideration	(1,695)	(41)	(12)	(1,748)
Capital asset charge	(478,026)	(188,647)	(107)	(666,780)
Supplies and services	(852,885)	(1,264)	(8,348)	(862,497)
Other expenses from ordinary activities	(14,594)	(49)	(779)	(15,421)
Borrowing costs	(11)	–	–	(11)
Total expenses	(5,322,718)	(814,923)	(33,166)	(6,170,805)
Net result for the reporting period	14,226	(2,503)	3,969	15,692
Net increase in asset revaluation reserve	991,196	–	–	991,196
Adjustment to accumulated surplus	–	–	–	–
Total changes in equity other than those resulting from transactions with Victorian State Government in its capacity as owner	1,005,422	(2,503)	3,969	1,006,888

Departmental outputs schedule – assets and liabilities as at 30 June 2004

	School education	Training and tertiary education	Policy, strategy and information services	Departmental total
	2004 \$'000	2004 \$'000	2004 \$'000	2004 \$'000
Assets and liabilities				
Assets				
Current assets	512,269	71	1,986	514,326
Non-current assets	8,708,546	144,647	585	8,853,778
Total assets	9,220,815	144,718	2,571	9,368,104
Liabilities				
Current liabilities	(381,267)	(179)	(1,478)	(382,924)
Non-current liabilities	(725,871)	(341)	(2,814)	(729,026)
Total liabilities	(1,107,138)	(520)	(4,292)	(1,111,951)
Net assets/(liabilities)	8,113,677	144,198	(1,721)	8,256,154

NOTE 3 Revenue

Revenue by source	Operating		Non-operating	
	2005 \$'000	2004 \$'000	2005 \$'000	2004 \$'000
(a) Revenue from Government				
Output appropriations	6,205,448	5,756,770	-	-
Special appropriations	483	285	-	-
Resources received free of charge or for nominal consideration	-	9	-	-
	6,205,931	5,757,064	-	-
(b) Revenue from other parties				
Schools revenue	405,716	349,323	3,193	2,320
Provision of services	2,853	2,756	-	-
Interest	-	-	24,261	20,026
Other revenue	58,680	55,008	-	-
	467,249	407,087	27,454	22,346
Total revenue	6,673,180	6,164,151	27,454	22,346

NOTE 4 Summary of compliance with annual parliamentary appropriations

(a) Summary of compliance with annual parliamentary appropriations

The following table discloses the details of the various parliamentary 'Additions to net assets' are disclosed as 'controlled' activities of the Department. Appropriations received by the Department for the year. In accordance with Administered transactions are those that are undertaken on behalf of the state over accrual output-based management procedures 'Provision of outputs' and which the Department has no control or discretion.

	Financial Management Act 1994												Variance (\$'000)					
	Appropriation Act						Section 35 advances (\$'000)											
	Annual appropriation (\$'000)	Advance from Treasurer (\$'000)		Section 3(2) (\$'000)		Section 29 (\$'000)		Section 30 (\$'000)		Section 32 (\$'000)		Section 35 advances (\$'000)		Total parliamentary authority (\$'000)	Appropriations applied (\$'000)			
2005	2004	2005	2004	2005	2004	2005	2004	2005	2004	2005	2004	2005	2004	2005	2004	2005	2004	
Controlled																		
Provision of outputs	5,995,560	5,631,305	135,048	17,450	-	50,865	89,172	82,466	-	27,213	1,897	-	6,246,993	5,783,983	6,205,448	5,756,770	41,545*	27,213
Additions to net assets	-	-	-	-	-	-	74,912	59,774	-	-	-	3,000	77,912	59,774	73,674	59,774	4,238*	-
Administered																		
Payments made on behalf of the State	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total	5,995,560	5,631,305	135,048	17,450	-	50,865	164,084	142,240	-	27,213	1,897	3,000	6,324,905	5,843,757	6,279,122	5,816,544	45,783	27,213

* The variance of \$41,545,000 represents carry-over for the provision of outputs of \$35,662,000 and carry-over of additional Section 29 output funding of \$7,252,000. It also included administrative variations totalling \$1,386,000 to appropriations applied during 2004-05. The variance of \$4,238,000 primarily represents carry-over Section 29 assets.

(b) Summary of compliance with special appropriations

Authority	Purpose	Appropriations applied	
		2005 \$'000	2004 \$'000
Section 34 of the Education Act 1958	Volunteers workers compensation	483	238
	Total	483	238

NOTE 5 Result from ordinary activities

Result from ordinary activities includes the following specific net gains and expenses.

	2005 \$'000	2004 \$'000
Net gains		
Consideration from disposal of assets	3,193	2,320
Carrying amount	(9,557)	(19,693)
	(6,364)	(17,373)
Expenses		
Employee benefits		
Salary and wages – Departmental employees	2,602,875	2,529,679
Salary and wages – staff employed by school councils	167,899	157,473
Superannuation	295,541	288,275
Annual leave and long-service leave expense	193,568	168,375
Other on-costs (FBT, payroll tax and WorkCover levy)	208,566	207,867
Total employee benefits	3,468,449	3,351,669
Depreciation		
Buildings	107,467	101,532
Plant and equipment	109,111	96,003
Total depreciation	216,578	197,535
Amortisation		
Plant and leasehold Improvements	857	696
Software	7,137	10,925
Total amortisation	7,994	11,621
Total depreciation and amortisation	224,572	209,156
Grants and other payments		
Grants to Victorian Curriculum and Assessment Authority	40,050	29,730
Grants to Victorian Learning and Employment Skills Commission	620,516	591,688
Grants to Victorian Qualifications Authority	3,807	3,859
Grants to Victorian Institute of Teaching	1,167	1,141
Grants to Adult Community and Further Education Board	32,875	30,198
Grants to non-government schools		
• Primary	128,151	114,278
• Secondary	179,871	161,958
• Other	12,064	23,011
Grants to external organisations	77,392	71,451
Conveyance and Education Maintenance Allowance payments	46,058	36,209
Total grants and other payments	1,141,951	1,063,523
Other charges against assets		
Bad and doubtful debts – debtors	(392)	1,645
Supplies and services		
Administration	90,003	79,670
Maintenance	249,310	190,495
School requisites, TAFE institutes and Victorian Curriculum and Assessment Authority	534,233	527,085
Other	9,478	19,866
	883,024	817,116
Rental expense relating to operating leases		
Minimum lease payments	41,053	45,381
Total supplies and services	924,077	862,497
Borrowing costs		
Finance lease interest	127	11

NOTE 6 Resources provided free of charge or for nominal consideration

	2005 \$'000	2004 \$'000
Victorian Curriculum and Assessment Authority		
Rent provided free of charge at 1 Railway Parade, Camberwell and 41 St Andrews Place, East Melbourne	1,734	1,748
Total resources provided free of charge or for nominal consideration	1,734	1,748

NOTE 7 Cash assets

	2005 \$'000	2004 \$'000
Amounts held by schools*	408,501	351,812
Departmental operating bank accounts in trust (note 30)	52,254	52,081
Other operating bank accounts	3,022	(19,111)
Total cash	463,777	384,782
The above figures are reconciled to cash at the end of the financial year as shown in the statement of cash flows as follows:		
Balances as above	463,777	384,782
Balances per statement of cash flows	463,777	384,782

* The schools cash and investments balances for 2004–05 are held by the Department's schools across Victoria and are reported as at 31 December 2004. The balances for 2003–04 were balances held by schools as at 31 December 2003.

Cash at bank

Due to the state of Victoria's investment policy and government funding arrangements, government departments generally do not hold a large cash reserve in their bank accounts. Cash received by a department from the generation of revenue is generally paid into the state's bank account, known as the Public Account. Similarly, any departmental expenditure, including those in the form of cheques drawn by the department for the payment of goods and services to its suppliers and creditors are made via the Public Account.

The process is such that, the Public Account would remit to the department the cash required for the amount drawn on the cheques. This remittance by the Public Account occurs upon the presentation of the cheques by the department's suppliers or creditors.

Amounts held by schools include term investments for one year or less of \$80,457,367 (\$82,120,803 in 2004).

NOTE 8 Receivables

	2005 \$'000	2004 \$'000
Current		
Amounts owing from the Victorian Government	340,744	237,965
GST receivable	21,312	21,074
WorkCover	1,391	1,976
Other debtors	10,100	3,507
	373,547	264,522
Less: Provision for doubtful debts	(1,640)	(2,072)
Total current receivables	371,907	262,450
Non-current		
Amounts owing from the Victorian Government	150,602	144,407
Other debtors	401	425
	151,003	144,832
Less: Provision for doubtful debts	(123)	(84)
Total non-current receivables	150,880	144,748
Aggregate carrying amount of receivables		
Current	371,907	262,450
Non-current	150,880	144,748
Total aggregate carrying amount of receivables	522,787	407,198

NOTE 9 Prepayments

	2005 \$'000	2004 \$'000
Operating expenses	8,095	11,671
Total prepayments	8,095	11,671

NOTE 10 Intangible assets

	2005 \$'000	2004 \$'000
Software (at cost)	49,935	39,038
Less: Accumulated amortisation	(33,993)	(23,833)
Total intangible assets	15,942	15,205

NOTE 11 Property, plant and equipment

	2005 \$'000	2004 \$'000
Land		
Crown land		
At cost	33,579	33,179
At Secretary's valuation	4,075,853	3,968,914
Total land	4,109,432	4,002,093
Buildings		
At cost	160,288	228,325
Less: Accumulated depreciation	(1,760)	(5,260)
	158,528	223,065
At valuation 2001–2002	–	1,040,997
Less: Accumulated depreciation	–	(64,359)
	–	976,638
At valuation 2002–2003	1,107,165	1,108,835
Less: Accumulated depreciation	(53,931)	(28,189)
	1,053,234	1,080,646
At valuation 2003–2004	1,648,994	1,710,697
Less: Accumulated depreciation	(46,030)	–
	1,602,964	1,710,697
Secretary's		
At valuation 2004–2005	1,623,424	–
Less: Accumulated depreciation	–	–
	1,623,424	–
Total buildings at valuation	4,539,871	4,088,854
Total accumulated depreciation	(101,721)	(97,808)
Total written-down value of buildings	4,438,150	3,991,046
Leasehold improvements – at cost	12,648	8,741
Less: Accumulated amortisation	(4,484)	(3,648)
	8,164	5,093
Total land and buildings	8,555,746	7,998,232
Plant and equipment		
At cost	838,762	800,516
Less: Accumulated depreciation	(611,136)	(551,515)
	227,626	249,001
Plant and equipment under finance lease	3,904	1,029
Less: Accumulated amortisation	(374)	(26)
	3,530	1,003
Total plant and equipment	231,156	250,004
Work in progress		
Buildings	217,458	287,037
Plant and equipment	15,088	7,156
Total work in progress	232,546	294,193
Total property, plant and equipment including work in progress	9,019,448	8,542,429

Valuations of land and buildings

The basis of valuation of land and buildings adopted for those assets revalued as at 30 June 2005 is fair value being the depreciated current replacement cost of the assets' remaining future economic benefits. The revaluation as at 30 June 2005 is a Secretary's valuation based on an independent assessment of current rates and market conditions supplied by Ernst & Young Real Estate Advisory Services.

Prior to 30 June 2002, the basis of valuation of the land and building revalued is deprival value being the loss an entity would incur if deprived of the service potential embodied in the asset. The revaluation was based on independent assessments.

Reconciliations

Reconciliations of the carrying amounts of each class of property, plant and equipment at the beginning and end of the current financial year are set out below.

2005	Land	Buildings	Leasehold improvements	Plant and equipment	Work in progress	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Carrying amount at start of year	4,002,093	3,991,046	5,093	250,004	294,193	8,542,429
Additions	35,614	253,147	3,928	99,820	182,812	575,321
Transfers to completed assets	–	–	–	–	(244,459)	(244,459)
Disposals	(12,034)	(6,978)	–	(9,557)	–	(28,569)
Revaluation increments (note 16)	83,759	308,402	–	–	–	392,161
Depreciation/amortisation (note 5)	–	(107,467)	(857)	(109,111)	–	(217,435)
Carrying amount at end of year	4,109,432	4,438,150	8,164	231,156	232,546	9,019,448

NOTE 12 Payables

	2005 \$'000	2004 \$'000
Salaries, wages and on-costs	86,256	92,462
Accrued payments to non-government schools	79,416	76,692
Accrued grants and transfer payments	2,571	1,210
Government schools' creditors*	4,157	5,471
Capital expenditure	23,901	17,025
Operating expenditure	29,420	36,296
Advance from public account	11,158	10,239
	236,879	239,395

*The schools' creditors balances for 2004–2005 are held by the Department's schools across Victoria and are reported as at 31 December 2004. The balances reported for 2003–2004 were the balances held by the schools as at 31 December 2003.

NOTE 13 Interest-bearing liabilities

	2005 \$'000	2004 \$'000
Aggregate carrying amount of interest-bearing liabilities		
Current	1,343	226
Non-current	2,200	779
Total aggregate carrying amount of provisions	3,543	1,005

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

Finance lease		
Motor vehicles under finance lease (note 11)	3,530	1,003
Total non-current assets pledged as security	3,530	1,003

NOTE 14 Provisions

	2005 \$'000	2004 \$'000
Current		
Employee benefits (note 23)	139,054	130,016
Legal expenses	500	750
Sabbatical leave	1,430	1,430
Total current	140,984	132,196
Non-current		
Employee benefits (note 23)	766,306	728,248
Total non-current	766,306	728,248
Aggregate carrying amount of provisions		
Current	140,984	132,196
Non-current	766,306	728,248
Total aggregate carrying amount of provisions	907,290	860,444
Employee benefits	905,360	858,264
Legal expenses	500	750
Sabbatical leave	1,430	1,430
	907,290	860,444

Movements in provisions

Movements in each class of provision during the financial year, other than employee benefits are set out below.

	Legal expenses \$'000	Sabbatical leave \$'000	Total \$'000
Carrying amount at start of year	750	1,430	2,180
Additional provisions recognised	–	–	–
Payments and other sacrifices of economic benefits	(250)	–	(250)
Carrying amount at end of year	500	1,430	1,930

NOTE 15 Other current liabilities

	2005 \$'000	2004 \$'000
Unearned revenue	16,371	11,107
Total other current liabilities	16,371	11,107

NOTE 16 Equity and movements in equity

	2005 \$'000	2004 \$'000
(a) Contributed capital		
Balance as at beginning of reporting period	4,641,462	4,588,016
Capital contribution by Victorian State Government (note 4)	73,674	59,774
Capital contributed by other entities	10,157	–
Assets received free of charge	–	1,279
Equity transfers to other government entities	(19,004)	(7,607)
Balance 30 June 2005	4,706,289	4,641,462
(b) Reserves		
Asset revaluation reserve	3,696,612	3,304,451
	3,696,612	3,304,451
Movements		
Asset revaluation reserve		
Balance 1 July 2004	3,304,451	2,313,255
Revaluation increment of land during the year	83,759	783,281
Revaluation increment of buildings during the year	308,402	207,915
Balance 30 June 2005	3,696,612	3,304,451
(c) Accumulated surplus		
Accumulated surplus as at beginning of reporting period	310,243	294,549
Net result for the reporting period	164,122	15,692
Accumulated surplus at end of reporting period	474,365	310,243

(d) Nature and purpose of reserves

The asset revaluation reserve is used to record increments and decrements on the revaluation of non-current assets, as described in accounting policy note 1(h).

	2005 \$'000	2004 \$'000
Total equity at the beginning of the financial year	8,256,154	7,195,820
Total changes in equity recognised in the statement of financial performance	556,283	1,006,888
Changes in contributed capital	64,829	53,446
Total equity at the end of the financial year	8,877,266	8,256,154

NOTE 17 Financial instruments

(a) Credit risk exposures

The credit risk on financial assets of the Department, which have been recognised on the statement of financial position, other than investments in shares, is generally the carrying amount, net of any provisions for doubtful debts.

(b) Interest rate risk exposures

The Department's exposure to interest rate risk and the effective weighted average interest rate by maturity periods is set out in the following table. For interest rates applicable to each class of asset or liability refer to individual notes to the financial statements.

Exposure arises predominantly from assets bearing variable interest rates as the Department intends to hold fixed rate assets to maturity.

2005	Notes	Weighted average interest rate	Floating interest rate \$'000	Fixed interest maturing in:			Non-interest bearing \$'000	Total \$'000
				1 year or less \$'000	Over 1 to 5 years \$'000	5 years \$'000		
Financial assets								
	7		–	–	–	–	55,276	55,276
	7	4.61%	328,044	80,457	–	–	–	408,501
	8		–	–	–	–	522,787	522,787
		4.44%	218	–	8,462	2,061	559	11,300
			328,262	80,457	8,462	2,061	578,622	997,864
Financial liabilities								
	12		–	–	–	–	236,879	236,879
	13	6%	–	1,343	2,200	–	–	3,543
			–	1,343	2,200	–	236,879	240,422
Net financial assets (liabilities)			328,262	79,114	6,262	2,061	340,743	757,442

2004	Notes	Weighted average interest rate	Floating interest rate \$'000	Fixed interest maturing in:			Non-interest bearing \$'000	Total \$'000
				1 year or less \$'000	Over 1 to 5 years \$'000	5 years \$'000		
Financial assets								
	7		–	–	–	–	32,970	32,970
	7	4.38%	269,691	82,121	–	–	–	351,812
	8		–	–	–	–	407,198	407,198
		4.46%	–	–	2,619	3,342	859	6,820
			269,691	82,121	2,619	3,342	441,027	798,800
Financial liabilities								
	12		–	–	–	–	239,395	239,395
	13	6%	–	226	779	–	–	1,005
			–	226	779	–	239,395	240,400
Net financial assets (liabilities)			269,691	81,895	1,840	3,342	201,632	558,400

(c) Net fair value of financial assets and liabilities

(i) On-balance sheet

The net fair value of cash and cash equivalents and non-interest-bearing monetary financial assets and financial liabilities of the Department approximates their carrying amounts.

The carrying amounts and net fair values of financial assets and liabilities at reporting date are:

	2005		2004	
	Carrying amount	Net fair value	Carrying amount	Net fair value
	\$'000		\$'000	
On-balance sheet financial instruments				
Financial assets				
Cash – Department	55,276	55,276	32,970	32,970
Cash – schools	408,501	408,501	351,812	351,812
Receivables	522,787	522,787	407,198	407,198
Other financial assets	11,300	11,300	6,820	6,820
Non-traded financial assets	997,864	997,864	798,800	798,800
Financial liabilities				
Payables	236,879	236,879	239,395	239,395
Lease liabilities	3,543	3,543	1,005	1,005
Non-traded financial liabilities	240,422	240,422	240,400	240,400

(ii) Off-balance sheet

The Department has potential financial liabilities, which may arise from certain contingencies disclosed in note 21. As explained in that note,

no material losses are anticipated in respect of any of the contingencies and the net fair value disclosed below.

	2005		2004	
	Carrying amount	Net fair value	Carrying amount	Net fair value
	\$'000		\$'000	
Financial liabilities (see note 21)				
Contingencies	–	15,303	–	15,761
	–	15,303	–	15,761

None of the classes of financial assets and liabilities are readily traded on organised markets in standardised form. Net fair value is exclusive of costs, which would be incurred on realisation of an asset, and inclusive of costs, which would be incurred on settlement of a liability.

NOTE 18 Ministers and Accountable Officers

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

Names

The persons who held the above positions in the Department are as follows:

Minister for Education and Training	Lynne Kosky, MP	1 July 2004 to 30 June 2005
Acting Minister for Education and Training	Jacinta Allan, MP	19 October 2004 to 28 October 2004
	Jacinta Allan, MP	13 January 2005 to 25 January 2005
	Jacinta Allan, MP	12 February 2005 to 21 February 2005
Minister for Education Services	Jacinta Allan, MP	1 July 2004 to 30 June 2005
Acting Minister for Education Services	Lynne Kosky, MP	28 January 2005 to 4 February 2005
	Lynne Kosky, MP	29 May 2005 to 9 June 2005
Secretary	Grant Hehir	1 July 2004 to 30 June 2005
Acting Secretary	Jim Davidson	20 September 2004 to 24 September 2004
	Jeff Rosewarne	29 December 2004 to 31 December 2004
	Jim Davidson	4 January 2005 to 14 January 2005

Remuneration

Remuneration received or receivable by the Accountable Officers in connection with the management of the Department during the reporting period was in the range:

	2005	2004
\$300,000–\$309,999	-	1
\$380,000–\$390,000	1	-

Amounts relating to Ministers are reported in the financial statements of the Department of Premier and Cabinet.

Other transactions

Other related transactions and loans requiring disclosure under the standing Directions of the Minister for Finance have been considered and there are no matters to report.

NOTE 19 Remuneration of executives

The numbers of executive officers, other than Ministers and Accountable Officers, and their total remuneration during the reporting period are shown in the first two columns in the table below in their relevant income bands. The base remuneration of executive officers is shown in the third and fourth columns. Base remuneration is exclusive of bonus payments, long-service leave payments, redundancy payments and retirement benefits.

Several factors have affected total remuneration payable to executives over the year. A number of employment contracts were completed during the year and renegotiated and a number of executives received bonus payments during the year. These bonus payments depend on the terms of individual

employment contracts. Some contracts provide for an annual bonus payment whereas other contracts only include the payment of bonuses on the successful completion of the full term of the contract. A number of these contract completion bonuses became payable during the year.

A number of executive officers retired, resigned or were retrenched in the past year. This has had a significant impact on total remuneration figures due to the inclusion of annual leave, long-service leave and retrenchment payments.

The remuneration of executive officers includes, in addition to the Department's, the Adult Community and Further Education Board plus the Victorian Learning and Employment Skills Commission.

Income band	Total remuneration		Base remuneration	
	2005 Number	2004 Number	2005 Number	2004 Number
\$0,000–\$9,999	–	–	–	–
\$10,000–\$19,999	1	–	3	–
\$20,000–\$29,999	2	2	3	5
\$30,000–\$39,999	2	1	1	4
\$40,000–\$49,999	1	1	1	1
\$50,000–\$59,999	5	–	4	1
\$60,000–\$69,999	1	2	1	2
\$70,000–\$79,999	–	1	1	–
\$80,000–\$89,999	2	1	3	1
\$90,000–\$99,999	2	1	4	3
\$100,000–\$109,999	2	1	3	3
\$110,000–\$119,999	2	4	–	5
\$120,000–\$129,999	2	7	7	8
\$130,000–\$139,999	4	9	6	12
\$140,000–\$149,999	7	9	9	13
\$150,000–\$159,999	8	12	13	4
\$160,000–\$169,999	13	11	6	6
\$170,000–\$179,999	8	1	2	2
\$180,000–\$189,999	3	4	1	–
\$190,000–\$199,999	2	2	–	1
\$200,000–\$209,999	1	2	–	2
\$210,000–\$219,999	–	1	1	–
\$220,000–\$229,999	–	–	–	–
\$230,000–\$239,999	1	–	1	–
\$240,000–\$249,999	2	–	1	–
\$250,000–\$259,999	–	1	–	–
Total numbers	71	73	71	73
Total amount (\$'000)	\$9,749	\$10,325	\$8,706	\$8,819

NOTE 20 Remuneration of auditors

Audit fees paid or payable to the Victorian Auditor-General's Office for audit of the Department's financial report.

	2005 \$'000	2004 \$'000
Paid as at 30 June	90	127
Payable as at 30 June	201	157
Total audit fees	291	284

NOTE 21 Contingent liabilities and contingent assets

Details and estimates of maximum amounts of contingent liabilities are as follows.

Quantifiable contingent liabilities	2005 \$'000	2004 \$'000
Claims for damages	15,303	15,761
	15,303	15,761

Unquantifiable contingent liabilities

The Department has a number of unquantifiable contingent liabilities as follows:

- (a) Indemnities provided by the Department of Education & Training to the Commonwealth in funding contracts entered with the Commonwealth throughout the year. Each indemnity is limited to \$10 million for personal injuries and property damage, and \$50 million for damages arising out of Internet usage.
- (b) Indemnities provided by the Department of Education & Training to teachers, volunteer workers, school chaplains and school councils. This indemnity for teachers protects them against liability for personal injuries to students provided the teacher was not intoxicated, was not engaged in a criminal offence, was not engaged in outrageous conduct, and was in the course of the teacher's employment.

- (c) Indemnities provided by the Department of Education & Training to members of school councils. The *Education Act 1958* provides a comprehensive indemnity to members of school councils for any legal liability, whether in contract, negligence, defamation etc.

- (d) The Government also provides an indemnity for persons employed under the *Public Sector Management and Employment (PSME) Act 1998*.

No material losses are anticipated in respect of any of the above unquantifiable contingent liabilities.

None of the above contingent liabilities are secured over any assets of the Department.

Unquantifiable contingent assets

The Department does not have any unquantifiable contingent assets.

NOTE 22 Commitments for expenditure

	2005 \$'000	2004 \$'000
Capital commitments		
Commitments for the acquisition of buildings, plant and equipment contracted for at the reporting date but not recognised as liabilities:		
Within one year	103,529	111,845
Later than one year but not later than five years	374	–
Later than five years	–	–
Total capital commitments	103,903	111,845
Operating leases		
Commitments for minimum lease payments in relation to non-cancellable operating leases are payable as follows:		
Within one year	44,406	93,041
Later than one year but not later than five years	60,902	108,623
Later than five years	24,051	31,195
Total operating leases	129,359	232,859
Total commitments	233,262	344,704

The Department leases equipment including photocopiers, computers, motor vehicles and property with varying lease terms.

	2005 \$'000	2004 \$'000
Finance leases		
Commitments in relation to finance leases are payable as follows:		
Within one year	1,476	285
Later than one year but not later than five years	2,344	835
Later than five years	–	–
Minimum lease payments	3,820	1,120
Less: Future finance charges	(277)	(115)
Recognised as a liability	3,543	1,005
Add: Lease incentives on non-cancellable operating leases included in lease liabilities	–	–
Total lease liabilities	3,543	1,005
Representing lease liabilities:		
Current (note 13)	1,343	226
Non-current (note 13)	2,200	779
Total finance leases	3,543	1,005

The weighted average interest rate implicit in the leases is 6 per cent.

NOTE 23 Employee benefits

	2005 \$'000	2004 \$'000
Provision for employee benefits		
Current (note 14)		
Annual leave	56,744	51,730
Long-service leave	81,660	77,628
Other	650	658
	139,054	130,016
Non-current (note 14)		
Long-service leave	766,306	728,248
	766,306	728,248
Aggregate employee benefit liability	905,360	858,264
Employee numbers		
Average number of employees during the financial year	60,135	59,301

As explained in note 1(o)(ii) and note 1(o)(iii), the amounts for long-service leave and superannuation are measured at their present values.

The following assumptions were adopted in measuring present values.

	2005 \$'000	2004 \$'000
(a) Long-service leave		
Weighted average rates of increase in annual employee entitlements to settlement of the liabilities	4.75%	4.50%
Weighted average discount rates	5.13%	5.73%
Weighted average terms to settlement of the liabilities	8 years	8 years
(b) Superannuation		
Name of scheme		
State Superannuation Fund – Revised Scheme	17.0%	15.5%
State Superannuation Fund – New Scheme–0% contributor	7.5%	9.0%
State Superannuation Fund – New Scheme–3% contributor	8.8%	9.0%
State Superannuation Fund – New Scheme–5% contributor	9.7%	9.5%
State Superannuation Fund – New Scheme–7% contributor	10.5%	10.0%
VicSuper*	9.0%	9.0%
State Employees Retirement Benefits Scheme	12.8%	12.5%
Other private schemes**	N/A	N/A

* Under the VicSuper Scheme, employer contributions are payable only if the member is paid more than \$450 in gross salary in a particular month. This is consistent with Commonwealth Superannuation Guarantee legislation.

** The rate for other private schemes is not disclosed as these payments are predominantly the result of performance-related payments, which vary by individual.

Government employees superannuation fund

No liability is recognised in the statement of financial position for the Department's share of the state's unfunded superannuation liability. The state's unfunded superannuation liability has been reflected in the financial statements of the Department of Treasury and Finance.

However, superannuation contributions for the reporting period are included as part of salaries and associated costs in the statement of financial performance of the Department.

The name and details of the major employee superannuation funds and contributions made by the Department are as follows:

Funds	Contribution for the year	Contribution for the year	Contribution outstanding at year end	Contribution outstanding at year end
	2005 \$'000	2004 \$'000	2005 \$'000	2004 \$'000
State Superannuation Fund (defined benefit scheme)	178,705	175,669	14,323	16,459
VicSuper (accumulation scheme)	107,603	93,149	–	–
State Employees Retirement Benefits Scheme (defined benefit scheme)	3,613	3,598	–	337
Various other schemes	8,093	13,761	–	–
Total	298,014	286,177	14,323	16,796

The bases for contributions are determined by the various schemes.

All employees of the Department are entitled to benefits on retirement, disability or death from the Government Employees' Superannuation Fund. This Fund provides defined lump sum benefits based on years of service and final average salary.

The above amounts were measured as at 30 June of each year, or in the case of employer contributions they relate to the years ended 30 June.

NOTE 24 Administered items

In addition to the specific departmental operations which are included in the statement of financial position, statement of financial performance and statement of cash flows, the Department administers or manages activities on behalf of the state. The transactions relating to these state activities are reported as administered items in this note. Administered transactions give rise to

revenues, expenses, assets and liabilities and are determined on an accrual basis. Administered revenue includes taxes, fees and fines and the proceeds from the sale of administered surplus land and buildings. Administered liabilities include government expenses incurred but yet to be paid. Administered assets include government revenues earned but yet to be collected.

	School education		Training and tertiary education		Policy, strategy and information services		Departmental total	
	2005 \$'000	2004 \$'000	2005 \$'000	2004 \$'000	2005 \$'000	2004 \$'000	2005 \$'000	2004 \$'000
Administered revenue								
Commonwealth on-passing to non-government schools								
General recurrent grant	1,269,876	1,117,604	-	-	-	-	1,269,876	1,117,604
Other	93,461	85,961	-	-	-	-	93,461	85,961
Prizes and scholarships	291	155	-	-	-	-	291	155
Proceeds from sale of assets	14,846	1,858	-	-	-	-	14,846	1,858
Commonwealth general recurrent grants to government schools	388,701	358,431	-	-	-	-	388,701	358,431
Other	149,328	141,000	-	-	-	-	149,328	141,000
Total	1,916,503	1,705,009	-	-	-	-	1,916,503	1,705,009
Administered expenses								
Commonwealth on-passing to non-government schools								
General recurrent grant	1,269,891	1,117,660	-	-	-	-	1,269,891	1,117,660
Other	93,388	85,932	-	-	-	-	93,388	85,932
Prizes and scholarships	40	110	-	-	-	-	40	110
Written-down value of assets sold *	18,617	10,695	-	-	-	-	18,617	10,695
Amounts paid to Consolidated Fund **	513,181	500,945	-	-	-	-	513,181	500,945
Total	1,895,117	1,715,342	-	-	-	-	1,895,117	1,715,342
Revenue less expenses	21,386	(10,333)	-	-	-	-	21,386	(10,333)
Administered assets								
Receivables	10,927	13,952	-	-	-	-	10,927	13,952
Investments	10,876	4,115	-	-	-	-	10,876	4,115
Prepayments	3,301	3,178	-	-	-	-	3,301	3,178
Other	-	(8)	-	-	-	-	-	(8)
Property, plant and equipment	11,265	10,881	-	-	-	-	11,265	10,881
Total	36,369	32,118	-	-	-	-	36,369	32,118
Administered liabilities								
Creditors and accruals	6,887	3,339	-	-	-	-	6,887	3,339
Total	6,887	3,339	-	-	-	-	6,887	3,339

* Revenue associated with the sale of these assets is recorded in the financial statements of the Department of Treasury and Finance.

** This amount relates to Commonwealth and other monies received by the Department and paid to the Consolidated Fund. It includes an amount of \$39.7 million offset against expenditure to correct the recording of asset sale transfers to the Department of Treasury and Finance in previous years.

NOTE 25 Ex-gratia payments

The Department made the following ex-gratia payments. Included in the total amount are the following ex-gratia payments in bands of \$10,000 arising as a result of personal injury claims

involving students and third parties and settlement of legal action taken under the *Equal Opportunity Act 1995* and the *Workplace Relations Act 1996*.

	2005 number	2004 number
\$0–\$9,999	83	82
\$10,000–\$19,999	26	21
\$20,000–\$29,999	13	11
\$30,000–\$39,999	11	12
\$40,000–\$49,999	7	2
\$50,000–\$59,999	3	1
\$60,000–\$69,999	1	3
\$70,000–\$79,999	2	2
\$80,000–\$89,999	–	3
\$90,000–\$99,999	1	–
\$100,000–\$109,999	2	–
\$110,000–\$119,999	1	–
\$120,000–\$129,999	–	–
\$130,000–\$139,999	–	–
\$140,000–\$149,999	–	–
\$150,000–\$159,999	1	1
\$160,000–\$169,999	–	–
\$170,000–\$179,999	–	–
\$180,000–\$189,999	–	–
\$190,000–\$199,999	–	1
\$200,000–\$209,999	–	–
\$210,000–\$219,999	–	–
\$220,000–\$229,999	–	–
\$230,000–\$239,999	–	–
\$240,000–\$249,999	–	–
\$250,000–\$259,999	–	–
\$260,000–\$269,999	–	–
\$270,000–\$279,000	–	1
Total number of payments	151	140
Total amount of payments	\$2,520,934	\$2,452,790

NOTE 26 Reconciliation of net result for the reporting period to net cash inflow from operating activities

	2005 \$'000	2004 \$'000
Net result for the reporting period	164,122	15,692
Depreciation and amortisation	224,572	209,156
Net (gain)/loss on sale of non-current assets	6,364	17,373
Net transfers free of charge	1,734	1,739
Change in operating assets and liabilities, net of effects from restructuring		
Decrease (increase) in receivables	(83,550)	(62,690)
Decrease (increase) in other operating assets	2,839	(4,498)
Increase (decrease) in payables	(2,516)	61,276
Increase (decrease) in other current liabilities	5,264	1,992
Increase (decrease) in employee entitlements	46,846	38,449
Net cash inflow from operating activities	365,675	278,489

NOTE 27 Events occurring after reporting date

In the interval between the end of the financial year and the date of this report there has not arisen any item, transaction or event of a material

or unusual nature likely to affect significantly the operations of the Department in subsequent financial years.

NOTE 28 Non-cash financing and investing activities

	2005 \$'000	2004 \$'000
Acquisition of plant and equipment by means of finance leases	2,875	1,005
	2,875	1,005

NOTE 29 Annotated receipt agreements

The following is a listing of Section 29 Annotated Receipt Agreements approved by the Treasurer.

	2005 \$'000	2004 \$'000
Sales of goods and services		
Alarm monitoring	148	163
Schools' hostels – food and other taxable supplies	35	89
Schools' hostels – accommodation	203	365
Housing rent (input taxed)	980	953
Registered Schools Board	2	76
Unwanted alarms	160	84
Copyright	282	–
	1,810	1,730
Asset sales		
Sale of land	14,846	1,858
	14,846	1,858
Commonwealth Specific Purpose Payments		
Aboriginal advancement	1,721	3,139
Capital schools building	60,066	57,915
Strategic assistance to improved student outcomes	64,669	57,847
English as a Second Language (ESL) new arrivals	13,449	12,944
Language other than English (LOTE)	4,654	4,325
Country Areas Programme (CAP)	2,494	2,276
Literacy and Numeracy Week	376	206
	147,429	138,652
Total annotated receipts (note 4)	164,084	142,240

NOTE 30 Trust account balances

The following is a listing of trust account balances relating to trust accounts controlled and administered by the Department.

	2005 \$'000	2004 \$'000
Controlled trusts		
Suspense	1,023	1,078
State Treasury Trust	47,383	44,083
Commonwealth Treasury Trust	3,848	6,920
Total controlled trusts (note 7)	52,254	52,081
Administered trusts		
Prizes and scholarships etc.	1,669	1,497
Commuter Club	73	28
On-passing from the Commonwealth	162	185
Total administered trusts	1,904	1,710

The following is a list of trust accounts opened and closed by the Department during 2004–05.

Trust accounts opened during 2004–05

Nil

Trust accounts closed during 2004–05

Nil

NOTE 31 Impact of adopting AASB 1047 equivalents to IASB standards

Following the adoption of Australian equivalents to International Financial Reporting Standards (A-IFRS) the Department of Education & Training will report for the first time in compliance with A-IFRS when results for the financial year ended 30 June 2006 are released.

It should be noted that under A-IFRS, there are requirements that apply specifically to not-for-profit entities that are not consistent with IFRS requirements. The Department is established to achieve the objectives of government in providing services free of charge or at prices significantly below their cost of production for the collective consumption by the community, which is incompatible with generating profit as a principal objective. Consequently, where appropriate, the Department applies those paragraphs in accounting standards applicable to not-for-profit entities.

An A-IFRS compliant financial report will comprise a new statement of changes in equity in addition to the three existing financial statements, which will all be renamed. The statement of financial performance will be renamed as the operating statement, the statement of financial position will revert to its previous title as the Balance Sheet and the statement of cash flows will be simplified as the cash flow statement. However, for the purpose of disclosing the impact of adopting A-IFRS in the 2004–05 financial report, which is prepared under existing accounting standards, existing titles and terminologies will be retained.

With certain exceptions, entities that have adopted A-IFRS must record transactions that are reported in the financial report as though A-IFRS had always applied. This requirement also extends to any comparative information included within the financial report. Most accounting policy adjustments to apply A-IFRS retrospectively will be made against accumulated funds at the 1 July 2004 opening balance sheet date for the comparative period. The exceptions include

deferral until 1 July 2005 of the application adjustments for:

AASB 132 *Financial Instruments: Disclosure and Presentation*

AASB 139 *Financial Instruments: Recognition and Measurement*

AASB 4 *Insurance Contracts*

AASB 1023 *General Insurance Contracts*

AASB 1038 *Life Insurance Contracts*.

The comparative information for transactions affected by these standards will be accounted for in accordance with existing accounting standards.

The Department of Education & Training has taken the following steps in managing the transition to A-IFRS and has achieved the following scheduled milestones:

- established a steering committee to oversee the transition to and implementation of the A-IFRS
- established an A-IFRS project team to review the new accounting standards to identify key issues and the likely impacts resulting from the adoption of A-IFRS and any relevant Financial Reporting Directions as issued by the Minister for Finance
- participated in an education and training process to raise awareness of the changes in reporting requirements and the processes to be undertaken
- initiated reconfiguration and testing of user systems and processes to meet new requirements.

This financial report has been prepared in accordance with current Australian accounting standards and other financial reporting requirements. A number of differences between Australian GAAP and A-IFRS have been identified as potentially having a material impact on the Department of Education & Training's financial position and financial performance following the adoption of A-IFRS. The following tables outline the estimated significant impacts on the financial

position of the Department of Education & Training as at the date of transition to A-IFRS and 30 June 2005 and the likely impact on the current year result had the financial statements been prepared using A-IFRS.

The estimates disclosed below are the Department of Education & Training's best estimates of the significant quantitative impact of the changes as at the date of preparing the 30 June 2005 financial report. The actual

effects of transition to A-IFRS may differ from the estimates disclosed due to:

- change in facts and circumstances;
- ongoing work being undertaken by the A-IFRS project team;
- potential amendments to A-IFRS and interpretations; and
- emerging accepted practice in the interpretation and application of A-IFRS and UIG Interpretations.

Reconciliation of net result as presented under Australian GAAP and that under A-IFRS	Note	AGAAP actual \$'000	A-IFRS impact \$'000	A-IFRS pro forma \$'000
Estimated A-IFRS impact on revenue				
Output appropriations		6,205,448	–	6,205,448
Special appropriations		483	–	483
Other revenue and revenue from other parties		494,703	–	494,703
		6,700,634	–	6,700,634
Estimated A-IFRS impact on expenses				
Employee benefits		(3,468,449)	–	(3,468,449)
Depreciation and amortisation	i, ii & iii	(224,572)	8,479	(216,093)
Grants and other payments to service providers		(1,141,951)	–	(1,141,950)
Resources provided free of charge or for nominal consideration		(1,734)	–	(1,734)
Capital asset charge		(764,622)	–	(764,622)
Supplies and services		(924,077)	–	(924,077)
Borrowing costs		(127)	–	(127)
Other expenses from ordinary activities		(10,980)	–	(10,980)
		(6,536,512)	8,479	(6,528,032)
Net result for the reporting period		164,122	8,479	172,602

Reconciliation of assets, liabilities and equity as presented under Australian GAAP and that under A-IFRS	Note	AGAAP actual \$'000	A-IFRS impact \$'000	A-IFRS pro forma \$'000
Current assets				
Cash assets		463,777	–	463,777
Receivables		371,907	–	371,907
Prepayments		8,095	–	8,095
Total current assets		843,779	–	843,779
Non-current assets				
Receivables		150,880	–	150,880
Other financial assets		11,300	–	11,300
Intangible assets	ii	15,942	(15,942)	–
Property, plant and equipment	i & iii	9,019,448	(812,324)	8,207,124
Total non-current assets		9,197,570	(828,266)	8,369,304
Total assets		10,041,349	(828,266)	9,213,083
Current liabilities				
Payables		236,879	–	236,879
Interest-bearing liabilities		1,343	–	1,343
Provisions	iv	140,984	5,911	146,895
Other		16,371	–	16,371
Total current liabilities		395,577	5,911	401,488
Non-current liabilities				
Interest-bearing liabilities		2,200	–	2,200
Provisions	iv	766,306	(5,911)	760,395
Total non-current liabilities		768,506	(5,911)	762,595
Total liabilities		1,164,083	–	1,164,083
Net assets		8,877,266	(828,266)	8,049,000
Equity				
Contributed capital		4,706,289	–	4,706,289
Reserves	v	3,696,612	(1,438,779)	2,257,833
Accumulated surplus	i, ii & v	474,365	610,513	1,084,878
Total equity		8,877,266	(828,266)	8,049,000

i Impairment of assets: AASB 136 *Impairment of Assets* requires assets to be assessed for indicators of impairment each year. This standard applies to all assets, other than inventories, financial assets and assets arising from construction contracts, regardless of whether they are measured on a cost or fair value basis. If indicators of impairment exist, the carrying value of an asset will need to be tested to ensure that the carrying value does not exceed its recoverable amount, which is the higher of its value-in-use

and fair value less costs to sell. For not-for-profit entities, value-in-use of an asset is generally its depreciated replacement cost. The requirement to assess impairment has arisen as part of the transition to the International Financial Reporting Standards. Under the current standards only the depreciated replacement cost has been included in the calculation of the building values. An impairment test was conducted on transition date, 1 July 2004. The value of the write-down was calculated by comparing the current

building areas held with a calculation of area requirements per student by student numbers. The result of this calculation was a write-down of \$813,666,048 in the value of buildings. The impact of the impairment write-down has been adjusted against the accumulated funds and the carrying amount of the impaired assets on that date. As a consequence, depreciation expense for the year ended 30 June 2005 is expected to decrease by \$20.3 million. It is not practicable to determine the impact of the change in accounting policy for future financial reports, as any impairment or reversal thereof will be affected by future conditions.

ii Intangible assets: Current accounting standards permit costs incurred on research and development projects to be deferred to future periods to the extent that they are expected beyond reasonable doubt to be recoverable. Under AASB 138 *Intangible Assets*, costs incurred in the research phase are not permitted to be recognised as an asset and are expensed when incurred. Only expenditures incurred in the development phase are permitted to be recognised as an asset to the extent that they satisfy the criteria of AASB 138. Accordingly, research costs previously capitalised as intangible assets will be derecognised at the date of transition with the resulting adjustment made against accumulated funds. Intangible assets are also subject to annual impairment tests under AASB 138. The effect of the above requirement on the statement of financial position as at 30 June 2005 will be an estimated write-down of intangible assets of \$15.9 million. Amortisation expense for the year ended 30 June 2005 will also decrease by \$7.1 million as a consequence.

iii Property, plant and equipment: On initial recognition, the amount recognised in respect of assets must be allocated to separate component parts when the components have different useful lives or have different patterns of usage

of their benefits. The effect of this has resulted in extra \$19 million in depreciation due to the recognition of building components having a shorter useful life.

iv Employee benefits: Under existing Australian accounting standards, employee benefits such as wages and salaries, annual leave and sick leave are required to be measured at their nominal amount regardless of whether they are expected to be settled within 12 months of the reporting date. On adoption of A-IFRS, a distinction is made between short-term and long-term employee benefits and AASB 119 *Employee Benefits* requires liabilities for short-term employee benefits to be measured at nominal amounts and liabilities for long-term employee benefits to be measured at present value. AASB 119 defines short-term employee benefits as employee benefits that fall due wholly within 12 months after the end of the period in which the employees render the related service. Therefore, liabilities for employee benefits such as wages and salaries, annual leave and sick leave are required to be measured at present value where they are not expected to be settled within 12 months of the reporting date. The effect of the above requirement on the Department's statement of financial position as at 30 June 2005 will be an estimated decrease in non-current employee benefits liability of \$5.9 million and a corresponding increase in current employee benefits. This shift between current and non-current relates to the recognition of that portion of annual leave entitlement that is estimated to be taken in excess of 12 months.

v Property, plant and equipment: The entity elected to measure property on transition to A-IFRS at fair value and has used 2002 values as the items deemed cost at that date. The effect of this provision results in \$1,438.7 million of previous asset revaluation reserve amounts prior to 2002 being transferred to accumulated surplus.



Department of Education & Training

Office of the Secretary

ACCOUNTABLE OFFICER'S DECLARATION

We certify that the attached financial statements for the Department of Education and Training have been prepared in accordance with Part 9 of the Directions of the Minister for Finance under the *Financial Management Act 1994*, applicable Australian Accounting Standards and other mandatory professional reporting requirements.

We further state that, in our opinion, the information set out in the statement of financial performance, statement of financial position, statement of cash flows and notes to and forming part of the financial statements, presents fairly the financial transactions during the year ended 30 June 2005 and financial position of the Department as at 30 June 2005.

We are not aware of any circumstance which would render any particulars included in the financial statements to be misleading or inaccurate

Grant Hehir
Secretary

Date: 7/9/2005

Claire Tierney
Chief Finance Officer

Date: 7/9/2005

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GPO Box 4367
Melbourne, Victoria 3001



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AUDITOR GENERAL
VICTORIA

INDEPENDENT AUDIT REPORT

Department of Education and Training

To the Members of the Parliament of Victoria and the Secretary of the Department of Education and Training

Matters Relating to the Electronic Presentation of the Audited Financial Report

This audit report for the financial year ended 30 June 2005 relates to the financial report of the Department of Education and Training included on its web site. The Secretary of the Department of Education and Training is responsible for the integrity of the web site. I have not been engaged to report on the integrity of the web site. The audit report refers only to the statements named below. An opinion is not provided on any other information which may have been hyperlinked to or from these statements. If users of this report are concerned with the inherent risks arising from electronic data communications they are advised to refer to the hard copy of the audited financial report to confirm the information included in the audited financial report presented on this web site.

Scope

The Financial Report

The accompanying financial report for the year ended 30 June 2005 of the Department of Education and Training consists of the statement of financial performance, statement of financial position, statement of cash flows, notes to and forming part of the financial report, and the supporting declaration.

Secretary's Responsibility

The Secretary of the Department of Education and Training is responsible for:

- the preparation and presentation of the financial report and the information it contains, including accounting policies and accounting estimates
- the maintenance of adequate accounting records and internal controls that are designed to record its transactions and affairs, and prevent and detect fraud and errors.

Audit Approach

As required by the *Audit Act 1994*, an independent audit has been carried out in order to express an opinion on the financial report. The audit has been conducted in accordance with Australian Auditing Standards to provide reasonable assurance as to whether the financial report is free of material misstatement.

The audit procedures included:

- examining information on a test basis to provide evidence supporting the amounts and disclosures in the financial report
- assessing the appropriateness of the accounting policies and disclosures used, and the reasonableness of significant accounting estimates made by the Secretary
- obtaining written confirmation regarding the material representations made in conjunction with the audit
- reviewing the overall presentation of information in the financial report.



AUDITOR GENERAL
VICTORIA

Independent Audit Report (continued)

These procedures have been undertaken to form an opinion as to whether the financial report is presented in all material respects fairly in accordance with Accounting Standards and other mandatory professional reporting requirements in Australia, and the financial reporting requirements of the *Financial Management Act 1994*, so as to present a view which is consistent with my understanding of the Department's financial position, and its financial performance and cash flows.

The audit opinion expressed in this report has been formed on the above basis.

Independence

The Auditor-General's independence is established by the *Constitution Act 1975*. The Auditor-General is not subject to direction by any person about the way in which his powers are to be exercised. The Auditor-General and his staff and delegates comply with all applicable independence requirements of the Australian accounting profession.

Audit Opinion

In my opinion, the financial report presents fairly in accordance with applicable Accounting Standards and other mandatory professional reporting requirements in Australia, and the financial reporting requirements of the *Financial Management Act 1994*, the financial position of the Department of Education and Training as at 30 June 2005 and its financial performance and cash flows for the year then ended.

MELBOURNE
7 September 2005

JW CAMERON
Auditor-General

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APPENDIX 1

Consistency of budget and financial reporting

Introduction

The Government's budgeting framework reports each department's financial estimates in the annual State Budget Papers on a basis that consolidates all budget sector agencies within the Department.

Budget sector agencies are those agencies owned by the State Government that receive the majority of their income from State Government sources.

The financial statements provided in this appendix are consistent with those published in the 2004–05 Budget Paper Number 3 – Budget Estimates. Provision of the statements in this appendix allows comparison of the actual financial results of the Department consolidated budget sector agencies with the estimates published in the Budget Papers. This is consistent with the Government's commitment to more transparent financial reporting.

The total resources made available to a department are applied to three uses:

- provision of outputs
- asset investment
- payments on behalf of the state.

The financial statements on the following pages support the Department's provision of outputs. The information provided includes the statement of financial performance, the statement of financial position and the statement of cash flows for the Department, and are presented in the format consistent with the AAS29 Accounting Standard. However, for the purposes of this report they have been divided into controlled and administered items.

Controlled items reflect those resources applied by the Department to carry out its functions and provide outputs.

Administered items refer to those resources over which the Department cannot exercise direct control. Authority is provided through an appropriation for payments made on behalf of the state. Under the AAS29 Standard, these items would normally appear as notes to the financial statements.

The financial information consolidates information for the following portfolio entities:

- Department of Education & Training (including government schools)
- ACFE Board
- AMES
- CAE
- Driver Education Centre of Australia Limited
- International Fibre Centre Limited
- Merit Protection Boards
- Registered Schools Board
- VCAA
- VLESC
- 14 TAFE institutes and five universities with TAFE divisions.

Statement of financial performance for the year ended 30 June 2005

Controlled items	Notes	2004–05 Actual (\$ million)	2004–05 Budget (\$ million)	Variation ^(a) (\$ million)
Revenue from ordinary activities				
Output appropriations	1	6,205.4	6,082.1	123.3
Special appropriations		0.5	0.3	0.2
Resources received free of charge or for nominal consideration		5.2	0.7	(0.7)
Sale of goods and services	2	546.9	499.1	47.8
Commonwealth grants	3	288.0	270.8	17.2
Other revenue and revenue from other parties ^(b)		362.5	365.7	(3.2)
Total		7,408.5	7,218.7	189.8
Expenses from ordinary activities				
Employee benefits ^(c)	4	4,280.3	4,135.0	145.3
Depreciation and amortisation	5	301.0	291.2	9.8
Grants and other payments		590.7	582.7	8.0
Capital asset charge		764.6	764.6	0.0
Supplies and services ^(d)	6	1,260.1	1,292.7	(32.6)
Other expenses from ordinary activities		0.7	0.0	0.7
Borrowing costs		0.9	0.9	0.0
Total		7,198.3	7,067.1	131.2
Result from ordinary activities				
Net result for the reporting period		210.2	151.6	58.6
Net increase in asset revaluation reserve		471.7	0.0	471.7
Total revenues, expenses and revaluation adjustments recognised directly in equity		471.7	0.0	471.7
Total changes in equity other than those resulting from transactions with the Victorian State Government in its capacity as owner on behalf of the Crown		681.9	151.6	530.3

Administered items	Notes	2004–05 Actual (\$ million)	2004–05 Budget (\$ million)	Variation ^(a) (\$ million)
Administered revenue				
Sale of goods and services		1.9	1.7	0.2
Commonwealth grants	7	1,899.2	1,851.8	47.4
Other		(3.2)	9.9	(13.1)
Total		1,897.9	1,863.4	34.5
Administered expenses				
Grants and other payments	7	1,363.3	1,322.4	40.9
Payments into the Consolidated Fund		552.9	540.9	12.0
Total		1,916.2	1,863.3	52.9
Revenue less expenses		(18.3)	0.1	(18.4)

(a) Variation between 2004–05 Actual and 2004–05 Budget.

(b) Includes investment revenue, gains on disposal of physical assets and revenue for services delivered to parties outside of Government.

(c) Includes salaries and allowances, superannuation contributions and payroll tax.

(d) Includes payments to non-government organisations for delivery of services.

The variances for controlled items can be explained as follows:

Note 1

The variance reflects additional appropriation funding from the Government for enterprise bargaining outcomes for school teachers, TAFE teachers and Victorian public servants.

Note 2

The variance is mainly due to actual revenues raised by schools and TAFE institutes from non-government sources being greater than anticipated.

Note 3

The variance reflects increased revenue from the Commonwealth Government for TAFE institutes.

Note 4

The variance reflects employee-related expenses as a result of the above-mentioned enterprise bargaining outcomes and increased employment in schools funded from grants and locally raised funds.

Note 5

The variance is due to the effect on depreciation expenses of building revaluations as at 30 June 2004 and the impact of asset purchases by schools from locally raised funds.

Note 6

The variance mainly reflects carry-over for the provision of outputs into 2005–06.

The variances for administered items can be explained as follows:

Note 7

The variance reflects additional funding from the Commonwealth for non-government schools associated with enrolment growth and indexation.

Statement of financial position for the year ended 30 June 2005

Controlled items	Notes	2004-05 Actual (\$ million)	2004-05 Budget (\$ million)	Variation ^(a) (%)
Assets				
Current assets				
Cash assets	1	536.0	500.6	7.1
Other financial assets	1	181.1	156.1	16.0
Receivables		82.0	69.9	17.3
Inventories		8.7	8.4	3.6
Prepayments		15.1	12.9	16.8
Other assets		0.0	1.2	(97.4)
Total current assets		822.9	749.1	9.9
Non-current assets				
Receivables ^(b)	2	535.6	488.6	9.6
Other financial assets	1	20.2	8.9	127.0
Property, plant and equipment	3	11,048.4	9,441.2	17.0
Intangible assets		0.6	0.5	11.0
Other		13.0	13.1	(0.7)
Total non-current assets		11,617.7	9,952.3	16.7
Total assets		12,440.6	10,701.4	16.3
Liabilities				
Current liabilities				
Payables	4	203.0	184.9	9.8
Interest-bearing liabilities		2.4	4.1	(41.5)
Provisions ^(c)	5	233.9	207.4	12.8
Other		88.3	75.9	16.4
Total current liabilities		527.6	472.3	11.7
Non-current liabilities				
Interest-bearing liabilities		7.6	2.6	190.4
Provisions	5	856.3	776.3	10.3
Amounts owing to other departments		0.4	1.1	(65.4)
Total non-current liabilities		864.3	780.0	10.8
Total liabilities		1,391.9	1,252.3	11.1
Net assets		11,048.8	9,449.1	16.9

	2004–05 Actual (\$ million)	2004–05 Budget (\$ million)	Variation ^(a) (%)
Administered items			
Assets			
Current assets			
Cash assets	0.0	0.7	(100.0)
Receivables	10.9	16.5	(33.9)
Other financial assets	1.5	1.3	15.4
Prepayments	3.3	3.0	10.0
Other assets	9.4	0.0	n/a
Total current assets	25.1	21.5	(27.0)
Non-current assets			
Property, plant and equipment	11.3	14.0	(19.3)
Total non-current assets	11.3	14.0	(19.3)
Total administered assets	36.4	35.5	(23.9)
Liabilities			
Current liabilities			
Payables	3.5	0.2	n/a
Interest-bearing liabilities	0.0	0.7	(100.0)
Other	3.4	3.0	13.3
Total current liabilities	6.9	3.9	76.9
Net assets	29.5	31.6	(36.4)

(a) Variation between 2004–05 Actual and 2004–05 Budget.

(b) Includes cash balance held in trust in the Public Account.

(c) Includes employee benefits and superannuation.

The variances for controlled items can be explained as follows:

Note 1

The variance mainly reflects the investment of cash assets by schools and TAFE institutes generated from local fundraising activities.

Note 2

The variance reflects the Department's efficiency in producing outputs and the level of accruals at balance day.

Note 3

The variance is due to significant revaluation of property assets.

Note 4

The variance reflects timing of payments to creditors.

Note 5

The increase in long-service leave liabilities reflects the impact of salary increases and the underlying growth in the years of service.

Statement of cash flows for the year ended 30 June 2005

Controlled items	Notes	2004-05 Actual (\$ million)	2004-05 Budget (\$ million)	Variation ^(a) (%)
Cash flows from operating activities				
Operating receipts				
Receipts from Government		6,205.9	6,301.5	(1.5)
Receipts from other entities	1	302.6	494.7	(38.8)
Interest received	2	42.8	30.1	42.2
Other revenue	3	873.3	364.7	139.5
		7,424.6	7,191.0	3.2
Operating payments				
Payments for supplies, grants and employees		(6,079.5)	(5,999.3)	1.3
Capital asset charge		(764.6)	(764.6)	0.0
Borrowing costs expense		(0.9)	(0.9)	0.0
		(6,845.0)	(6,764.8)	1.2
Net cash inflow (outflow) from operating activities		579.6	426.2	36
Cash flows from investing activities				
Payments for property, plant and equipment				
Proceeds from sale of property, plant and equipment	4	14.5	1.5	866.7
Payments for investments		(124.0)	0	n/a
Repayment of loans by other entities		0.0	0	n/a
Net cash inflow (outflow) from investing activities		(575.4)	(469.7)	22.5
Cash flows from financing activities				
Net proceeds from capital contribution by State Government		73.4	68.1	7.8
Net proceeds of borrowings		0.0	0.0	n/a
Net cash inflow (outflow) from financing activities		73.4	68.1	n/a
Net increase (decrease) in cash held		77.6	24.6	215.4
Cash at beginning of period		458.4	473.9	0.0
Cash at the end of the financial year		536.0	498.5	7.5

Administered items	Notes	2004–05 Actual (\$ million)	2004–05 Budget (\$ million)	Variation ^(a) (%)
Cash flows from operating activities				
Operating receipts				
Receipts from Government	5	1,895.9	1,851.8	2.4
Interest received		0.1	0.1	0.0
Other revenue		2.5	2.2	13.2
		1,898.5	1,854.1	2.4
Operating payments				
Payments for supplies, grants and employees	5	(1,912.9)	(1,863.3)	2.7
		(14.4)	(9.2)	56.2
Cash flows from investing activities				
Proceeds from sale of property, plant and equipment	5	21.2	9.2	130.0
Payments for investments		(6.8)	0.0	n/a
		14.4	9.2	n/a
Cash at the beginning of period				
		n/a	n/a	n/a
Cash at the end of the financial year				
		n/a	n/a	n/a

(a) Variation between 2004–05 actual and 2004–05 Budget.

The variances for controlled items can be explained as follows:

Note 1

Refer to note 3 of the statement of financial performance.

Note 2

The variance reflects a return on investment with Treasury Corporation Victoria higher than originally budgeted.

Note 3

Refer to note 2 of the statement of financial performance.

Note 4

The variance mainly reflects the proceeds from the sale of surplus school sites.

The variances for administered items can be explained as follows:

Note 5

Refer to note 7 of the statement of financial performance.

APPENDIX 2

Portfolio statistics

School education

*FTE government school students by year level,
February 2005*

Year level	2005
Preparatory	44,235.9
Year 1	43,624.6
Year 2	43,729.8
Year 3	44,040.5
Year 4	44,529.1
Year 5	44,663.0
Year 6	45,138.9
Ungraded	10.8
Primary total	309,972.6
Year 7	39,599.5
Year 8	39,098.4
Year 9	39,612.2
Year 10	36,502.0
Year 11	36,438.2
Year 12	30,311.6
Ungraded	56.4
Secondary total	221,618.3
Special	7,219.4
Language	1,142.0
Total	539,952.3

FTE students by student type and sector, February 2003–05

Student type	Government			Catholic			Independent			All schools		
	2003	2004	2005	2003	2004	2005	2003	2004	2005	2003	2004	2005
Primary	312,134.4	311,964.0	309,972.6	99,665.2	98,863.6	98,406.6	39,381.2	40,170.2	41,459.5	451,180.8	450,997.8	449,838.7
Secondary	218,740.7	220,271.7	221,618.3	80,626.2	81,514.5	82,921.3	64,194.3	65,659.0	66,780.0	363,561.2	367,445.2	371,319.6
Special	6,517.0	6,826.2	7,219.4	171.2	165.8	160.4	310.8	331.0	308.4	6,999.0	7,323.0	7,688.2
Language	917.0	1,010.0	1,142.0	-	-	-	-	-	-	917.0	1,010.0	1,142.0
Total	538,309.1	540,071.9	539,952.3	180,462.6	180,543.9	181,488.3	103,886.3	106,160.2	108,547.9	822,658.0	826,776.0	829,988.5
% of all students	65.4	65.3	65.1	21.9	21.8	21.9	12.6	12.8	13.1	100.0	100.0	100.0

Number of schools by school type and sector, February 2004–05

School type	Government		Catholic		Independent		All schools	
	2004	2005	2004	2005	2004	2005	2004	2005
Primary	1,223	1,222	381	380	57	54	1,661	1,656
Primary–secondary	49	50	10	12	131	132	190	194
Secondary	262	261	85	84	18	21	365	366
Special	80	80	7	7	10	10	97	97
Language	4	4	–	–	–	–	4	4
Total	1,618	1,617	483	483	216	217	2,317	2,317
% of all schools	69.8	69.8	20.8	20.8	9.3	9.4	100.0	100.0

Training and tertiary education

Student contact hours of training and further education by Australian Qualifications Framework (AQF) levels, Victoria, 2002–04

Level	2002	2003	2004
AQF 1–2	24,347,220	22,288,403	21,014,912
AQF 3–4	44,181,717	50,467,468	52,802,559
AQF 5–6 and above	30,758,392	29,694,560	28,459,182
Secondary	1,332,544	2,327,393	2,549,221
Module only	3,487,988	3,044,575	2,249,285
Not defined*	4,045,422	4,160,510	4,109,494
Total	108,153,283	111,982,909	111,184,653

* Including non-award courses, bridging and enabling courses, statements of attainment and other courses not identifiable by level. Due to revisions of classifications of individual courses, figures for previous years have been revised and thus may differ slightly from previously reported figures of the same year. Data refers to all funding sources, excluding hobby, recreation and leisure (non-VET) activity. Numbers for 2002 and 2003 have been modified to reflect changes in classifications.

Student contact hours of training and further education by industry group, Victoria, 2002–04

Industry	2002	2003	2004
Adult community education	12,678,531	14,375,787	14,995,755
Automotive	2,651,022	2,695,369	2,677,464
Building and construction	5,500,968	5,662,255	5,997,910
Business services	17,777,153	17,943,140	19,225,168
Community services and health	11,341,240	12,131,275	13,623,262
Cultural and recreation	8,828,695	8,987,222	8,740,781
Electrotechnology and communications	12,301,889	12,087,490	10,583,858
General manufacturing	5,566,699	5,078,710	5,407,677
Metals and engineering	3,754,041	3,658,917	3,959,985
Primary and forest	4,801,310	4,543,674	4,507,133
Public administration and safety	429,638	460,029	428,023
Tourism and hospitality	8,201,077	8,377,777	8,295,004
Transport and storage	3,086,780	4,811,761	2,999,110
Wholesale, retail and personal services	5,953,189	5,596,140	5,304,725
Non-industry specific (including module-only)	5,281,051	5,573,363	4,438,798
Total	108,153,283	111,982,909	111,184,653

This table compares the Institute's reported activity in each industry area with the total activity reported by all VET providers, to give an indication of the Institute's market share in each industry area.

Data refers to all funding sources, excluding hobby, recreation and leisure (non-VET) activity.

Due to revisions of classifications of individual courses, figures for previous years have been revised and thus may differ slightly from previously reported figures of the same year.

Adult community education

Government-funded provision by ACE organisations by region and adult education institutions, Victoria, 2004

Region	Adult literacy and numeracy		Employment skills		VCE/VCAL		Vocational		Total	
	E	SCH	E	SCH	E	SCH	E	SCH	E	SCH
BSW	3,453	241,307	5,962	171,221	256	22,179	16,742	330,044	26,413	764,751
CHW	1,719	66,419	2,171	48,317	0	0	11,031	210,609	14,921	325,345
CWM	10,095	598,774	1,553	64,008	13	3,120	5,948	179,645	17,609	845,547
EM	4,454	233,006	6,768	179,901	36	3,600	21,819	595,752	33,077	1,012,259
GIP	2,415	105,609	2,248	65,370	0	0	11,909	254,889	16,572	425,868
GOM	2,552	133,035	1,802	55,224	99	9,220	12,590	270,678	17,043	468,157
LCM	3,825	172,016	3,847	127,156	0	0	11,971	288,052	19,643	587,224
NM	5,922	274,868	3,987	120,118	109	9,960	10,268	289,135	20,286	694,081
SWP	8,333	370,238	3,995	124,811	71	7,100	12,814	386,258	25,213	888,407
AMES	237	11,201	1,513	42,359	0	0	3,794	146,128	5,544	199,688
CAE	4,155	217,436	1,894	68,704	4,012	276,279	5,721	254,847	15,782	817,266
Total	47,160	2,423,909	35,740	1,067,189	4,596	331,458	124,607	3,206,037	212,103	7,028,593

E = module enrolments

SCH = student contact hours

Government-funded provision is for education and training provided from State and Commonwealth funds allocated by the ACFE Board and the VLESC. The ACFE regions and institutions are abbreviated as follows: Barwon South Western (BSW), Central Highlands Wimmera (CHW), Central Western Metropolitan (CWM), Eastern Metropolitan (EM), Gippsland (GIP), Goulburn Ovens Murray (GOM), Loddon Campaspe Mallee (LCM), Northern Metropolitan (NM), Southern Western Port (SWP).

Total reported adult, community and further education provision for ACE organisations and adult education institutions, Victoria, 2002–04

Region	Module enrolments			Student contact hours		
	2002	2003	2004	2002	2003	2004
BSW	39,340	38,046	40,115	1,069,466	1,292,309	1,118,291
CHW	28,024	25,185	25,524	491,162	468,329	476,734
CWM	24,270	25,804	28,127	1,015,956	1,165,634	1,132,448
EM	59,500	65,019	59,144	1,441,593	1,614,746	1,547,037
GIP	25,292	25,017	25,033	534,254	549,407	573,232
GOM	30,952	33,685	32,950	802,591	843,003	887,385
LCM	36,629	35,660	33,593	995,565	975,937	825,458
NM	28,324	25,029	29,598	892,671	785,451	899,213
SWP	45,328	37,103	35,354	1,284,216	1,138,720	1,107,019
AMES	98,625	82,636	81,912	2,983,912	2,484,438	2,469,819
CAE	56,338	53,891	56,532	1,510,263	1,518,084	1,554,380
Total	472,622	447,075	391,350	13,021,649	12,836,058	11,036,636

Total reported adult, community and further education provision is for all funding sources, including fee-for-service activity. Over 90 per cent of provision at AMES is funded by other sources, including the Commonwealth Government. This funding is short-term contracted delivery.

Higher education

Student enrolments and load in higher education institutions, Victoria, 2002–04

Students*	2002	2003	2004	% change 2002–04
Postgraduate	63,340	68,915	72,015	13.7
Undergraduate	162,624	164,835	166,390	2.3
Other	2,597	3,072	3,350	29.0
Total	228,561	236,822	241,755	5.8
Load (EFTSU)**				
Postgraduate	33,286	36,311	39,148	17.6
Undergraduate	130,116	133,008	134,759	3.6
Other	1,298	1,596	1,717	32.3
Total	164,701	170,917	175,624	6.6

*Students are reported under their 'Major' course level.

**EFTSU: Equivalent full-time student unit

Notes

The Victorian campuses of the Australian Catholic University are not included.

Student data and load data for 2002–04 is publicly available at the Commonwealth Department of Education, Science and Training website <www.dest.gov.au>.

APPENDIX 3

Human resources policies

Human resources

Effective human resources, recruitment, development, retention and management policies and the delivery of associated services are essential if a high-quality and diverse workforce is to contribute to the delivery of the Department's outputs in an efficient and responsive manner.

Key policies

The Department is committed to an integrated approach to the development of its workforce capabilities, as well as maintaining a strong focus on encouraging a diverse and inclusive workforce and increasing opportunities for women to assume leadership roles.

Staff development

Development of public service staff has focused on building leadership capacity and the future workforce.

The award of internal scholarships for the Executive Fellows program and the Executive Masters of Public Administration offered through the Australia and New Zealand School of Government, Gain the Edge, the Davos Future Summit and the Williamson Community Leadership program have all provided opportunities for policy and leadership skills development.

Building workforce capacity for public service staff has centred on skills development through a range of programs, from project management and presentation skills to information technology desktop training and Certificate IV in Assessment and Training. A quality induction and orientation program, strongly supported by senior executives, has been well received by new staff.

Professional development for school staff is discussed in pages 16–17 of this report.

Focus on women

Women represented 73.2 per cent of the Department's workforce in June 2005. The Department's Focus on Women strategy aligns with the human resources strategic priorities to build leadership capability by improving leadership opportunities and career pathways for women, together with the targeting of initiatives to accelerate leadership development and cultural change. It also supports the building of the Department's future workforce through the expansion of skills development programs which build on the capability of all employees.

Women represented 69.4 per cent of teaching staff and 90.4 per cent of non-teaching staff in government schools. The percentage of women in the principal class in government schools continued to rise, with an increase from 45.6 per cent in June 2004 to 47.3 per cent in June 2005.

Women represented 66.2 per cent of Victorian Public Service (VPS) staff in central and regional offices and the percentage of women at executive officer level dropped from 40 per cent in June 2004 to 38.8 per cent in June 2005.

The Eleanor Davis School Leadership program is a Women in Leadership initiative and, together with programs such as the Julia Flynn Scholarship and CareerNET, is a key component in the Department's Focus on Women strategy.

The Eleanor Davis School Leadership program, available to women seeking to move into school leadership positions, continued to attract high numbers of applicants. The program has been very successful in supporting aspiring school leaders and providing experienced principals with opportunities to assist in the development of future leaders.

The Julia Flynn program was under review during the first half of 2005 and scholarships for the

enhanced program will be offered in the second half of the year. These scholarships are designed to provide women with a program that supports their personal and professional growth and enhances their leadership potential.

Managing diversity

The Department's Diversity and Equal Employment Opportunity initiatives have been aligned to corporate and business planning. Key diversity initiatives have focused on attracting and retaining people of diverse skills and backgrounds and providing flexible work arrangements to support work-life balance. Initiatives have also been directed to ensuring positive workplace environments free of discrimination, harassment and bullying.

The need to address an ageing workforce, enhanced participation of women and carers, better work-life balance for all employees and strategic recruitment in a buoyant labour market have driven the launch of a revised edition of the Department's Flexible Work Kit: Achieving Work-Life Balance. The kit was launched following a legal audit and consultation with staff and key stakeholders (unions, principal groups, school council and parent groups).

During Cultural Diversity Week, the Department celebrated the cultural and linguistic diversity of its workforce with well-attended staff events arranged in central and regional offices. The Department also acknowledged Reconciliation Week with a similarly successful staff event led by Indigenous staff.

The Department has established a cross-office Disability (Employment) Action Plan working party to develop strategies and practical ways to address the needs of people with disabilities. This ensures organisational policies and practices are inclusive and provide accessible communications, facilities and employment and training opportunities for people with disabilities.

Employee relations

Consultation with key stakeholders was an essential component of the negotiation of the Victorian Government Schools – School Services Officers Agreement 2004.

Work continued on reviewing and amending employment policies to ensure consistency with changed employment arrangements emerging from schools certified agreements and the VPS Agreement.

VPS staff subject to the Allied Health adaptive structure (Student Support Services Officers) were translated through a change management framework that featured extensive communication and information sessions with these staff.

Human resources systems and services

The Department provides high-quality personnel services, including staffing, employment and payroll administration, together with advice on performance, conduct and ethics.

Workforce planning

A number of new teacher supply initiatives were implemented over the 2004–05 financial year. These initiatives had previously been announced by the Minister for Education Services in January 2004 in the report *Teacher Supply and Demand for Government Schools*.

Key initiatives

- The Career Change program has seen 29 non-teaching professionals from a variety of backgrounds employed as teacher trainees in hard-to-staff teaching vacancies in mainly rural secondary schools. The trainees commenced a two-year, school-based training program in January 2005 that combines supervised classroom teaching experience with part-time study towards a teaching qualification. Victoria University provided a specially tailored and flexibly delivered teacher education course to participants in the Career Change program.
- The Rural Retraining program has already enabled 124 teachers, mainly in rural schools, to retrain in curriculum areas experiencing teacher shortages.
- Over 200 student teachers and nearly 120 schools benefited from the Student Teacher Practicum Scheme, which provides student teachers with financial incentives to undertake their school placements in targeted schools, predominantly in rural areas.

- The promotion of teaching as a career option in non-traditional areas of recruitment (for example, professionals considering a career change) is a strategy pursued via career fairs, university visits and the publicity generated by the Career Change program.
- Links were strengthened between the Department and universities, especially education faculties delivering pre-service teacher education courses. This was achieved through formal forums such as the Teacher Supply and Demand Reference Group and the Deans of Education meetings, and also through increased informal dialogue on a range of teacher supply issues.

Other initiatives designed to assist schools in filling vacancies in specialist subject areas and in particular geographic locations included:

- appointing 626 recent teacher graduates through the Teacher Graduate Recruitment program
- awarding 149 scholarships to student teachers and new graduates under the Teaching Scholarship Scheme that now has a sharper focus on hard-to-staff vacancies.

In 2004–05, there were 60 exemptions from advertisements for VPS and executive recruitment approved by the Secretary or his delegate consistent with the requirements of the then Commissioner for Public Employment and the agreement between the government and the Community and Public Sector Union on the implementation of the new VPS career structure. The majority of these exemptions related to work value review claims resulting from the implementation of the new structure in the Department.

Recruitment online

The online advertising of school-based vacancies commenced in April creating streamlined advertising and appointment processes as well as providing an enhanced pool of potential job candidates.

Extensive training and support services were provided to both principals and other recruiting staff and potential applicants during the introduction of the new system.

Employee health, safety and wellbeing

The Health, Safety and Wellbeing strategy (2004–06) continues to support the integration of staff health, safety and wellbeing in schools and Department workplaces. The strategy focuses on an Occupational Health and Safety (OHS) accountability framework, prevention of hazards and risks in the work environment, compliance with legislative requirements for health and safety and on improved injury management systems. Key components of the strategy include stress prevention, OHS Accountability framework, OHS Management systems and improved Injury and Claims Management processes.

The Department's OHS performance generally achieved its targets. In 2004–05, the Victorian WorkCover Authority continued its inspection activities and issued 450 improvement and 44 prohibition notices, a 212 per cent increase on the previous year's numbers. The increase is mainly due to increased activity by inspectors through WorkSafe projects and specific WorkSafe targets within the education sector.

Key performance indicators

The following ten OHS measures are drawn from the 15 recommended OHS key performance indicators agreed at the OHS Roundtable meeting in March 2005 for inclusion in agency annual reports.

Occupational health and safety measures

Measure	OHS lag key performance indicators	2005–06 Target	2004–05 Actual	
			Number	Rate
Claims	Number and rate of standardised WorkCover claims ¹ including: sprains and strains stress other	Reduction of 3 per cent for 2005–06	843	1.647
			354	
			206	
	Number and rate of lost time WorkCover claims ²	Reduction of 3 per cent for 2005–06	296	0.578
	Number and rate of claims exceeding 13 weeks	Reduction of 3 per cent for 2005–06	155	0.303
Fatalities	Number of fatalities ¹	No fatalities	2	
Claims costs	Average cost per WorkCover claim ³	3 per cent reduction	\$43,028	

Measure	OHS lead key performance indicators	2005–06 Target	2004–05 Actual
Management commitment	Evidence of OHS policy statement; OHS objectives Regular reporting to senior management of OHS; and OHS plans (signed by CEO or equivalent)	Reported quarterly and /or annually Empirical evidence of OHS plans, policies and reporting processes.	Department's OHS policy including objectives at <www.eduweb.vic.gov.au/hrweb/ohs/accp/riskm.htm>. Monthly health, safety and wellbeing reports to Minister and Department Management Committee regarding OHS trends, issues and project plans, achievements and milestones.
	Evidence of OHS criteria(s) in purchasing guidelines (including goods, services and personnel)	Reported quarterly and/or annually Empirical evidence of OHS criteria in purchasing guidelines.	Schedule 21 Part D of the Department tender documents addresses health and safety management. Part E – ethical purchasing requires tenderers to declare any OHS legislative breaches.
Consultation and participation	Evidence of agreed structure of Designated Work Groups, Health and Safety Representatives, and issue resolution procedures	Reported quarterly and/or annually	OHS consultation processes are currently under review by Department and employee organisations.
Risk management	Per cent of internal audits/inspections conducted as planned	80 per cent of planned internal audits conducted	100 per cent
Training	Per cent of OHS representatives trained	75 per cent of representatives trained	73 per cent

Note

The compliance, awareness and program implementation indicators reported in the Department's 2003–04 annual report are no longer part of the reporting requirements and have been superseded by the indicators reported in the above table. During 2004–05, the Victorian WorkCover Authority formalised business rules and definitions (BRAD) for WorkCover reporting. The Department has adopted BRAD from 2004–05. Therefore it is not possible to make direct comparison with WorkCover data reported in the 2003–04 annual report. Due to early provision of data for the 2004–05 financial year by the Department in the annual report, later figures provided by the Victorian WorkCover Authority and the Department may differ from the data reported.

Data definitions

1 Standardised claims are those that have exceeded the employer excess (days or dollars) or are registered as a standard claim and are open with no payments at the time of extraction. Fatality claims are also based on the same definition of standardised claims. All KPI rates are per 100 FTEs.

2 A time-loss claim is a claim with one or more days compensated by the Victorian WorkCover Authority (once the employer has paid the ten-day excess) at the time of extraction. Time-loss claims are a subset of standardised claims.

3 Fully developed claims costs are a combination of payments to date plus an estimate of outstanding claims costs (future costs as calculated by the Victorian WorkCover Authority's statistical case estimate model). There is a degree of uncertainty associated with these estimates, and fully developed claims costs can vary over time as individual claims experience emerges, particularly early in the life of a claim. The level of this uncertainty reduces as the relative size of the portfolio increases, where fully developed costs are considered in aggregate. Data relating to small numbers of claims should be regarded as less reliable. Further, under-development of claims is at its highest for the most recent report year increasing the level of uncertainty on those absolute numbers, and the relativities with previous report years. Under-development is less of an issue for earlier report years, reducing the level of uncertainty for these years. Payments to date have been indexed (average weekly earnings) to allow for inflation.

Conduct and ethics

Criminal record checks

In 2004–05 the Department conducted in excess of 30,000 criminal record checks in collaboration with the Commonwealth CrimTrac Agency via the Department's online criminal record check system. Of these checks, approximately 40 per cent were for people wishing to perform volunteer work in schools including student teachers undertaking teaching practicums.

In October 2004, the Government announced it would conduct criminal record checks on all teaching and non-teaching staff who had not previously undergone such a check. The Department's employees were invited to provide their consent for a check to be performed; 10,932 staff agreed to the check.

Consent was not obtained for 1583 employees due, in the main, to these employees being on leave and not contactable. The names of these employees were provided by the Secretary of the Department to the Chief Commissioner of Police so that criminal record checks could be undertaken as authorised under the amended *Education Act 1958*.

APPENDIX 4

Workforce statistics and senior officers

The following workforce data is based on Business Unit (cost centre) and charge location.

It includes:

- staff on pay (including paid leave) who were employed in the Department in the last fortnight of June 2005
- ongoing and fixed-term agreement staff
- 'other', that is Chairs in statutory and other bodies in the portfolio and other miscellaneous classifications.

It excludes:

- staff who have ceased from the Department prior to the last fortnight of June 2005
- staff on leave without pay (including family leave)
- casual employees and contractors
- ACFE Regional Council staff
- staff employed directly by individual school councils
- staff employed by TAFE institutes
- staff employed by Industry Training Advisory Boards
- LLEN regional staff
- VLESC regional staff.

FTE of teaching service staff in schools by classification and sex on pay as at June 2005

Classification		Males	Females	Total
Primary				
	Principal class	947.7	952.1	1,899.8
	Teaching staff	3,141.9	15,209.0	18,350.9
	Instructors	5.3	10.5	15.8
	Total	4,094.8	16,171.6	20,266.4
Secondary				
	Principal class	528.5	384.1	912.6
	Teaching staff	7,339.7	10,814.2	18,153.9
	Instructors	127.2	47.4	174.6
	Total	7,995.4	11,245.7	19,241.0
Total		12,090.2	27,417.3	39,507.5

Source: Department of Education & Training

FTE of non-teaching staff in schools by classification and sex on pay as at June 2005

Classification	Level	Males	Females	Total
School Services Officer	SSO1-1	459.4	5,640.8	6,100.2
	SSO1-2	174.4	1,310.9	1,485.3
	SSO2-3	96.3	723.7	820.0
	SSO2-4	60.4	484.8	545.1
	SSO2-5	36.4	312.9	349.3
	SSO3-6	27.0	162.1	189.0
	SSO3-7	21.5	50.7	72.2
	SSO3-8	8.7	25.0	33.7
Subtotal		884.0	8,710.8	9,594.8
VPS staff	AH2	7.0	102.0	109.0
	AH3	26.0	128.9	154.9
	AH4	36.1	85.5	121.6
	VPSA6	1.0	3.0	4.0
	VPSG1	1.0	1.0	2.0
	VPSG2	-	4.0	4.0
	VPSG3	-	6.5	6.5
	VPSG4	1.6	7.2	8.8
	VPSG5	3.0	11.0	14.0
Subtotal		75.7	349.1	424.8
Other		-	0.6	0.6
Total		959.7	9,060.5	10,020.2

Source: Department of Education & Training

FTE of staff in non-school locations, extension services and statutory bodies by classification and sex on pay as at June 2005

Classification		Males	Females	Total
Teaching staff		49.3	66.4	115.7
Executive officer	EO1	2.0	1.0	3.0
	EO2	21.0	11.0	32.0
	EO3	18.0	14.0	32.0
	Subtotal	41.0	26.0	67.0
VPS staff	VPSG1	5.7	16.8	22.5
	VPSG2	34.0	127.3	161.3
	VPSG3	94.6	241.6	336.2
	VPSG4	108.6	148.0	256.6
	VPSG5	206.9	250.1	457.0
	VPSG6	106.9	103.1	210.0
	Senior Technical Specialist	1.0	1.0	2.0
	AH4	1.0	–	1.0
	Graduate recruits	4.0	11.0	15.0
	Subtotal	562.7	898.8	1,461.5
Other		4.0	8.1	12.1
Ministerial staff		2.0	–	2.0
Total		659.0	999.3	1,658.3

FTE of staff in non-school locations by office on pay as at June 2005

Office	FTE
Office of Strategy and Review and Office of the Secretary	175.0
Office of School Education (including regions)	508.1
Office of Learning and Teaching	171.3
Office of Resources Management and Strategy	439.6
Office of Training and Tertiary Education	154.4
VCAA	177.4
Merit Protection Boards	5.0
VQA	25.5
Ministerial offices	2.0
Total	1,658.3

Senior officers as at 30 June 2005

Addresses of the key business areas are provided. The telephone number for all sections of the Department is (03) 9637 2000, except where otherwise specified.

Department of Education & Training

2 Treasury Place
East Melbourne Victoria 3002

Grant Hehir, Secretary

Office of School Education

1st floor
33 St Andrews Place
East Melbourne Victoria 3002

Mr Darrell Fraser, Deputy Secretary

School System Reform

Mr John Allman
General Manager

Ms Andrée Butler
Assistant General Manager, System Policy and
Accountability

Ms Lesley Foster
Assistant General Manager, Community and
Stakeholder Relations

Mr Ian Claridge
(Acting*) Assistant General Manager, Student
Wellbeing

School System Development

Mr David Brooks
General Manager

Dr Sara Glover
Assistant General Manager, School System
Outcomes

Ms Dina Guest
Assistant General Manager, Leadership and
Teacher Development

School Resources

Dr Peter Stewart
General Manager

Ms Lynne Williams
Assistant General Manager, Facilities and
Infrastructure

Regions

Regional office contact details appear on
pages 24–25 .

Eastern Metropolitan

Dr Jim Watterston
Regional Director

Northern Metropolitan

Mr Wayne Craig
Regional Director

Western Metropolitan

Mr Rob Blachford
Regional Director

Barwon South Western

Ms Glenda Strong
Regional Director

Central Highlands Wimmera

Mr Malcolm Millar
Regional Director

Loddon Campaspe Mallee

Mr Ron Lake
Regional Director

Goulburn North Eastern

Ms Adele Pottenger
Regional Director

Gippsland

Mr Peter Greenwell
Regional Director

Southern Metropolitan

Ms Jan Lake
Regional Director

Office of Learning and Teaching

Level 3
33 St Andrews Place
East Melbourne Victoria 3002

Dr Dahle Suggett, Deputy Secretary

Student Learning

Mr Tony Cook
General Manager

Ms Carol Kelly
Assistant General Manager, Learning Programs

Post-Compulsory

Mr George McLean
General Manager

Research and Innovation

Ms Dawn Davis
General Manager

Mr John McCarthy
Assistant General Manager, Research and
Development

Ms Diane Joseph
Assistant General Manager, Innovations

Dr Mark Rose
Assistant General Manager, Koorie Strategy

**Office of Training and Tertiary
Education**

3rd floor
2 Treasury Place
East Melbourne Victoria 3002

Ms Patricia Neden, (Acting**) Deputy Secretary

Adult, Community and Further Education

Ms Sandy Forbes
General Manager

Higher Education and Regulation

Mr Terry Stokes
General Manager

Mr Lee Watts
Project Director, Higher Education

Strategic Directions

Mr Phil Clarke
General Manager

Ms Wendy Timms
Assistant General Manager, Planning and Industry
Relations

Ms Susan McDonald
Assistant General Manager, Policy Development

Mr Phillip Wilkins
(Acting*) Assistant General Manager, Resources
and Facilities

Training Operations

Mr Chris Stewart
(Acting**) General Manager

Mr Franco Greco
Assistant General Manager, Training Purchasing

Mr Chris Stewart
Assistant General Manager, Apprenticeships

Vocational Education and Training

Ms Jan Trehwella
General Manager

**Office of Resources Management
and Strategy**

1st floor
2 Treasury Place
East Melbourne Victoria 3002

Mr Jeff Rosewarne, Deputy Secretary

Corporate Services

Ms Gail Hart
General Manager

Information Technology

Mr Erle Bourke
General Manager

Ms Katrina Reynen
Assistant General Manager, Information
Technology

Resource Strategy

Mr Jim Miles
General Manager

Human Resources

Mr Tony Bugden
General Manager

Mr Rex Hardman
Assistant General Manager, Policy and Employee
Relations

Ms Michelle Holian
Assistant General Manager, Planning and
Development

Chief Information Officer

Mr Adam Todhunter
Chief Information Officer

Financial Services

Ms Claire Tierney
Chief Finance Officer, Financial Services

Mr Nino Napoli
Assistant General Manager, School Resources
Allocation

Mr Ron Cooper-Thomas
Assistant General Manager, Accounting Policy
and Tax

Mr Peter Frouzisz
Assistant General Manager, Budget and Reporting

Office of Strategy and Review

1st floor
2 Treasury Place
East Melbourne Victoria 3002

Ms Katherine Henderson, Deputy Secretary

External and Inter-Governmental Relations

Mr Colin Twisse
General Manager

Mr Patrick Lyons
Assistant General Manager, External and Inter-
Governmental Relations

Mr John Livi
Principal Legal Officer, Legal Services

Strategic Policy and Planning

Mr John Sullivan
General Manager

Mr Ian Burrage
Assistant General Manager, Strategic Planning
and Review

Ms Julie Alliston
Assistant General Manager, Policy Development
and Coordination

International

Ms Sue Christophers
General Manager

Communications

Ms Mary-Anne Thomas
General Manager

Portfolio Improvement and Assurance

Ms Lynn Glover
General Manager

Strategic Initiatives

Mr Michael Kane
General Manager

Merit Protection Boards

Level 9, 35 Spring Street
East Melbourne Victoria 3002
(03) 9651 0290

Mr Ian Adams***
Senior Chair

Victorian Curriculum and Assessment Authority

41 St Andrews Place
East Melbourne Victoria 3002
(03) 9651 4300

Mr Michael White
Chief Executive Officer

Dr Glenn Rowley
Assistant General Manager, Educational
Measurement and Research

Mr Byron Crawford
Assistant General Manager, Business Operations

Mr John Firth
Assistant General Manager, Curriculum

Ms Elaine Wenn
Assistant General Manager, Assessment

Victorian Qualifications Authority

Level 2, 33 St Andrews Place
East Melbourne Victoria 3002
(03) 9637 3479

Dr Dennis Gunning,
Director

Mr Robert Fearnside,
Project Executive, VQA

* Acting assignment by a non-substantive executive officer

** Acting assignment by a substantive executive officer

*** Governor-in-Council appointee

APPENDIX 5

Statutory authorities and other bodies

Fifty-three statutory authorities and other bodies work with the education and training communities to provide direct education and training provision and/or advice to the Minister for Education and Training and the Minister for Education Services.

The Minister for Education and Training and the Minister for Education Services are accountable to the Victorian Parliament for the performance of the Department. In the discharge of their responsibilities, the Ministers received advice from education and training statutory authorities in 2004–05, as indicated in the table below. The Department works in conjunction with statutory authorities to achieve the Government goals and targets for education and training and the delivery of Government-funded education and training outputs.

Selected statutory authorities and their reporting requirements

Agency	Minister	Annual report
Adult, Community and Further Education Board	Education and Training	Separate report
Merit Protection Boards	Education Services	See page 126
Registered Schools Board	Education and Training	See page 26
VCAA	Education and Training	Separate report
VLESC	Education and Training	Separate report
VQA	Education and Training	Separate report
VIT	Education and Training	Separate report

Staff of some of these authorities are on the Department's payroll, as reflected in the workforce data on pages 12, 120–122. Some of the authorities produce annual reports in their own right: the ACFE Board, the VCCA, the VQA and the VLESC. These reports can be accessed from the Department's website at <www.det.vic.gov.au>.

Summaries of the Registered Schools Board and the Merit Protection Boards reports are included in this report on pages 26–27 and 126–130.

Contact details for the remaining 47 statutory authorities and other bodies in the portfolio are presented in the table on pages 131–133.

Merit Protection Boards

The Merit Protection Boards were established in 1993 under the *Teaching Service Act 1981* to:

- advise the Minister about principles of merit and equity to be applied in the teaching service
- hear reviews and appeals in relation to decisions made under the Teaching Service Act (except Part 5) or any other Act
- advise the Minister or the Secretary about any matter referred to them by the Minister or the Secretary relating to merit and equity in the teaching service
- hear reviews and appeals in relation to any decision prescribed by the regulations to be a decision in respect of which there is a right of review by or appeal to a Merit Protection Board.

There are seven teaching service boards, each of which comprises a Chairperson, nominated by the Minister, a nominee of the Secretary and a teacher nominated by the Minister, with most of the members employed on a part-time basis.

The Senior Chairperson establishes Public Sector Boards to hear and determine grievances from School Services Officers and members of the VPS. These boards comprise three members: a Chairperson, nominated by the Senior Chairperson, a nominee of the Secretary and a staff member also nominated by the Senior Chairperson. The Public Sector Boards make a recommendation to the Senior Chairperson who has the delegation from the Secretary of the Department to hear and determine public sector grievances.

The Senior Chairperson, Mr Ian Adams, and the Secretary's nominee, Mr Raymond Wilkinson, are full-time members of the Merit Protection Boards. Ms Beverly Trease is the Registrar.

Members of the Merit Protection Boards

In September 2004 the following three-year appointments were made.

Chairpersons

Mr Ian Adams

Senior Chairperson

Ms Leonie Fitzgerald

Principal, Dandenong South Primary School

Mr Gavan Schwartz

Principal, Boroondara Park Primary School

Mr Ian Hall

Senior Education Officer, Gippsland Region

Ms Kate Christensen

Principal, Rosamond Special School

Mr Gary Salisbury

Echuca Secondary College

Mr Wayne Hill

Assistant Principal, Distance Education Centre

Secretary's nominees

Mr Ray Wilkinson

Secretary's nominee (full-time)

Ms Lorraine Dell

Assistant Principal, Ormond Primary School

Ms Vincenzina Calabro

Principal, Noble Park English Language Centre

Ms Karen O'Dowd

Altona Green Primary School

Mr Wayne Smith

Eumemmerring Secondary College

Ms Deborah Meirisch

Principal, Wheelers Hill Primary School

Ms Sheryl Skewes

Assistant Principal, Sandringham Primary School

Teacher nominees

Ms Jane Lockie

Mornington Special Developmental School

Ms Angeliki Kavourni

MacRobertson Girls High School

Ms Jennifer Pringle

Mount Waverley Secondary College

Ms Mary-Anne Pontikis

Meadow Heights Primary School

Ms Sharon Walker

Williamstown North Primary School

Mr Robert Bertagnolio

Altona Secondary College

Ms Eileen O'Brien

Croydon Secondary College

Emergency teacher nominees

Ms Penny Geoghegan

Sunbury Secondary College

Ms Gail Shaw

Sunshine North Primary School

Ms Valda Grimston

Footscray North Primary School

Ms Claire Hanmer

Karingal Park Secondary College

Mr John Baston

Ashwood Secondary College

The Merit Protection Boards provide an independent mechanism to hear appeals and grievances for employees of the Department and associated statutory authorities in education. Appeals and grievances include transfer and promotion, incapacity, grievances of a general personal nature including sexual harassment and discrimination, and appeals in relation to police records checks. Appeals and grievances are heard in the metropolitan area and regional centres, as appropriate.

Members of the Merit Protection Boards have a duty to act as individuals in an independent and objective manner in fairly hearing and determining appeals and grievances. The hearing procedures of Merit Protection Boards are consistent with the principles of procedural fairness.

Access to the Merit Protection Boards is available to employees in the Department including principal class officers, teachers, school-based non-teaching staff and public servants, excluding executive officers.

Other activities

The Merit Protection Boards continue to provide advice to the Department on merit and equity issues in relation to major policy initiatives at the request of the Department as well as advice when existing policies are being reviewed.

The Senior Chair and the Secretary's nominee have been invited to address groups of principal class officers across the state. They have conducted professional development programs on request for principal class officers, the field officers of the principals' associations and the Australian Education Union Principal Class Association.

The Merit Protection Boards' website provides access to information about the appeal and grievance process as well as its accreditation programs. Employees are able to lodge appeal and grievance applications online. The Boards' website address is <www.mpb.vic.gov.au>.

The Senior Chairperson and the Secretary's nominee attended the National Public Sector Appeals Conference, held in Darwin in August 2004.

Appeals and grievances

Teaching service

In the year to 30 June 2005 the Merit Protection Boards for the teaching service received a total of 161 appeals and grievances comprising 27 promotion grievances, three discipline appeals and 131 personal grievances. Of the 89 grievances heard, 53 (60 per cent) were upheld.

Only three fewer promotion grievances were received this year; however, 72 per cent of the grievances heard were upheld, indicating a marked increase from 40 per cent upheld in the previous year. The Merit Protection Boards note that this increase in part relates to a number of cases where proper procedures were not followed in principal selection. There was a further increase in the number of personal grievances this year while there was a five per cent increase to 45 per cent of those upheld. As in previous years, the majority of personal grievances related to the rejection of excess teachers referred to vacant positions.

Of the three discipline appeals received one was withdrawn, one is still pending and the other (incapacity) is still pending.

Public sector

There were 52 grievances received from public servants and SSOs compared with 80 for the previous year. These comprise 39 from SSOs and 13 from public servants. SSOs lodged nine promotion grievances and 27 personal grievances while public servants lodged three promotion and ten personal grievances. Twenty of these grievances were heard and 12 (60 per cent) were upheld.

Teaching service – appeals and grievances, 2004–05

Category	Received		Upheld		Disallowed		Withdrawn		Pending		No jurisdiction, out of time or lapsed		Conciliated		Total
	M	F	M	F	M	F	M	F	M	F	M	F	M	F	
Promotion	11	16	3	5	1	2	1	2	–	2	6	3	–	2	27
Discipline	2	1	–	–	–	–	1	–	1	1	–	–	–	–	3
Incapacitated officer	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Personal	57	74	21	24	15	18	7	11	3	3	3	6	8	12	131
Total	70	91	24	29	16	20	9	13	4	6	9	9	8	14	161

Public sector – appeals and grievances

Category	Received		Upheld		Disallowed		Withdrawn		Pending		Lapsed		Conciliated		Total
	M	F	M	F	M	F	M	F	M	F	M	F	M	F	
SSO staff															
Promotion	3	6	-	-	1	-	-	1	-	-	2	5	-	-	9
Discipline	1	2	-	-	-	-	-	2	1	-	-	-	-	-	3
Personal	6	21	2	7	1	2	-	5	1	2	1	2	1	3	27
Total SSO	10	29	2	7	2	2	-	8	2	2	3	7	1	3	39
VPS staff															
Promotion	1	2	-	1	1	1	-	-	-	-	-	-	-	-	3
Discipline	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Personal	3	7	-	2	-	2	-	2	1	-	1	-	1	1	10
Total VPS	4	9	-	3	1	3	-	2	1	-	1	-	1	1	13
Total VPS and SSO	14	38	2	10	3	5	-	10	3	2	4	7	2	4	52

In the case of SSOs, the pattern of promotional grievances is the same as in previous years. Most common matters raised in SSO personal grievances are the rejection of referred excess employees, leave, salary, reclassification, bullying and harassment, and police records checks.

The number of grievances received from members of the public service reduced by almost two-thirds compared with the previous year. There was a slight increase in the number of promotion grievances but the reduction in the number of personal grievances was more marked.

Merit Protection accreditation

The Merit Protection Boards continued to provide training in the principles of merit and equity for principal class officers, teachers, SSOs and members of the public service employed in the Department, so that the requirement for all panels to include a merit-accredited employee as a member of the selection panel can be met. This year the board has run 30 seminars in which 1227 employees have been trained, including 63 who needed to be upgraded or sought to enhance their existing knowledge and understanding of the principles of merit and equity. Since the inception of these training programs a total of 26,239 employees have been trained.

Principal class officers

Ninety-nine members of the principal class were accredited in seminars conducted by the boards in metropolitan and country centres during 2004–05. Accredited principal class officers are available to serve on principal class officer selection panels. Since the inception of training programs, 3160 members of the principal class have been trained.

Teachers

In the teacher class, 786 members have been accredited in merit protection in seminars conducted by the boards in metropolitan and country centres. Of these, 28 teachers have reaccredited. The total number of members of the teacher class accredited since these programs began is 19,230. Teachers who have been accredited are available to assist principals with personnel management decision making in schools where panels must include a merit protection accredited teacher.

School services officers and members of the Victorian Public Service

During 2004–05, 169 SSOs and 163 VPS employees have been accredited. The total number of SSOs and VPS employees trained to date is 3849. Accredited SSOs and VPS employees are available to assist on panels in decision making concerning selection.

Number of employees trained July 2003 – June 2004 by region (includes reaccreditation)

Region	Teachers	Principal class	SSO	VPS	Total
Barwon South Western	62	5	19	6	92
Central – Corporate				132	132
Central Highlands Wimmera	50	5	11	9	75
Eastern	73	24	15	11	123
Gippsland	36	4	11	2	53
Goulburn North Eastern	63	18	13	1	95
Loddon Campaspe Mallee	53	17	14	1	85
Northern	172	9	35	11	227
Southern	164	6	24		194
Western	113	11	27		151
Total	786	99	169	173	1,227

Disciplinary Appeals Boards

Disciplinary Appeals Boards were established pursuant to the *Teaching Service (Conduct and Performance) Act 2004* (an Act to amend the *Teaching Service Act 1981*), which came into effect on 1 January 2005.

The boards hear and determine appeals by employees or officers in the teaching service in relation to decisions of the Secretary made under section 67 of the *Teaching Service Act 1981*. This section allows the Secretary to reprimand, fine, reduce the classification or terminate the employment of an officer or employee if any of the grounds listed in section 66 are met. The grounds in section 66 include misconduct and inefficiency.

Each Disciplinary Appeals Board comprises three persons from three pools of persons appointed by the Governor-in-Council, of whom:

- one will be the Chairperson who has been admitted to legal practice for not less than five years nominated by the Secretary
- one will be an officer in the teaching service nominated by the Minister after expressions of interest were sought
- one will be a person who has knowledge of or experience in education, education administration or public sector administration nominated by the Secretary.

Thirty-two candidates for the three pools were approved by Cabinet and appointed by the Governor-in-Council on 19 April 2005.

The Senior Chairperson, Merit Protection Boards, is responsible for administering the Disciplinary Appeals Boards. The Senior Chairperson organised an induction evening in May 2005 to welcome the successful candidates and to provide training and information on the functions and responsibilities of the Disciplinary Appeals Boards and its members. The Senior Chairperson of the Disciplinary Appeals Boards is Mr Ian Adams.

In May 2005, the following board members, all of whom are part-time members, were appointed for an initial five-year period. They were selected after expressions of interest had been called for. Chairpersons, nominated by the Secretary, were appointed under Sections 75D(2)(a) and 75E of the *Teaching Service Act 1981*. It is a requirement that Chairs have been admitted to legal practice in Victoria for not less than five years.

Ms Judith Benson
 Mr Ian Freckleton
 Mr Geoffrey Gibson
 Mr Peter Harris
 Ms Clare Lethlean
 Mr Rohan Millar
 Mr Damian Murphy
 Mr Peter Rose
 Ms Elspeth Strong
 Mr Peter Willis

The following officers in the teaching service are nominees of the Minister for Education Services and were appointed under Sections 75D(2)(b) and 75E of the *Teaching Service Act 1981*.

Mr Ross Adamson
 Ms Moira Findlay
 Mr David Finnerty
 Mr Wayne Hill
 Ms Angeliki Kavourni
 Ms Denise Leggett
 Ms Anne Longmire
 Mr Brian O'Dea
 Ms Mary-Anne Pontikis
 Mr Paul Rose
 Mr Steven Silestean

Mr Brian Burgess
 Mr James Davidson
 Ms Leonie Fitzgerald
 Mr Gregory Gibbs
 Ms Avis Grahame
 Ms Dale Hendrick
 Mr Russell Isaac
 Mr Eric Keenan
 Mr David List
 Mr Ian Martin
 Mr Bronwyn Valente

Other statutory authorities and bodies

The following Secretary's nominees, who have knowledge of or experience in education, education administration or public sector administration, were appointed under Sections 75D(2)(c) and 75E of the *Teaching Service Act 1981*.

Other statutory authorities and bodies in the education and training portfolio include 14 TAFE institute councils, nine Regional Councils of ACFE, the boards of two adult education institutions, the councils of eight Victorian universities and 13 industry training boards. All of these authorities and bodies report to the Minister for Education and Training.

TAFE institute councils

Institute	Address	Phone and website
Bendigo Regional Institute of TAFE council	136 McCrae Street, Bendigo Victoria 3550	(03) 5434 1555 <www.britafe.vic.edu.au>
Box Hill Institute of TAFE council	465 Elgar Road, Box Hill Victoria 3128	(03) 9286 9222 <www.bhtafe.edu.au>
Central Gippsland Institute of TAFE council	Corner Princes Drive and Monash Way, Morwell Victoria 3814	(03) 5120 4500 <www.gippstafe.vic.edu.au>
Chisholm Institute of TAFE council	121 Stud Road, Dandenong Victoria 3175	(03) 9212 5000 <www.chisholm.vic.edu.au>
East Gippsland Institute of TAFE council	48 Main Street, Bairnsdale Victoria 3875	(03) 5152 0700 <www.egtafe.vic.edu.au>
Gordon Institute of TAFE council	2 Fenwick Street, Geelong Victoria 3220	(03) 5225 0500 <www.gordontafe.edu.au>
Goulburn Ovens Institute of TAFE council	Fryers Street, Shepparton Victoria 3630	1300 733 111 <www.gotafe.vic.edu.au>
Holmesglen Institute of TAFE council	Corner Batesford and Warrigal Roads, Holmesglen Victoria 3148	(03) 9564 1555 <www.holmesglen.vic.edu.au>
Kangan Batman Institute of TAFE council	Pearcedale Parade, Broadmeadows Victoria 3047	(03) 9279 2222 <www.kangan.edu.au>
Northern Melbourne Institute of TAFE council	77-91 St Georges Road, Preston Victoria 3072	(03) 9269 1200 <www.nmit.vic.edu.au>
South West Institute of TAFE council	Timor Street, Warrnambool Victoria 3280	(03) 5564 8911 <www.swtafe.vic.edu.au>
Sunraysia Institute of TAFE council	Benetook Avenue, Mildura Victoria 3500	(03) 5022 3666 <www.sunitafe.edu.au>
William Angliss Institute of TAFE council	555 LaTrobe Street, Melbourne Victoria 3000	(03) 9606 2111 <www.angliss.vic.edu.au>
Wodonga Institute of TAFE council	15 McKoy Street, Wodonga Victoria 3690	(02) 6055 6600 <www.wodonga.tafe.edu.au>

Regional Councils of ACFE

Council	Address	Phone and website
Barwon South Western Regional Council of ACFE	40 Brougham Street, Geelong Victoria 3220	(03) 5221 8248 <www.acfebsw.vic.edu.au>
Central Highlands Wimmera Regional Council of ACFE	Level 1, 1220 Sturt Street, Ballarat Victoria 3350	(03) 5332 3989 <www.chw-acfe.ballarat.net.au>
Central Western Metropolitan Regional Council of ACFE	29 Cobden Street, North Melbourne Victoria 3051	(03) 9326 7647 <www.acfecwm.vic.edu.au>
Eastern Metropolitan Regional Council of ACFE	Rear, 1st floor, 25 Ringwood Street, Ringwood Victoria 3134	(03) 9879 4000 <www.acfeemr.vic.edu.au>
Gippsland Regional Council of ACFE	Cnr Haigh and Kirk Streets, Moe Victoria 3825	(03) 5127 6000 <www.acfegip.vic.edu.au>
Goulburn Ovens Murray Regional Council of ACFE	13 Lowry Place, Benalla Victoria 3672	(03) 5762 4655 <www.gomacfe.net>
Loddon Campaspe Mallee Regional Council of ACFE	Havlin Street East, Bendigo Victoria 3550	(03) 5442 4300 <www.acfelcm.vic.edu.au>
Northern Metropolitan Regional Council of ACFE	Suite 11–14, 420 Victoria Street, Brunswick Victoria 3056	(03) 9940 1405 <www.acfenmr.vic.edu.au>
South Western Port Regional Council of ACFE	133 Nepean Highway Seaford Victoria 3198	(03) 9786 9466 <http://home.vicnet.net.au/~swpacfe/index.htm>

Adult education institution boards

Institution	Address	Phone and website
AMES Board	255 William Street, Melbourne, Victoria 3000	(03) 9926 4666 <www.ames.net.au>
The CAE	253 Flinders Lane, Melbourne, Victoria 3000	(03) 9652 0611 <www.cae.edu.au>

Victorian university councils

University	Address	Phone and website
Deakin University Council	221 Burwood Highway, Burwood Victoria 3124	(03) 9244 6100 <www.deakin.edu.au>
La Trobe University Council	Corner Plenty Road and Kingsbury Drive, Bundoora Victoria 3083	(03) 9473 8888 <www.latrobe.edu.au>
Monash University Council	Wellington Road, Clayton Victoria 3800	(03) 9905 4000 <www.monash.edu.au>
RMIT University Council	124 La Trobe Street, Melbourne Victoria 3000	(03) 9925 2000 <www.rmit.edu.au>
Swinburne University Council	John Street, Hawthorn Victoria 3122	(03) 9214 8000 <www.swin.edu.au>
University of Ballarat Council	University Drive, Mt Helen Victoria 3353	<www.ballarat.edu.au>
University of Melbourne Council	Grattan Street, Parkville Victoria 3052	(03) 8344 4000 <www.unimelb.edu.au>
Victoria University of Technology Council	Corner Nicholson and Buckley Streets, Footscray Victoria 3011	(03) 9688 4000 <www.vu.edu.au>

Other bodies: Industry training boards

Board	Address	Phone and website
Automotive Industry Training Board	Level 2, 464 St Kilda Road, Melbourne Victoria 3004	(03) 9866 1292 <www.atv.org.au>
Business Services, Finance and Property Industry Training Board	Suite E, 222–224 Church Street, Richmond Victoria 3121	(03) 9429 0004 <www.bsv.org.au>
Community Services and Health Industry Training Board	180A Palmerston Street, Carlton Victoria 3053	(03) 9347 0377 <www.intraining.org.au>
Cultural and Recreation Industry Training Board	Level 5, 313–315 Flinders Lane, Melbourne Victoria 3000	(03) 9614 5566 <www.artv.org.au>
Electrotechnology, Printing, Information and Communications Training Board	29 Drummond Street, Carlton Victoria 3053	(03) 9654 1299 <www.epicitb.com/>
Engineering Industry Training Board	1378A Toorak Road, Burwood Victoria 3125	(03) 9889 0966 <www.estb.com.au> (under construction at 21 July 2004)
Food Industry Training Board	Suite 10, Skipping Girl Place, 651–653 Victoria Street, Abbotsford Victoria 3067	(03) 9428 7744 <www.foodindustrytraining.com.au>
Furnishing Industry Training Board	1 Grattan Street, Carlton Victoria 3053	(03) 8663 2188 <www.vfitb.org.au>
Primary Industry Training Board	Suite 10B, Skipping Girl Place, 651–653 Victoria Street, Abbotsford Victoria 3067	(03) 9428 9811 <www.psv.com.au>
Process Manufacturing Industry Training Board	1378A Toorak Road, Burwood Victoria 3125	(03) 9889 0233 <www.mlvic.com>
Service Skills Victoria	Level 5, 315 Flinders Lane, Melbourne Victoria 3000	(03) 8610 0555 (website under construction)
Transport and Distribution Industry Training Board	Level 3, 33 Walsh Street, West Melbourne Victoria 3003	(03) 9326 7211 <www.careersintransport.org>

Note: The Wholesale, Retail and Personal Services Industry Training Board and the Tourism and Hospitality Industry Training Board have merged to become Service Skills Victoria.

APPENDIX 6

Whole-of-government reporting on target groups

On coming to office, the Government pledged a whole-of-government reporting approach in relation to cultural diversity, women, youth and Indigenous affairs.

This appendix provides highlights of the Department's activities that are of particular relevance to these four community groups.

Cultural diversity

The Department recognises that individuals and groups facing particular challenges to achieving in education and training because of cultural or linguistic background must be supported to participate in education and training, achieve learning success and undertake continuous learning.

Schools, including specialist language schools and centres, help build proficiency in English and other languages, and shape student attitudes to cultural diversity through multicultural education.

TAFE institutes and ACE organisations have a central role in equipping adults from culturally and linguistically diverse backgrounds with English proficiency and the vocational skills they need to function effectively in the workforce and in society, or to proceed to other forms of education and training.

The Department's workforce management and development practices help to ensure that its workforce is well equipped to work with the diverse Victorian community and enhance learning outcomes for all Victorians.

Highlights

- \$750,000 was provided for interpreting and translation services to enable parents who do not speak English to access information in government schools.
- More than \$50 million was provided to support languages other than English programs in schools.

Performance measures

The Department's key performance measures on cultural diversity relate to the provision of:

- intensive ESL support for new-arrival students in regular schools
- ESL support for eligible students in regular schools.

In 2004, 2085 new-arrival primary and secondary school students received intensive support, and 91.2 per cent of eligible primary students in regular schools received ESL support. The percentage of eligible secondary students in regular schools receiving ESL support increased from 95.2 per cent in 2002 to 96 per cent in 2004.

These performance measures are reported annually in the State Budget Papers.

Women

The Department made major contributions to the achievement of the priorities for women, including those outlined in the Forward Plan: Leading with Victoria's Women 2004–2007 and the Women's Safety strategy, in particular the priorities related to education, work and economic independence.

The Department's services for women are provided through schools, TAFE institutes and other registered training organisations and ACE organisations. These services aim to:

- equip women with the education and training they need to have high-quality jobs, a full and creative life and opportunities to contribute to their communities
- provide a working environment that is responsive to the needs of women.

Highlights

- The Parents Returning to Work program provided 2475 grants to assist parents wishing to return to the workforce. The grants subsidised the costs of education and training programs or other related costs such as child-care or support materials. The Parents

Returning to Work program has now issued over 6500 grants since it commenced in July 2003. The program has been highly effective in targeting women, with 94 per cent of grants being issued to women.

- The Accelerated Development Program for High Potential Leaders provides professional development for aspirant school leaders through a Master in School Leadership course. In 2004–05, 64 per cent of participants in this course were women.

Performance measures

Key features of the Department's performance on women's and girls' education and training include the following:

- The Years 7–12 apparent retention rate for girls in Victoria was 88.2 per cent in August 2004 compared with 81.2 per cent for girls nationally. The Years 7–12 apparent retention rate refers to the number of full-time students in Year 12 expressed as a proportion of the number of full-time students in Year 7 five years earlier.
- The Year 10–12 apparent retention rate for girls in Victoria was 88.9 per cent in August 2004 and 82.1 per cent for girls nationally.

Youth

The Department provides education and training services through schools, TAFE institutes and other registered training organisations and ACE organisations. These services make a major contribution to the achievement of the priorities for young people outlined in the whole-of-government Respect framework, particularly those related to the theme of learning and working.

Performance measures

The Department's key performance measures for youth are the Government's targets for education and training. Details of progress towards the targets are on pages 13–14. Further information on achievements relating to youth are contained in the sections on school education (pages 49–53) and training and tertiary education (pages 53–55)

Indigenous affairs

The Department recognises the importance of working with the Indigenous community to improve Indigenous students' participation and achievement levels in education and training.

Two key strategies frame the partnership between the Department and the Indigenous community. These strategies, Yalca and Wurreker, focus on developing policy, programs and services for and by the Indigenous community.

Yalca

The Yalca strategy supports a birth-to-death philosophy of education, placing the student at the centre of education policy and decision making. Yalca acknowledges the importance of local partnerships and recognises the role of Local Aboriginal Education Consultative Groups in determining local education and training needs.

Wurreker

The Wurreker strategy was developed to consolidate the partnership between the Department and the Victorian Aboriginal Education Association Incorporated. The strategy aims to improve the participation of Indigenous students in vocational education and training. It is designed to support:

- improved completion rates for Indigenous students
- participation in courses at higher levels
- better outcomes for individuals and communities in terms of employment and community enhancement.

The Wurreker strategy recognises the need for an equal partnership between Government, education and training organisations and Local Aboriginal Education Consultative Groups in policy development, planning and delivery to ensure quality outcomes for Indigenous students are achieved.

Highlights

Strong commitments to the principles of the Yalca and Wurreker strategies and initiatives to support the Indigenous community were maintained by the Department in 2004–05.

- Key programs such as the Koorie Literacy Links (P–4), Koorie Middle Years Literacy Links (Years 7–9) and Koorie Middle Years Numeracy Links (Years 5–6) continued. Participating students showed improvements in literacy and numeracy skills.
- Four Koorie Open Door Education campuses continued to operate in Victoria, providing culturally inclusive curriculum and appropriate learning and teaching programs.
- Koorie Education Development Officers, Koorie Educators, Koorie Home School Liaison Officers and Koorie Literacy Officers were employed to support Koorie students.

Performance measures

The Department collects data on the enrolments of Indigenous students in schools by year level and school type in August each year. In 2004, there were 6625.6 FTE Indigenous students enrolled in government schools in Victoria, representing 1.2 per cent of the student cohort.

APPENDIX 7

Office-based environmental impacts

This appendix discloses the Department's office-based environmental impacts on energy use, waste production, paper use, water consumption, transportation and green purchasing for its central office as required by Financial Reporting Direction 24 – Reporting of Office-based Environmental Impacts by Government Departments. During

2004–05, the Department improved data collection and reporting procedures for office-based environmental impacts.

Rates per employee are based on the number of central office staff as at the end of June, being 973.2 FTE.

Aspect	Annual quantitative measures
Energy use	<ul style="list-style-type: none"> • 12,481.84 megajoules used per employee • 642.57 megajoules used per m² of office space • 12,147.33 gigajoules total energy usage¹ • 2,433.37 tonnes CO₂ equivalent (total greenhouse gas emissions) • 11.77 per cent electricity was purchased as green power costing \$5,435.32
Waste production	<ul style="list-style-type: none"> • 173.5 kilograms of waste produced per employee • 106,303 kilograms of waste is recycled
Paper use	<ul style="list-style-type: none"> • 35 reams of paper used per employee • 34,457 reams of paper used
Water consumption	<ul style="list-style-type: none"> • 7,563 litres of water consumed per employee • 7,359,960 litres of water total
Transportation	<ul style="list-style-type: none"> • 6,336 gigajoules total passenger vehicle² fuel consumption • 6.51 gigajoules per employee passenger vehicle fuel consumption • 470 tonnes total CO₂ equivalent emissions from passenger vehicle use • 0.48 tonnes per employee CO₂ equivalent emissions from passenger vehicle use • 1,498,439 kilometres total passenger vehicle trips associated with central office operations • 1,539.7 kilometres per employee passenger vehicle trips associated with central office operations • 79.9 per cent of employees regularly use public transport, cycle, or walk to and from work
Purchasing	The Department promotes the Environmental Purchasing policy of the Victorian Government Purchasing Board through an internal purchasing website.

¹ Total energy use now includes electricity, not reported in 2003–04.

² Passenger vehicle data is based on central office use of VicFleet and the Department's central office fleet vehicles.

APPENDIX 8

Freedom of Information

During 2004–05, 186 requests were received for documents under the *Freedom of Information Act 1982* (the Act). Full access was granted for 54 requests and partial access for a further 79. Access was denied for 11 requests and documents could not be located or did not exist for 16 requests. Three requests were withdrawn. One request was transferred to another Department. At the end of the reporting period, there were 22 requests for which no decision had been made.

Where access was not granted to a document, the major exemption categories in the Act used in decision making were:

- section 30 (opinions, advice and recommendations that are against the public interest to release)
- section 32 (legal professional privilege)
- section 33 (to protect the privacy of the personal affairs of others)
- section 34 (documents relating to business or trade secrets)
- section 35 (communications in confidence).

Thirty-eight applicants sought an internal review. The original decisions of thirty-three were fully upheld while five original decisions were varied. There were six appeals to the Victorian Civil and Administrative Tribunal for review of decisions made under the Act. All appeals were yet to be determined by the Tribunal as at 30 June 2005.

Publication requirements

The information required to be published pursuant to section 7 of the Act is either contained below or is found in other parts of this report. This information relates to the following agencies:

- Department of Education & Training
- Merit Protection Boards
- Registered Schools Board.

Queries about the availability of and charges for other material prepared under Part II of the Act should be directed to the relevant authorised officer (see table on page 139).

Categories of documents

The Department and its agencies produce a large number of documents in a decentralised record-keeping environment. Accordingly, the Department does not maintain a single, consolidated list of detailed categories of documents. All agencies maintain collections of policy files, transaction files and records and, where necessary, personnel records. A variety of indexes and other search aids are used by agencies. In general, files and records are retrieved through subject descriptors or personal name. The following are the general categories of documents maintained by agencies.

Correspondence, administrative and policy documents

Maintenance of records is decentralised, with each agency responsible for its own records. Regional offices, schools and TAFE institutes maintain their own record-keeping systems. These are largely independent of the systems used by the central administration.

Personnel documents

Agencies maintain record-keeping systems for their employees including, where appropriate, records for members of the teaching service and the VPS.

Accounting records

Accounting records are maintained on a computerised accounting system. The records deal with general ledger entries, accounts payable, payroll and other accounting functions. Some paper records are also kept.

Freedom of Information arrangements

Access to records

All requests for access to records held by agencies are dealt with by the authorised officer of the appropriate agency (see table below). Applicants seeking access to documents held by agencies should attempt to specify the topic of interest rather than the file series in which the applicant considers the document might exist. Assistance in specifying the topic is available from the authorised officer.

Forms of request for access

Applicants are required by the Act to submit applications requesting access to documents in writing. No form of application is specified. A letter clearly describing the document(s) sought is sufficient. The letter should specify that the application is a request made under the *Freedom of Information Act 1982* and should not form part of a letter on another subject. The applicant should provide the following information:

- name
- address
- telephone number (business hours)
- details of document(s) requested
- form of access required – copies of documents, inspection of file or other (specify).

Freedom of Information: authorised officers

Agency	Authorised officer	Postal address	Telephone
Department of Education & Training	Neil Morrow	GPO Box 4367 Melbourne 3001	(03) 9637 2670
Merit Protection Boards	Beverly Trease	Level 9, 35 Spring Street, Melbourne 3000	(03) 9651 0290
Registered Schools Board	Neil Morrow	GPO Box 4367 Melbourne 3001	(03) 9637 2670

Further information about Freedom of Information can be found on the Department's website <www.det.vic.gov.au/det/about/foi.htm>.

Correction of personal information

A request for correction or amendment of personal information contained in a document held by the agency must be made in writing. It should specify particulars of how and why the person making the request believes the information to be incorrect, incomplete, misleading or out of date, and specify the amendments they wish to make.

Charges

From 1 July 2005, an application fee of \$21.00 is required unless evidence of hardship is provided. Applicants are advised that other charges may be made in accordance with the Freedom of Information (Access Charges) Regulations 2004.

Appeals

Applicants may appeal against a decision made in response to requests for access to documents and amendment of records, or against the cost levied for allowing access to documents. Information about the appropriate avenue of appeal will be conveyed to the applicant in the letter advising of the initial decision. Applicants are advised to consult Part VI of the Act for further information about appeal rights.

APPENDIX 9

Whistleblowers Protection Act 2001

Disclosure

The Department managed three matters lodged under Whistleblowers' legislation. Each of these issues was referred to the Ombudsman's Office for determination regarding whether it should be accepted as a protected disclosure. Two matters were accepted as a protected disclosure and were managed under the Whistleblowers' legislation. One matter was held not to be a protected disclosure and subsequently dealt with as a complaint through the normal complaints process.

Department of Education & Training Guidelines

1 Objects of the Act

The *Whistleblowers Protection Act 2001* (the Act) commenced operation on 1 January 2002. The purpose of the Act is to encourage and facilitate the making of disclosures of improper conduct by public officers and public bodies. The Act provides protection to whistleblowers who make disclosures in accordance with the Act, and establishes a system for the matters disclosed to be investigated and rectifying action to be taken.

2 Statement of support to whistleblowers

The Department is committed to the aims and objectives of the Act. It does not tolerate improper conduct by its employees nor the taking of reprisals against those who come forward to disclose such conduct.

The Department recognises the value of transparency and accountability in its administrative and management practices, and supports the making of disclosures that reveal corrupt conduct, conduct involving a substantial

mismanagement of public resources, or conduct involving a substantial risk to public health and safety or the environment.

The Department will take all reasonable steps to protect people who make such disclosures from any detrimental action in reprisal for making the disclosure. It will also ensure natural justice to the person who is the subject of the disclosure.

3 Purpose of these procedures

These procedures establish a system for reporting disclosures of improper conduct or detrimental action by Department employees. The system enables such disclosures to be made to one of the protected disclosure officers or the protected disclosure coordinator. Disclosures may be made by employees or by members of the public.

These procedures complement the Department's established procedures for addressing complaints and are for use only where appropriate. Employees and members of the general public should continue to raise issues in accordance with the consultative and complaint resolution procedures already in place unless the complaint meets the criteria specified in the Act to be considered a protected disclosure.

4 Definitions of key terms

4.1 A protected disclosure

For the purpose of the Act, a protected disclosure is a complaint, report or allegation of improper conduct or detrimental action, concerning matters which come under the Act, and is made in accordance with Part 2 of the Act.

A protected disclosure may also be referred to as a public interest disclosure where the disclosure shows or tends to show that the public officer to whom the disclosure relates:

- has engaged, is engaging or intends to engage in improper conduct in his or her capacity as a public officer

- has taken, is taking, or proposes to take, detrimental action in reprisal for the making of the protected disclosure.

4.2 Improper conduct

A disclosure may be made about improper conduct by a public body or public official. Improper conduct means conduct that is corrupt, a substantial mismanagement of public resources, or conduct involving substantial risk to public health or safety or to the environment. The conduct must be serious enough to constitute, if proved, a criminal offence or reasonable grounds for dismissal.

Examples

- To avoid closure of a town's only industry, an environmental health officer ignores or conceals evidence of illegal dumping of waste.
- An agricultural officer delays or declines imposing quarantine to allow a financially distressed farmer to sell diseased stock.
- A building inspector tolerates poor practices and structural defects in the work of a leading local builder.

4.3 Corrupt conduct

Corrupt conduct means:

- conduct of any person (whether or not a public official) that adversely affects the honest performance of a public officer's or public body's functions
- the performance of a public officer's functions dishonestly or with inappropriate partiality
- conduct of a public officer, former public officer or a public body that amounts to a breach of public trust
- conduct by a public officer, former public officer or a public body that amounts to the misuse of information or material acquired in the course of the performance of their official functions
- a conspiracy or attempt to engage in the above conduct.

Examples

- A public officer takes a bribe or receives a payment other than his or her wages or salary in exchange for the discharge of a public duty.
- A public officer favours unmeritorious applications for jobs or permits by friends and relatives.

- A public officer sells confidential information.

4.4 Detrimental action

The Act makes it an offence for a person to take detrimental action against a person in reprisal for a protected disclosure. Detrimental action includes:

- action causing injury, loss or damage
- intimidation or harassment
- discrimination, disadvantage or adverse treatment in relation to a person's employment, career, profession, trade or business, including the taking of disciplinary action.

Examples

- A public body refuses a deserved promotion of a person who makes a disclosure.
- A public body demotes, transfers, isolates in the workplace or changes the duties of a whistleblower due to the making of a disclosure.
- A person threatens, abuses or carries out other forms of harassment directly or indirectly against the whistleblower, his or her family or friends.
- A public body discriminates against the whistleblower or his or her family and associates in subsequent applications for jobs, permits or tenders.

5 The reporting system

5.1 Contact persons within the Department

Disclosures of improper conduct or detrimental action by Department employees may be made in the first instance to a protected disclosure officer.

All correspondence, telephone calls and emails from internal or external whistleblowers will be referred to the protected disclosure coordinator.

Contact details are provided on page 149.

5.2 Alternative contact persons

Disclosures about improper conduct or detrimental action by Department employees may also be made directly to the Ombudsman.

Disclosures about improper conduct or detrimental action by persons who are not Department employees should be made as follows:

Person who is the subject of the disclosure	Person/body to whom the disclosure must be made
Employee of a public body other than the Department of Education & Training	That public body or the Ombudsman
Member of Parliament (Legislative Assembly)	Speaker of the Legislative Assembly
Member of Parliament (Legislative Council)	President of the Legislative Council
Councillor (local government)	The Ombudsman
Chief Commissioner of Police	The Ombudsman or Deputy Ombudsman
Member of the police force	The Ombudsman, Deputy Ombudsman or Chief Commissioner of Police

6 Roles and responsibilities

6.1 Employees

Employees are encouraged to report known or suspected incidences of improper conduct, or detrimental action in accordance with these procedures.

All employees of the Department have an important role to play in supporting those who have made a legitimate disclosure. They must refrain from any activity that is, or could be perceived to be, victimisation or harassment of a person who makes a disclosure. Furthermore, they should protect and maintain the confidentiality of a person they know or suspect to have made a disclosure.

6.2 Protected disclosure officers

Protected disclosure officers will:

- be a contact point for general advice about the operation of the Act for any person wishing to make a disclosure about improper conduct or detrimental action
- make arrangements for a disclosure to be made privately and discreetly and, if necessary, away from the workplace
- receive any disclosure made orally or in writing (from internal and external whistleblowers)
- commit to writing any disclosure made orally
- impartially assess the allegation and determine whether it is a disclosure made in accordance with Part 2 of the Act (that is, a protected disclosure)
- take all necessary steps to ensure the identity of the whistleblower and the identity of the

person who is the subject of the disclosure are kept confidential

- forward all disclosures and supporting evidence to the protected disclosure coordinator.

6.3 Protected disclosure coordinator

The protected disclosure coordinator has a central clearing-house role in the internal reporting system. He or she will:

- receive all disclosures forwarded from the protected disclosure officers
- impartially assess each disclosure to determine whether it is a protected disclosure
- refer all protected disclosures to the Ombudsman
- be responsible for carrying out, or appointing an investigator to carry out, an investigation referred to the Department by the Ombudsman
- be responsible for overseeing and coordinating an investigation where an investigator has been appointed
- appoint a welfare manager to support the whistleblower and to protect him or her from any reprisals
- advise the whistleblower of the progress of an investigation into the disclosed matter
- establish and manage a confidential filing system
- collate and publish statistics on disclosures made
- take all necessary steps to ensure the identity of the whistleblower and the identity of the person who is the subject of the disclosure are kept confidential
- liaise with the Secretary of the Department.

6.4 Investigator

The investigator will be responsible for carrying out an internal investigation into a disclosure where the Ombudsman has referred a matter to the Department. An investigator may be a person from within the Department or a consultant engaged for that purpose.

6.5 Welfare manager

The welfare manager is responsible for looking after the general welfare of the whistleblower. A welfare manager may be a person from within the Department or a consultant engaged for that purpose.

The welfare manager will:

- examine the immediate welfare and protection needs of a whistleblower who has made a disclosure and seek to foster a supportive work environment
- advise the whistleblower of the legislative and administrative protections available to him or her
- listen and respond to any concerns of harassment, intimidation or victimisation in reprisal for making disclosure
- ensure the expectations of the whistleblower are realistic.

7 Confidentiality

The Department will take all reasonable steps to protect the identity of the whistleblower. Maintaining confidentiality is crucial in ensuring reprisals are not made against a whistleblower.

The Act requires any person who receives information due to the handling or investigation of a protected disclosure, not to disclose that information except in certain limited circumstances. Disclosure of information in the Act constitutes an offence that is punishable by a maximum fine of 60 penalty units (\$6000) or six months imprisonment or both.

The circumstances in which a person may disclose information obtained about a protected disclosure include:

- where exercising the functions of the public body under the Act
- when making a report or recommendation under the Act
- when publishing statistics in the annual report of a public body
- in criminal proceedings for certain offences in the Act.

However, the Act prohibits the inclusion of particulars in any report or recommendation that are likely to lead to the identification of the whistleblower. The Act also prohibits the identification of the person who is the subject of the disclosure in any particulars included in an annual report.

The Department will ensure all files, whether paper or electronic, are kept in a secure room and can only be accessed by the protected disclosure

coordinator, protected disclosure officer, the investigator or welfare manager (in relation to welfare matters). All printed material will be kept in files that are clearly marked as a Whistleblower Protection Act matter, and warn of the criminal penalties that apply to any unauthorised divulging of information concerning a protected disclosure. All electronic files will be produced and stored on a stand-alone computer and be given password protection. Backup files will be kept on disk. All materials relevant to an investigation, such as tapes from interviews, will also be stored securely with the whistleblower files.

The Department will not email documents relevant to a whistleblower matter and will ensure all telephone calls and meetings are conducted in private.

8 Collating and publishing statistics

The protected disclosure coordinator will establish a secure register to record the information required to be published in the Department's annual report, and to generally keep account of the status of whistleblower disclosures. The register will be confidential and will not record any information that may identify the whistleblower.

9 Receiving and assessing disclosures

The Department may receive a range of complaints and grievances from staff and members of the public. Only some of these matters will be considered to be protected disclosures and therefore qualify for protection and investigation under the Act.

9.1 Has the disclosure been made in accordance with Part 2 of the Act?

Where a disclosure has been received by the protected disclosure officer he or she will assess whether the disclosure has been made in accordance with Part 2 of the Act and is, therefore, a protected disclosure.

9.1.1 Has the disclosure been made to the appropriate person?

For the disclosure to be responded to by the Department it must concern an employee of the Department. If the disclosure concerns an employee, officer or member of another public body, the person who has made the disclosure must be advised of the correct person or body to whom the disclosure should be directed. (See the table in 5.2.) If the disclosure has been made anonymously, it should be referred to the Ombudsman.

9.1.2 Does the disclosure contain the essential elements of a protected disclosure?

To be a protected disclosure, a disclosure must satisfy the following criteria:

- the disclosure was made by a natural person (that is, an individual person rather than a corporation)

- the disclosure relates to conduct of a public body or public officer acting in their official capacity
- the alleged conduct is improper conduct or detrimental action taken against a person in reprisal for making a protected disclosure
- the person making a disclosure has reasonable grounds for believing the alleged conduct has occurred.

Where a disclosure is assessed to be a protected disclosure, it is referred to the protected disclosure coordinator.

Where a disclosure is assessed not to be a protected disclosure, the matter does not need to be dealt with under the Act. The protected disclosure officer will decide how the matter should be resolved, in consultation with the protected disclosure coordinator. The following table indicates the alternative processes available within the Department for dealing with complaints.

Problem	Initial contact	Other options	Workplace policy
Parent's concern or complaint of a general nature (may concern students, teachers, educational matters or an action taken by the school or school council)	Principal	<ul style="list-style-type: none"> • Regional Director 	Complaints, Unsatisfactory Performance and Serious Misconduct <ul style="list-style-type: none"> • Principal Class Handbook • Teacher Class Handbook • SSO Handbook
Workplace conflict or grievance	Principal or Manager	<ul style="list-style-type: none"> • the Department of Education & Training's Conduct and Ethics Unit • Merit Protection Boards 	Complaints, Unsatisfactory Performance and Serious Misconduct <ul style="list-style-type: none"> • Principal Class Handbook • Teacher Class Handbook • SSO Handbook Personal Grievances • Employment Conditions Guidelines for VPS Staff
Equal Opportunity concern	Principal or Manager	<ul style="list-style-type: none"> • the Department of Education & Training's Conduct and Ethics Unit • the Department of Education & Training's Diversity and Equity Unit • Merit Protection Boards • Equal Opportunity Commission 	Merit and Equity Policy
Occupational Health and Safety issue	Principal or Manager	<ul style="list-style-type: none"> • Workplace OHS representative 	OHS Guidelines
Ethical or other misconduct concern	Principal or Manager	<ul style="list-style-type: none"> • the Department of Education & Training's Conduct and Ethics Unit • Office of Public Employment 	VPS Code of Conduct
Complaints regarding administrative action by government bodies	The public body concerned	<ul style="list-style-type: none"> • The Ombudsman 	<i>Ombudsman Act 1973</i>
Improper conduct or detrimental conduct	DE&T Protected Disclosure Officer	<ul style="list-style-type: none"> • the Department of Education & Training's Protected Disclosure Coordinator • The Ombudsman 	Whistleblower Protection Act Guidelines

9.2 Is the disclosure a protected disclosure?

Where a disclosure has been assessed as a protected disclosure by the protected disclosure officer and consequently referred to the protected disclosure coordinator, the coordinator will confirm whether the disclosure amounts to a protected disclosure. This assessment will be made within 45 days of the initial receipt of the disclosure by the protected disclosure officer.

Where the protected disclosure coordinator concludes that the disclosure amounts to a protected disclosure, he or she will:

- notify the person who made the disclosure of that conclusion
- refer the disclosure to the Ombudsman for formal determination as to whether it is indeed a protected disclosure.

Where the protected disclosure coordinator concludes that the disclosure is not a protected disclosure, he or she will:

- notify the person who made the disclosure of that conclusion
- advise that person that he or she may request the Department to refer the disclosure to the Ombudsman for a formal determination as to whether the disclosure is a protected disclosure, and that this request must be made within 28 days of the notification.

In either case, the protected disclosure coordinator will ensure that the notification and the referral are made within 14 days of the conclusion being reached.

10 Investigations

10.1 Introduction

Where the Ombudsman refers a protected disclosure to the Department for investigation, the protected disclosure coordinator will appoint an investigator to carry out the investigation.

The objectives of an investigation will be:

- to collate information relating to the allegation as quickly as possible. This may involve taking steps to protect or preserve documents, materials and equipment
- to consider the information collected and to draw conclusions objectively and impartially

- to maintain procedural fairness in the treatment of witnesses and the person who is the subject of the disclosure
- to make recommendations arising from the conclusions drawn concerning remedial or other appropriate action.

10.2 Terms of reference

Before commencing an investigation, the protected disclosure coordinator will draw up terms of reference and obtain authorisation for those terms from the Secretary of the Department. The terms of reference will set a date by which the investigation report is to be concluded, and will describe the resources available to the investigator to complete the investigation within the time set. The protected disclosure coordinator may approve, if reasonable, an extension of time requested by the investigator. The terms of reference will require the investigator to make regular reports to the protected disclosure coordinator who, in turn, is to keep the Ombudsman informed of general progress.

10.3 Investigation plan

The investigator will prepare an investigation plan for approval by the protected disclosure coordinator. The plan will list the issues to be substantiated and describe the avenue of inquiry. It will address the following issues:

- What is being alleged?
- What are the possible findings or offences?
- What are the facts in issue?
- How is the inquiry to be conducted?
- What resources are required?

At the commencement of the investigation, the whistleblower should be:

- notified by the investigator that he or she has been appointed to conduct the investigation
- asked to clarify any matters and provide any additional material he or she might have.

The investigator will be sensitive to the whistleblower's possible fear of reprisals and will be aware of the statutory protections provided to the whistleblower.

10.4 Natural justice

The principles of natural justice will be followed in any investigation of a protected disclosure.

The principles of natural justice concern procedural fairness and ensure a fair decision is reached by an objective decision maker. Maintaining procedural fairness protects the rights of individuals and enhances public confidence in the process.

DE&T will have regard to the following issues in ensuring procedural fairness:

- the person who is the subject of the disclosure is entitled to know the allegations made against him or her and must be given the right to respond (this does not mean the person must be advised of the allegation as soon as the disclosure is received or the investigation has commenced)
- if the investigator is contemplating making a report adverse to the interests of any person, that person should be given the opportunity to put forward further material that may influence the outcome of the report and that person's defence should be fairly set out in the report
- all relevant parties to a matter should be heard and all submissions should be considered
- a decision should not be made until all reasonable inquiries have been made
- the investigator or any decision maker should not have a personal or direct interest in the matter being investigated
- all proceedings must be carried out fairly and without bias and care taken to exclude perceived bias from the process
- the investigator must be impartial in assessing the credibility of the whistleblower and any witnesses and, where appropriate, conclusions as to credibility should be included in the investigation report.

10.5 Conduct of the investigation

The investigator will make contemporaneous notes of all discussions and telephone calls, and all interviews with witnesses will be taped. All information gathered in an investigation will be stored securely. Interviews will be conducted in private and the investigator will take all reasonable steps to protect the identity of the whistleblower.

Where disclosure of the identity of the whistleblower cannot be avoided, due to the nature of the allegations, the investigator will warn

the whistleblower and his or her welfare manager of this probability.

It is in the discretion of the investigator to allow any witness to have legal or other representation or support during an interview. If a witness has a special need for legal representation or support, permission should be granted.

10.6 Referral of an investigation to the Ombudsman

The protected disclosure coordinator will make a decision regarding the referral of an investigation to the Ombudsman where, on the advice of the investigator:

- the investigation is being obstructed by, for example, the non-cooperation of key witnesses
- the investigation has revealed conduct that may constitute a criminal offence.

10.7 Reporting requirements

The protected disclosure coordinator will ensure the whistleblower is kept regularly informed concerning the handling of a protected disclosure and an investigation.

The protected disclosure coordinator will report to the Ombudsman about the progress of an investigation.

Where the Ombudsman or the whistleblower requests information about the progress of an investigation, that information will be provided within 28 days of the date of the request.

11 Action taken after an investigation

11.1 Investigator's final report

At the conclusion of the investigation, the investigator will submit a written report of his or her findings to the protected disclosure coordinator. The report will contain:

- the allegation/s
- an account of all relevant information received and, if the investigator has rejected evidence as being unreliable, the reasons for this opinion being formed
- the conclusions reached and the basis for them
- any recommendations arising from the conclusions.

Where the investigator has found that the conduct disclosed by the whistleblower has occurred, recommendations made by the investigator will include:

- the steps that need to be taken by the Department to prevent the conduct from continuing or occurring in the future
- any action that should be taken by the Department to remedy any harm or loss arising from the conduct. This action may include bringing disciplinary proceedings against the person responsible for the conduct, and referring the matter to an appropriate authority for further consideration.

The report will be accompanied by:

- the transcript or other record of any oral evidence taken, including tape recordings
- all documents, statements or other exhibits received by the investigator and accepted as evidence during the course of the investigation.

11.2 Action to be taken

If the protected disclosure coordinator is satisfied that the investigation has found that the disclosed conduct has occurred, he or she will recommend to the Secretary the action that must be taken to prevent the conduct from continuing or occurring in the future. The protected disclosure coordinator may also recommend that action be taken to remedy any harm or loss arising from the conduct.

The protected disclosure coordinator will provide a written report to the relevant Minister, the Ombudsman and the whistleblower setting out the findings of the investigation and any remedial steps taken.

Where the investigation concludes that the disclosed conduct did not occur, the protected disclosure coordinator will report these findings to the Ombudsman and to the whistleblower.

12 Managing the welfare of the whistleblower

12.1 Commitment to protecting whistleblowers

The Department is committed to the protection of genuine whistleblowers against detrimental action taken in reprisal for the making of protected disclosures.

The protected disclosure coordinator is responsible for ensuring whistleblowers are protected from direct and indirect detrimental action, and that the culture of the workplace is supportive of protected disclosures being made.

The protected disclosure coordinator will appoint a welfare manager to all whistleblowers who have made a protected disclosure. The welfare manager will:

- examine the immediate welfare and protection needs of a whistleblower who has made a disclosure and, where the whistleblower is an employee, seek to foster a supportive work environment
- advise the whistleblower of the legislative and administrative protections available to him or her
- listen and respond to any concerns of harassment, intimidation or victimisation in reprisal for making disclosure
- keep a contemporaneous record of all aspects of the case management of the whistleblower including all contact and follow-up action
- ensure the expectations of the whistleblower are realistic.

All employees are advised that it is an offence for a person to take detrimental action in reprisal for a protected disclosure. The maximum penalty is a fine of 240 penalty units (\$24,000) or two years imprisonment or both. The taking of detrimental action in breach of this provision can also be grounds for making a disclosure under the Act and can result in an investigation.

12.2 Keeping the whistleblower informed

The protected disclosure coordinator will ensure that the whistleblower is kept informed of action taken in relation to his or her disclosure, and the timeframes that apply.

The whistleblower will be informed of the objectives of an investigation, the findings of an investigation, and the steps taken by the Department to address any improper conduct that has been found to have occurred. The whistleblower will be given reasons for decisions made by the Department in relation to a protected disclosure.

12.3 Occurrence of detrimental action

If a whistleblower reports an incident of harassment, discrimination or adverse treatment that would amount to detrimental action taken in reprisal for the making of the disclosure, the welfare manager will:

- record details of the incident
- advise the whistleblower of his or her rights under the Act
- advise the protected disclosure coordinator or Secretary of the detrimental action.

The taking of detrimental action in reprisal for the making of a disclosure can be an offence against the Act as well as grounds for making a further disclosure. Where such detrimental action is reported, the protected disclosure coordinator will assess the report as a new disclosure under the Act. Where the protected disclosure coordinator is satisfied that the disclosure is a protected disclosure, he or she will refer it to the Ombudsman. If the Ombudsman subsequently determines the matter to be a protected disclosure, the Ombudsman may investigate the matter or refer it to another body for investigation as outlined in the Act.

12.4 Whistleblowers implicated in improper conduct

Where a person who makes a disclosure is implicated in misconduct, the Department will handle the disclosure and protect the whistleblower from reprisals in accordance with the Act, the Ombudsman's guidelines and these procedures.

The Department acknowledges that the act of whistleblowing should not shield whistleblowers from the reasonable consequences flowing from any involvement in improper conduct. Section 17 of the Act specifically provides that a person's liability for his or her own conduct is not affected by the person's disclosure of that conduct under the Act. However, in some circumstances, an admission may be a mitigating factor when considering disciplinary or other action.

The Secretary will make the final decision on the advice of the protected disclosure coordinator as to whether disciplinary or other action will be taken against a whistleblower. Where disciplinary or

other action relates to conduct that is the subject of the whistleblower's disclosure, the disciplinary or other action will only be taken after the disclosed matter has been appropriately dealt with.

In all cases where disciplinary or other action is being contemplated, the Secretary must be satisfied that it has been clearly demonstrated that:

- the intention to proceed with disciplinary action is not causally connected to the making of the disclosure (as opposed to the content of the disclosure or other available information)
- there are good and sufficient grounds that would fully justify action against any non-whistleblower in the same circumstances
- there are good and sufficient grounds that justify exercising any discretion to institute disciplinary or other action.

The protected disclosure coordinator will thoroughly document the process including recording the reasons why the disciplinary or other action is being taken, and the reasons why the action is not in retribution for the making of the disclosure. The protected disclosure coordinator will clearly advise the whistleblower of the proposed action to be taken, and of any mitigating factors that have been taken into account.

13 *Management of the person against whom a disclosure has been made*

The Department recognises that employees against whom disclosures are made must also be supported during the handling and investigation of disclosures.

The Department will take all reasonable steps to ensure the confidentiality of the person who is the subject of the disclosure during the assessment and investigation process. Where investigations do not substantiate disclosures, the fact that the investigation has been carried out, the results of the investigation, and the identity of the person who is the subject of the disclosure will remain confidential.

The protected disclosure coordinator will ensure the person who is the subject of any disclosure investigated by or on behalf of a public body is:

- informed as to the substance of the allegations

- given the opportunity to answer the allegations before a final decision is made
- informed as to the substance of any adverse comment that may be included in any report arising from the investigation
- has his or her defence set out fairly in any report.

Where the allegations in a disclosure have been investigated, and the person who is the subject of the disclosure is aware of the allegations or the fact of the investigation, the protected disclosure coordinator will formally advise the person who is the subject of the disclosure of the outcome of the investigation.

The Department will give its full support to a person who is the subject of a disclosure where the allegations contained in a disclosure are clearly wrong or unsubstantiated. If the matter has been publicly disclosed, the Secretary of the Department will consider any request by that person to issue a statement of support setting out that the allegations were clearly wrong or unsubstantiated.

14 Criminal offences

The Department will ensure officers appointed to handle protected disclosures and all other employees are aware of the following offences created by the Act.

- It is an offence for a person to take detrimental action against a person in reprisal for a protected disclosure being made. The Act provides a maximum penalty of a fine of 240 penalty units (\$24,000) or two years imprisonment or both.
- It is an offence for a person to divulge information obtained as a result of the handling or investigation of a protected disclosure without legislative authority. The Act provides a maximum penalty of 60 penalty units (\$6000) or six months imprisonment or both.
- It is an offence for a person to obstruct the Ombudsman in performing his or her responsibilities under the Act. The Act provides a maximum penalty of 240 penalty units (\$24,000) or two years imprisonment or both.

- It is an offence for a person to knowingly provide false information under the Act with the intention that it be acted on as a disclosed matter. The Act provides a maximum penalty of 240 penalty units (\$24,000) or two years imprisonment or both.

15 Review

These procedures will be reviewed annually to ensure they meet the objectives of the Act and accord with the Ombudsman's guidelines.

Contact details

Written disclosures should be marked confidential and addressed to the Protected Disclosure Officer at the appropriate regional or central Department office.

If making disclosures personally or by telephone individuals need to contact the appropriate central or regional Department office and request to speak to the Protected Disclosure Officer.

Conduct and Ethics Branch

GPO Box 4367
Melbourne Victoria 3001
Telephone: (03) 9637 2591

Protected Disclosure Coordinator

Manager, Conduct and Ethics Branch
Ground Floor, 33 St Andrews Place
GPO Box 4367
Melbourne Victoria 3001
Telephone: (03) 9637 2591

The Ombudsman Victoria

Level 22, 459 Collins Street
Melbourne Victoria 3000
Website: www.ombudsman.vic.gov.au
Email: ombudvic@ombudsman.vic.gov.au
Telephone: (03) 9613 6222
Freecall: 1800 806 314

APPENDIX 10

Portfolio responsibilities

The Minister for Education and Training has overall responsibility for the education and training portfolio. This includes strategic directions, budget management, service delivery and program implementation within school education, training and further education, adult community education, and higher education, with the exception of those areas that are the specific responsibility of the Minister for Education Services.

The Minister for Education Services has responsibility for:

- teacher workforce supply and demand including recruitment and retention strategies
- implementation of agreed capital programs, including buildings, equipment and ICT
- school councils except in relation to school educational policy and funding issues
- asset maintenance and security including emergency management
- occupational health and safety issues
- student welfare services, including students with disabilities, transport and drug education
- the Merit Protection Boards and Disciplinary Appeals Boards.

The Acts administered by each Minister are as follows.

Minister for Education and Training

Australian Catholic University (Victoria) Act 1991

Adult, Community and Further Education Act 1991

Baxter Technical School Land Act 1982

Community Services Act 1970:

- Division 8A of Part III, and section 203 where it relates to the administration of these provisions.
- The Act is otherwise administered by the Minister for Community Services and the Minister for Industrial Relations.

Deakin University Act 1974

Deakin University (Victoria College) Act 1991

Deakin University (Warrnambool) Act 1990

Education Act 1958:

- except sections 13(1) – (8), (10) and (11), 14B, 15B(3), 15C, 15CA, 15D, 15E, 15G, 15H, 15N, 15Q(2), 15ZL, 20A, 30, section 82 (g), (h), (i) and (ia) and sections 82(p), (q) and (r) and 83 (to the extent that those provisions relate to the making of regulations relating to the matters referred to in sections 15H, 30 and 82(g), (h), (i) and (ia)) (which are administered by the Minister for Education Services)
- section 8(1) is jointly and severally administered with the Minister for Education Services.

Education (Special Developmental Schools) Act 1976

Educational Grants Act 1973

La Trobe University Act 1964

La Trobe University (Bendigo and Wodonga) Act 1990

Marcus Oldham College Act 1995

Melbourne College of Advanced Education (Amalgamation) Act 1988

Melbourne College of Divinity Act 1910

Melbourne University Act 1958

Melbourne University (Hawthorn) Act 1991

Melbourne University (VCAH) Act 1992

Melbourne University (VCAH) Act 1997

Mildura College Lands Act 1916

Monash University Act 1958

Monash University (Chisholm and Gippsland) Act 1990

Monash University (Pharmacy College) Act 1992

Royal Melbourne Hospital (Redevelopment) Act 1992:

- section 7.

The Act is otherwise administered by the Minister for Health.

Royal Melbourne Institute of Technology Act 1992

Serpell Joint Schools Act 1981

Swinburne University of Technology Act 1992

Teaching Service Act 1981 except:

- Part 4, Division 3
- Division 2 of Part 5
- section 76 (which is jointly and severally administered with the Minister for Education Services)
- section 78(1) in so far as it relates to the making of regulations for or in respect of Part 4, Division 3 and 78(2)(e) (which are jointly administered with the Minister for Education Services)
- section 11 (to the extent that it relates to the exercise of powers and functions for the purpose of section 15B(3) of the *Education Act 1958*).

The remaining provisions of the Act are administered by the Minister for Education and Training.

Tertiary Education Act 1993

University Acts (Amendment) Act 2003

University of Ballarat Act 1993

Victoria University of Technology Act 1990

Victorian College of Agriculture and Horticulture Act 1982

Victorian College of the Arts Act 1981

Victorian Curriculum and Assessment Authority Act 2000

Victorian Institute of Teaching Act 2001

Victorian Qualifications Authority Act 2000

Vocational Education and Training Act 1990

Vocational Education and Training (Amendment) Act 1994

Vocational Education and Training (TAFE Qualifications) Act 2003

Minister for Education Services

Education Act 1958:

- section 8(1) (which is jointly and severally administered with the Minister for Education and Training)
- sections 13(1) – (8), 13(10), 13(11), 14B, 15B(3), 15C, 15CA, 15D, 15E, 15G, 15H, 15N, 15Q(2), 15ZL, 20A, 30, 82 (g), (h), (i) and (ia)
- sections 82(p), (q) and (r) and 83 (to the extent that those provisions relate to the making of regulations relating to the matters referred to in sections 15H, 30 and 82(g), (h), (i) and (ia)).

The remaining provisions of the Act are administered by the Minister for Education and Training.

Teaching Service Act 1981:

- Part 4, Division 3
- Part 5, Division 2
- section 76 (which is jointly and severally administered with the Minister for Education and Training)
- section 78(1) in so far as it relates to the making of regulations for or in respect of Part 4, Division 3; and section 78(2)(e) (which are jointly and severally administered with the Minister for Education and Training)
- section 11 (to the extent that it relates to the exercise of powers and functions for the purpose of section 15B(3) of the *Education Act 1958*).

The remaining provisions of the Act are administered by the Minister for Education and Training.

APPENDIX 11

Contracts and consultancies

Under the *Financial Management Act 1994* the following distinction is made between contractors and consultants.

Contractors:

- provide goods, works or services that implement a decision
- perform all or part of a new or existing ongoing function to assist an agency carry out its defined activities and operational functions

- perform a function involving skills or perspectives that would normally be expected to reside within the agency but at the time are unavailable.

Consultants:

- provide expert analysis and advice that facilitates decision making
- perform a specific, one-off task or set of tasks
- perform a task involving skills or perspectives that would not normally be expected to reside within the agency.

Consultancies in excess of \$100,000

Consultant	Particulars	Amount paid in 2004–05	Future commitments as at 30 June 2005
University of Melbourne	The purpose of the review is to develop recommendations for a Student Resource Package to ensure that high-quality outcomes for students in non-traditional settings are realised, while preserving the key principles of the package as applied to current stand-alone schools.	\$106,535	\$23,465
Convergence e-Business Solutions Pty Ltd	Examine the business case for the introduction of a unique student identifier to facilitate the sharing and integration of student level information in the Victorian education and training system; and if justified, recommend a preferred option for enhanced student identification for this purpose and a practical approach to possible implementation.	\$224,425	–
Total		\$330,960	\$23,465

Consultancies less than \$100,000

Number engaged	24
Total cost	\$1,273,012

Disclosure of major contracts

The Department has disclosed all contracts greater than \$10 million in value that it entered into in 2003–04. The disclosed contracts can be viewed on <www.tenders.vic.gov.au>.

Compliance with the Victorian Industry Participation policy

During 2004–05, the Department commenced 32 contracts, to which the Victorian Industry Participation policy applied, totalling \$120,324,307 in value. The contracts included 12 metropolitan contracts totalling \$59,632,273, 17 regional contracts totalling \$44,888,449, and three statewide contracts totalling \$15,803,585.

The commitments under the policy included:

- an average level of local content of 93 per cent of the total value of the contracts
- 527 FTE jobs
- benefits to the Victorian economy through development and implementation of innovative technology in schools, professional development for staff, and skills development through work on infrastructure projects and participation in related training in various trade areas, project management and OHS.

The Department completed 22 contracts, to which the Victorian Industry Participation policy applied, totalling \$60,473,078 in value. The contracts included eight metropolitan contracts totalling \$32,713,679 and 14 regional contracts totalling \$27,759,399.

The outcomes reported under the policy included:

- an average level of local content of 97 per cent of the total value of the contracts
- 116 FTE jobs
- benefits to the Victorian economy through development of new technologies, particularly printing technologies and new construction techniques, and through construction industry training and apprenticeships.

APPENDIX 12

Other statutory requirements and Department policies

Building Act 1993

The Department conforms with the requirements of the *Building Act 1993* and other statutory obligations with respect to the construction of new educational facilities and modernisation. The school modernisation program progressively ensures that existing buildings comply with relevant legislative requirements. Department guidelines for TAFE institutes reinforce compliance with the Act for existing and new public buildings.

Purchasing and contracting

The Department promotes consistent rules on probity and ethics in all of its purchasing and contracting arrangements, in line with the Victorian Government Purchasing Board's policy on probity. These rules ensure an equitable and sound purchasing process and the provision of equal opportunity for all parties. Compliance with these rules is guaranteed through routine internal audits and an accredited purchasing process. The Department promotes attendance at training courses in purchasing, tendering and contracting and ensures that probity and ethics are discussed at each session.

National Competition policy

In 1995, the Commonwealth, State and Territory governments agreed to implement the National Competition policy to promote greater competition and encourage economic growth.

Two requirements of the policy are:

- legislative reviews to eliminate restrictions on competition
- competitive neutrality to ensure consistency in pricing of services and/or facilities.

The Department has complied with the requirements of National Competition policy and is continuing to report to the Department of Treasury and Finance as required regarding implementation.

Legislative reviews

The Department did not undertake any reviews of legislation under the National Competition policy in 2004–05.

Competitive neutrality

The Department was not involved in any complaints for the year 2004–05.

Acceptable use of the Internet

The Department promotes responsible use of email, the Internet and other electronic communications. Its acceptable-use policy was rewritten and disseminated during the year.

Information privacy

The Department is committed to protecting the privacy of personal and health information. All of the Department's funded service providers are bound by the Victorian privacy laws, the *Information Privacy Act 2000* and *Health Records Act 2001*. Personal and health information is collected and used by the Department to provide services or carry out statutory functions. All of the Department's central and regional offices, schools and funded services have been briefed on the privacy laws. The Department's Information Privacy policy was reviewed, distributed widely and made available on the Department's website in October 2003. The Department worked closely with the offices of the Privacy Commissioner and Health Services Commissioner in developing information supporting privacy compliance across the Department.

APPENDIX 13

Disclosure index and additional information

The annual report of the Department of Education & Training is prepared in accordance with all relevant Victorian legislations. This index was prepared to facilitate identification of the Department's compliance with statutory disclosure requirements.

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Additional information

Consistent with the requirements of the *Financial Management Act 1994*, the Department has prepared materials on the following topics, available on request:

- declarations of pecuniary interests by all relevant officers
- shares held by senior officers as nominees or held beneficially in a statutory authority or subsidiary
- publications produced by the Department about the Department and the places where the publications can be obtained
- changes in prices, fees, charges, rates and levies charged by the Department
- major external reviews carried out on the Department
- major research and development activities undertaken by the Department
- overseas visits undertaken, including a summary of the objectives and outcomes of each visit

- major promotional, public relations and marketing activities undertaken by the Department to develop community awareness of the Department and the services it provides
- assessments and measures undertaken to improve the occupational health and safety of employees
- general statement on industrial relations within the Department and details of time lost through industrial accidents and disputes
- major committees sponsored by the Department, the purposes of each committee and the extent to which the purposes have been achieved.

Enquiries regarding this information should be directed to:

Secretary
Department of Education & Training
GPO Box 4367
Melbourne Victoria 3001

Acronyms and abbreviations

ACE	Adult community education
ACFE	Adult, Community and Further Education
AMES	Adult Multicultural Education Services
ANTA	Australian National Training Authority
AQF	Australian Qualifications Framework
AQTF	Australian Quality Training Framework
CSF	Curriculum and Standards Framework
DE&T	Department of Education & Training (Victoria)
EMA	Education Maintenance Allowance
ESL	English as a Second Language
FTE	full-time equivalent
ICT	Information and communications technology
LLEN	Local Learning and Employment Network
MIPs	Managed Individual Pathways
OHS	Occupational health and safety
RMIT	Royal Melbourne Institute of Technology
SSO	School services officer
VCAA	Victorian Curriculum and Assessment Authority
VCAL	Victorian Certificate of Applied Learning
VCE	Victorian Certificate of Education (Years 11 and 12)
VET	Vocational education and training
VIT	Victorian Institute of Teaching
VLESC	Victorian Learning and Employment Skills Commission
VPS	Victorian Public Service
VQA	Victorian Qualifications Authority



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