



Department of Education & Training

Annual Report 2005–06



October 2006

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 2005–06 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's key activities and achievements from 1 July 2005 to 30 June 2006 against the outputs and the Departmental objectives detailed in the 2005–06 Budget Papers.

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

- compulsory years (pages 16–30)
- post-compulsory years (pages 31–49)
- services to students (pages 24–25)
- portfolio management services (pages 50–53).

Performance measures against these output groups are further detailed on pages 54–64.

The financial report (pages 65–114) provides information on the financial position and performance of the Department in 2005–06.

Thirteen appendices (pages 115–171) provide supplementary financial and non-financial information. The report is a public document tabled in the Victorian Parliament in October 2006. It is available on the Department's website <www.det.vic.gov.au>.

Secretary's report



The Department 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.

In 2005–06, the Department made significant progress in developing and implementing the strategies that will help us achieve our Corporate Plan vision of an assured future for all Victorians and a prosperous society through learning.

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 include increasing participation, engagement and achievement in education and training, expanding options and pathways for learners, and strengthening the quality of service delivery and our responsiveness to the community and industry.

Our strategies directly correlate to these objectives and include extending the capability of education and training professionals, improving curriculum and qualifications, providing innovative and responsive learning environments, increasing accountability and system performance, and achieving sustainable financing and resourcing.

Key achievements in 2005–06 include:

- continued progress towards achievement of the Government's goals and targets for education and training
- successful implementation of the suite of Ministerial Statements that cover the education and training portfolio
- the achievement of a number of high-priority key deliverables, including:
 - introduction of the new Education and Training Reform Act
 - completion of a review of vocational education and training (VET) arrangements in Victoria and release of the Government Statement on skills: *Maintaining the Advantage: Skilled Victorians*
 - introduction of new arrangements for reporting to parents on student progress
 - development of a new school capital investment process based on improving student outcomes
 - implementation of new P–10 curriculum standards following a year of validation
- implementation of a range of corporate improvements designed to lift performance, build leadership capacity across the organisation and strengthen integration and strategic management on a portfolio-wide basis, including:
 - the second 'Your Job, Your Say' organisational health survey
 - implementation of the Schools In: 2020 project
 - progress with a comprehensive leadership development strategy including significant achievements in building a new relationship with school principals.

All of these achievements are fundamental building blocks to ensuring that the Department achieves the Government's goals and targets for education and training.

Blueprint for Government Schools

The Department continued to implement the reform strategies outlined in the *Blueprint for Government Schools*. 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 strategies are focused on:

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

Significant progress has been made in the implementation of Blueprint initiatives during 2005–06.

Following a year of validation involving extensive consultation, the Victorian Essential Learning Standards are now being implemented in Victorian schools. The Standards have been very well received by principals, teachers, parents and the community.

New plain English Student Report Cards for both primary and secondary schools, including a focus on both past performance and future development needs, A–E assessment and progress against the statewide Standards, are being introduced with widespread public and stakeholder support.

A number of schools have now been accredited through the Performance and Development Culture program. This initiative recognises that the quality of teachers makes the biggest difference to improvement in student outcomes. This first phase of accreditation provides a strong foundation for driving further improvement in the government school system. The processes have now been mainstreamed so the program can be rolled out across all government schools.

Effective leadership is the precondition for establishing and sustaining cultures that support high-quality teaching and learning and is essential for school improvement. A comprehensive suite of leadership capacity-building initiatives acknowledging this is also being implemented.

Training and tertiary education

The Department has continued the important work set out in the Ministerial Statements *Knowledge & Skills for the Innovation Economy*, *Future Directions for Victorian Higher Education*, and *Future Directions in Adult Community Education*.

The three key steps outlined in the Knowledge & Skills Statement have been achieved. The Victorian VET system is performing well and sets the national benchmark for efficiency and industry engagement. Victoria exceeds national benchmarks for employer satisfaction. Nearly 80 per cent of Victorian employers were pleased with the quality of trained VET graduates, while 84 per cent were pleased with apprenticeship/traineeship training.

Training in Victoria is also significantly less expensive than across Australia, with an average hourly cost of \$12.15 compared to a national average hourly cost of \$14.09. Over 21 per cent of revenue comes from fee-for-service activity in Victoria, compared to a national average of 11 per cent.

In 2005, 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.

Following an extensive public consultation process, an independent review of VET arrangements in Victoria was released in February 2006. The Government responded to the review through the release of the Statement: *Maintaining the Advantage: Skilled Victorians* in March 2006.

The Statement outlines initiatives under the four key actions: Starting Earlier, Learning Longer, Getting Smarter and Making It Easier. The investment detailed in the Statement represents the largest injection of funds ever made into the VET sector in Victoria; a commitment of \$214,000,000 over four years.

Legislative reform

The Education and Training Reform Bill was passed by the Victorian Parliament in May 2006. The Act emerged from a legislative review that included an extensive and successful public consultation process. The new legislation incorporates 12 existing Acts into a single, modern, comprehensive document.

The Act includes, for the first time in Victorian education and training legislation, a set of overarching principles upon which the practice of education and training will be based. This includes a requirement that all education and training providers deliver a curriculum consistent with Australian democratic principles. The other key principles are:

- the right of a parent to choose the appropriate education for their child, whether that is at a government school, non-government school or through home schooling
- a commitment that all Victorians should have access to high-quality education and training
- that information concerning the performance of education and training providers should be publicly available
- that a community has a right to the high performance of its education and training provider
- that a parent and student have a right to access information about the student's achievement.

Building on these fundamental principles, the benefits of a common regulatory framework for all education and training providers, and a modern risk management approach, legislation is in place which is relevant to the contemporary education and training environment and aligned with the needs, expectations and aspirations of contemporary and future society.

A consistent and flexible regulatory framework will apply to all Victorian providers, regardless of ownership. The new Victorian Registration and Qualifications Authority will ensure that all schools, training and non-university higher education providers are accountable to the same standards, so that all Victorian students can have the very best education possible.

Statutory authorities

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 165–166.



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.

Portfolio Board

The Department's corporate governance arrangements include the Portfolio Board, comprising the Secretary and Deputy Secretaries of the Department, the Chief Executive Officer of the VCAA and the Director of the 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 2006 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 Government, 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 information and communications technology (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.

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

DEPUTY SECRETARY,
OFFICE OF TRAINING AND TERTIARY
EDUCATION
Commenced in position 25 July 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 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, corporate services and human resources.

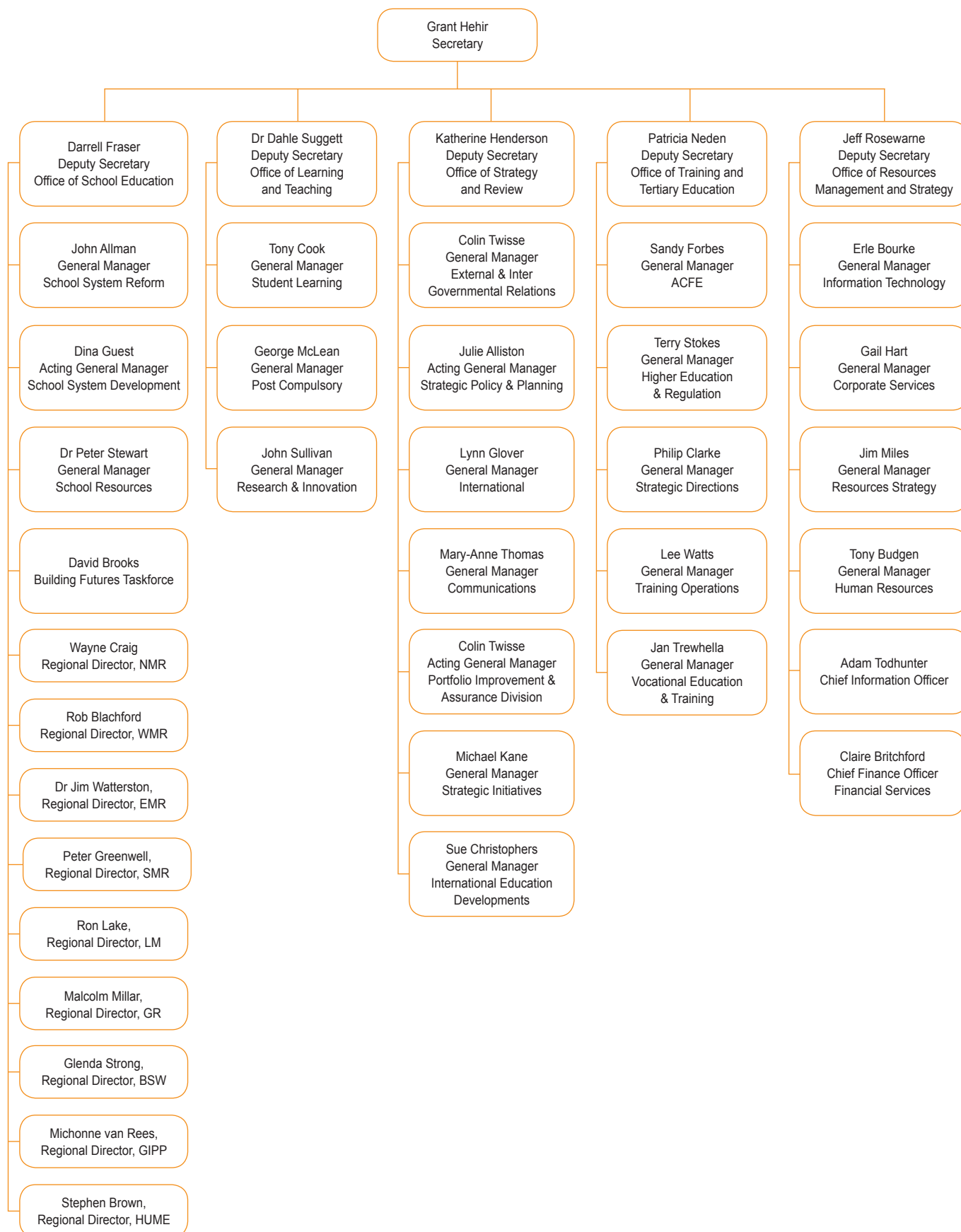
DR DAHLE SUGGETT

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. It has carriage of the DE&T research agenda and provides executive services for the VLESC.

Organisation chart as at 30 June 2006



Human resources

As at June 2006, there were 52,291.5 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 2006

Location	2006	2005
School		
Teaching	40,154.6	39,507.5
Non-teaching	10,455.6	10,020.2
Subtotal	50,610.2	49,527.6
Head Office and regions	1,681.3	1,658.4

Further workforce statistics are contained in Appendix 4 on pages 134–139.

‘Your Job, Your Say’

During March and April 2006, the Department conducted an organisational health survey entitled ‘Your Job, Your Say’ 2006. The survey was first introduced in early 2005 to obtain information about the organisational and people management practices that influence employee well-being and organisational performance.

The survey was designed to:

- obtain information on a range of indicators that reflect the key people management issues underpinning staff well-being and performance
- benchmark the Department against other Australian public sector organisations
- establish key strengths and areas for improvement
- create a reliable and valid baseline that enables the Department to accurately monitor and evaluate change over time.

The response rate of 84 per cent means that the Department can have confidence that the results represent the views of the majority of staff.

The overall Department Organisational Climate Index showed significant improvement from an overall climate index of 66.3 in 2005 to 70.2

in 2006. The Department is at or above the Australian Average and Education Corporate benchmarks for the Organisational Climate Index, approach to work and leadership index. Cultural indicators also showed a positive change across the Department.

Work-groups and managers have since been actively working on the action planning phase of the survey process.

Summary of financial results

The Department of Education & Training portfolio as described in the 2005–06 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 1606 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 TAFE institutes.

The table on page 13 provides information on the Department’s financial results for 2005–06 and comparisons with the previous four financial years.

There were no significant changes in financial position during the reporting period.

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.

	2001–02 \$ million	2002–03 \$ million	2003–04 \$ million	2004–05* \$ million	2005–06 \$ million
Operating revenue					
Income from State Government	5,323.8	5,533.9	5,757.0	6,205.9	6,600.5
Other revenue	458.0	478.3	429.5	491.5	441.3
Total income	5,781.8	6,012.2	6,186.5	6,697.4	7,041.8
Total expenses	5,727.4	5,898.9	6,170.8	6,524.0	6,894.2
Net result for this reporting period	54.4	113.3	15.7	173.4	147.6
Total assets	7,212.6	8,205.0	9,368.1	9,217.0	10,331.8
Total liabilities	1,045.0	1,009.2	1,111.9	1,170.0	1,228.3
Net assets	6,167.6	7,195.8	8,256.1	8,047.0	9,103.5
Cash and cash equivalents at the end of the financial year	399.9	401.6	384.7	463.8	477.3

*Comparative change: Year 2004–05 in the above table has changed due to A-IFRS accounting adjustments required in the Department's financial statements (refer Note 30 of Notes to the financial statements in this annual report).

2005–06 result

The Department's result from ordinary activities for 2005–06 was \$147.6 million, compared with \$173.4 million in 2004–05. The Department's net result has reduced primarily due to greater planned maintenance expenditure and reduced third party revenue generated by schools in 2005–06 compared to 2004–05.

Revenue and expenses

The growth in the Department's revenue and expenses primarily reflects the funding from the Government for additional output initiatives in the 2005–06 State Budget, general inflation-related indexation and enterprise bargaining outcomes.

During the year, the Department increased funding for Education Maintenance Allowance payments, school cleaning and a fibre-optic data communication network connecting all government schools (as announced in the 2005–06 Budget). It continued to implement funding for initiatives approved in the previous Budgets.

Assets

The value of the Department's assets increased by \$1114 million in 2005–06. Of this increase, \$821.3 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 by schools.

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.

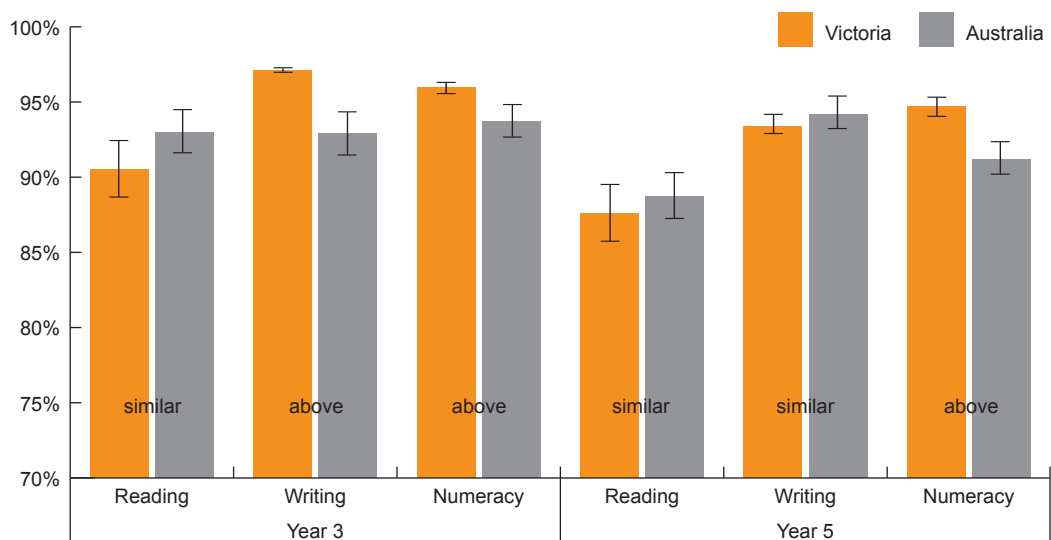
In 2005, the Government released an update to *Growing Victoria Together*, which set four targets for this Department:

- 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.

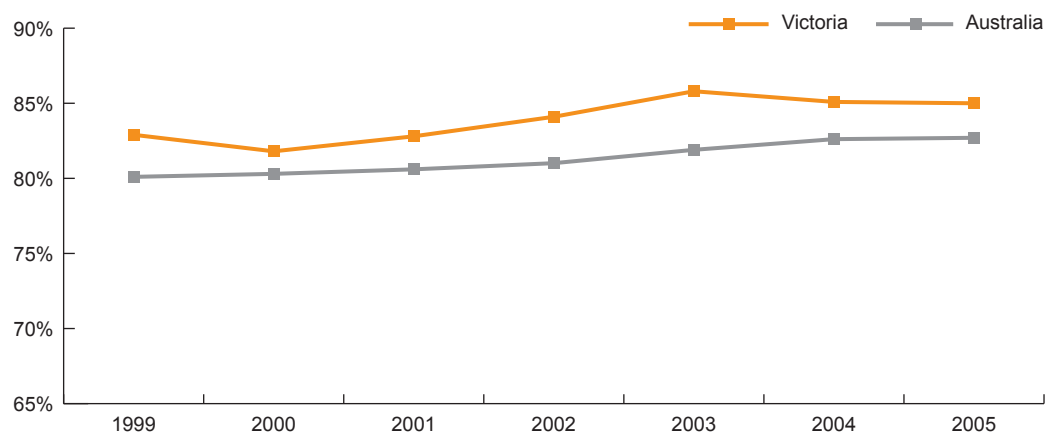
Progress against these targets is shown in the following table.

*Victoria's performance against National Benchmark results – 2004
Percentage at or above national benchmarks, Victoria and Australia*



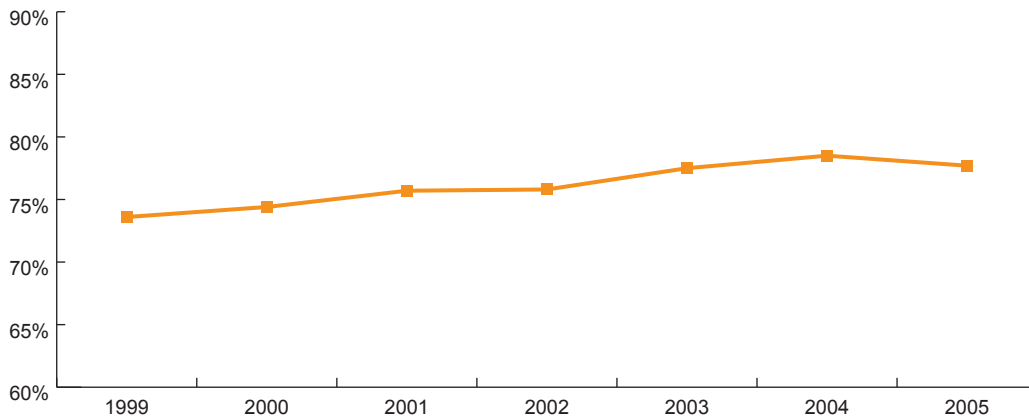
Against the National Benchmark standards for Years 3 and 5 literacy and numeracy, Victoria was at or above the national average in 2004. The national benchmark results, as with all measurements, are subject to some error. Due to the complex process used to equate the national benchmarks results, it is important to include explanatory information about the limitations of the data. The chart above includes the nationally agreed markers of 95 per cent confidence intervals. There is 95 per cent confidence that the markers at the top of each bar show the range in which true result is located.

Proportion of 20–24 year olds who have completed Year 12 or equivalent, 1999–2005



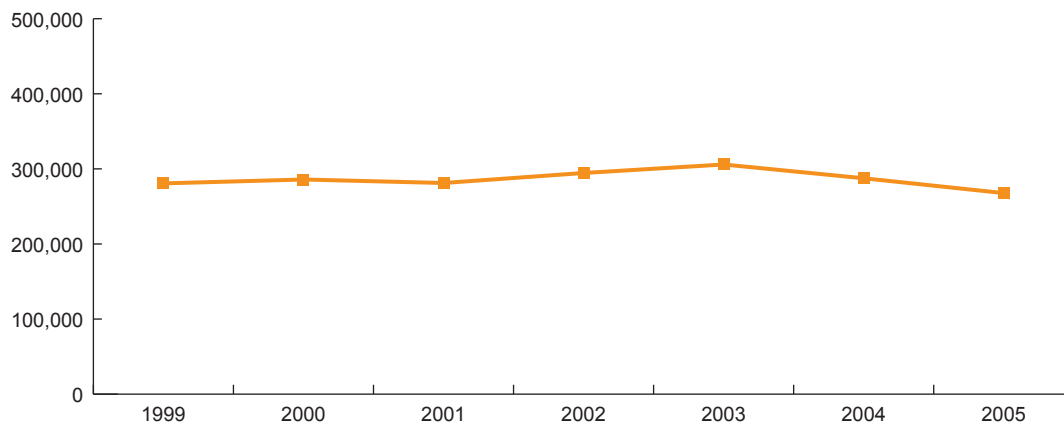
Year 12 or equivalent completion provides young people with a solid foundation for their future participation in education, training and work. Against the national measure of Year 12 or equivalent, Victoria has consistently recorded the highest proportion of young people aged 20–24 years with a Year 12 or equivalent qualification. In 2005, 85.0 per cent of 20–24-year-olds had completed a Year 12 or equivalent qualification, compared to 82.9 per cent in 1999. This is higher than the national average, and higher than any other state. (Note: ACT and NT recorded a higher Year 12 completion rate than Victoria in 2005.)

Year 12 or equivalent completion rates at age 19 including VET completions, 1999–2005



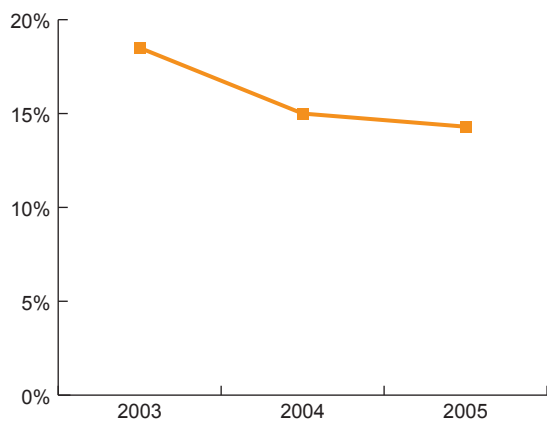
The percentage of young people who complete Year 12 or an equivalent qualification by the age of 19 is a supplementary measure to the agreed *Growing Victoria Together* and national measure of 20–24-year-old completions. This measure is based on administrative data and cannot be compared to other jurisdictions. In 2005, 78 per cent of Victorians had achieved this foundation qualification by the age of 19, up from 74 per cent in 1999.

Adult participation in Vocational Education and Training: number of students aged 25–64 years, 1999–2005



Victoria's VET adult participation rate (as a percentage of the population) continues at a higher rate than any other state. The number of adults (aged 25–64 years) participating in VET has fluctuated between 260,000 and 300,000 for most of the period 1999–2005. While the number of participants has decreased from 2004, students are undertaking courses of longer duration. Maintaining the Advantage will provide a \$241 million funding boost over four years to further increase adult participation in VET. This includes funding for an additional 1,800 targeted places for 35–64 year olds to access Certificate III Level training or above and an additional 3,500 higher level qualification places in key industries and occupations.

Percentage of early school leavers who are unemployed after six months



Each year the On Track survey tracks the destination of Year 12 completers and a sample of early school leavers from Government and non-government schools six months after they leave school. The percentage of early school leavers who are unemployed at the time of the On Track survey has fallen consistently since 2003, and in 2005 was less than 15 per cent. As the sample size for the On Track survey is relatively small, these 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 that 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 2005–06 in implementing the initiatives of each strategy is detailed below. Further information on the Blueprint is available at <www.sofweb.vic.edu.au/blueprint>.

Recognising and responding to diverse student needs

Student learning

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

Highlights

- In a survey completed by 78 per cent of schools in November 2005, over 85 per cent indicated that the Curriculum Planning Guidelines, Principles of Learning and Teaching, and Assessment Advice have been of value. Responses to the Flagship Strategy 1 survey have been analysed and used to inform the development of resources for schools such as professional learning modules and the Curriculum Planning Guidelines.
- The Victorian Essential Learning Standards have been validated and were provided to schools for implementation during the 2006 school year.
- In 2006, all schools planned and implemented programs consistent with the English and Mathematics domains and will be reporting student progress against them.
- To assist teachers in making accurate and consistent judgements of student progress, the new English and Mathematics standards were accompanied by progression points for each dimension of the English and Mathematics domains.
- The Curriculum Planning Guidelines continued to be strengthened through the publication of models that demonstrate the range of ways in which the Victorian Essential Learning Standards are being implemented across the State.
- In response to feedback from schools, Curriculum Planning Modules were developed to support the development of curriculum programs consistent with the Victorian Essential Learning Standards at both the whole-school and program cohort level.
- The Principles of Learning and Teaching professional learning program had an additional 400 schools participating in 2006, following successful implementation in 2005. A suite of resources was developed in 2005 to support the program, including the Principles of Learning and Teaching online Professional Learning Resource. Evaluations conducted with participating schools in 2005 showed that 97 per cent agreed or strongly agreed that the resource increased awareness of effective teaching.
- Assessment and reporting advice based on current research and best practice was developed and made available to schools.
- Assessment Professional Learning Modules were developed and published online to assist schools in implementing the assessment advice.
- A Professional Learning Package focusing on Student Learning was implemented across all regions. The package seeks to assist schools and clusters to develop professional learning programs at the local level to support implementation of the Flagship Strategy 1 initiatives. The package consists of a coherent suite of policies, resources and tools including the Curriculum Planning Modules, the Principles of Learning and Teaching online Professional Learning Resource and the Assessment Professional Learning Modules.
- In August 2005, the Premier and the Minister for Education and Training announced the introduction of plain English Student Report Cards into all Victorian government schools. Software and associated training and support to facilitate the implementation of the new Student Report Card was developed and rolled out to those schools introducing the report cards in June 2006.
- In September 2005, the Knowledge Bank website was remodelled to provide improved user accessibility and content management. The site now houses over 400 case studies and Teacher Professional Leave reports, a significant collection of professional practice and knowledge.

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

The refinements and additions included in the Student Resource Package in 2006 consolidated the reforms to school funding that were introduced in the Student Resource Package 2005.

Key features and achievements of the package in 2006 include:

- inclusion of funding for Multicultural Education Aides into overall English as a Second Language program funding
- consolidation of Access to Excellence funding with Secondary Literacy funding to form the new Secondary Equity funding initiative that targets Years 7–9 students most in need
- incorporation of VET in Schools funding
- review and assessment of the needs of 65 schools deemed as non-traditional settings. Research was undertaken during 2005 to determine appropriate funding mechanisms for multi-campus colleges, multi-site primary schools and those schools with less than six years of secondary schooling
- incorporation of languages funding into core per student funding rates and bases from 2006
- as announced in the 2005–06 State Budget, targeting of New Equity funding to the most disadvantaged schools based on the Student Family Occupation index for Years 5–9 students
- targeting of Language Support Program funding to P–10 students to enable all schools to provide programs to assist students with language needs
- provision of Information Technology Grants funding to all schools to support the Department's target of a computer to student ratio of 1:5.

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

Building leadership capacity

In 2005–06, 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

improve succession planning and promote mobility and learning across the government school system.

- Approximately 140 first-time principals received mentoring support from highly skilled principals to assist them to become more effective managers of themselves and other people.
- One hundred and one experienced principals were provided with 10–15 hours of individualised coaching to enable them to strengthen their individual leadership capabilities through reflective learning.
- Sixty-one principals joined the Development Program for High Performing Principals. Participants are encouraged to look beyond their own school and to view themselves as system leaders who value the collective responsibility for transforming all schools within the system.
- The Guidelines for the new Principal Class Performance and Development process were distributed in November 2005. All Principal Class officers are now using the new process that aligns with the school's strategic priorities.

Creating and supporting a performance and development culture

The accreditation scheme for performance and development culture in schools is now in its second year. The accreditation process is based on a Self-Assessment Framework which is verified by an external verifying body. The objective is to have all schools accredited by 2008.

Highlights

- A total of 85 schools have now been accredited.
- In 2006, 54 reference schools are supporting others in working towards accreditation.
- Over 350 schools have registered their intention to be accredited during 2006.
- A range of tools was developed to assist schools in using the Self-Assessment Framework and to support the enhancement of their performance and development culture.

Teacher professional development

Programs were funded to provide teachers and school services officers (SSOs) with opportunities to build their capacity and consolidate their practice. Major professional development initiatives included Induction and Mentoring for Beginning Teachers and Teacher Professional Leave. Refresher courses for teachers returning to government schools were also delivered as part of the Teacher Supply and Demand strategy.

Highlights

- Over 1430 teachers participated in Day 1 and Day 2 of the Teacher Mentor training program in 2005.
- To further develop their skills and expertise, between four and ten weeks' Teacher Professional Leave was undertaken by over 700 teachers in 2005–06.
- Ten refresher courses were delivered in metropolitan and regional locations in 2005 with 293 teachers participating.

Continuously improving schools

School improvement

The new School Accountability and Improvement Framework was successfully introduced to schools in 2006. The new accountability arrangements support schools to use the best information to make judgements about current performance, and to choose the key strategies that will lead to improved student learning, engagement and well-being, and successful transitions and pathways.

The framework is an integrated and flexible system of school accountability designed to assist schools to improve outcomes by:

- focusing on the key issues that will impact most on the performance of a school
- recognising that all schools are not the same – they face different challenges and operate in different environments
- streamlining the work of school leadership teams
- aligning internal accountability within the school (principal and teacher performance and development) with the external accountability requirements (to their community and the Department)

- separating accountability for performance (student outcomes) from compliance (with legislative and regulatory requirements).

Highlights

- A new streamlined school self-evaluation process was used successfully by 336 schools in 2005.
- Further improvements to the school review process, including enhanced reviewer training and quality assurance processes, were initiated.
- A road test by a group of 33 schools trialed a new approach to school strategic planning and a rollout of the new approach to a further 303 schools was implemented.
- A new annual implementation planning process was developed and rolled out in all government schools.
- Policy guidelines and support materials for a new simplified annual reporting format, better suited to the needs of the school community, were developed and implemented.
- An evaluation of the framework as it applies to specialist and alternative-setting schools, with appropriate modifications, was undertaken.
- Further improvements to opinion survey tools and processes for students, parents and school staff were made.
- Further support to improve outcomes in those schools where student outcomes are below expected levels through the Targeted School Improvement program was provided.

Leading Schools Fund

The Leading Schools Fund continued to support whole-school transformation of government schools in the secondary sector through:

- implementing innovative organisational models to improve student outcomes
- innovation in infrastructure design to improve teaching and learning, including ICT facilities
- system-wide sharing of school improvement models
- the development of local solutions to education provision issues.

The fund, now in its final year, has provided \$162 million to employ 450 additional teachers and to redevelop or build new facilities and to support ICT infrastructure.

The focus of the project is now on sustaining whole-school transformation and understanding how school design and facilities can underpin contemporary pedagogical approaches and practices.

Highlights

- 162 schools with a secondary component received funding through the three Leading Schools Fund phases with an average allocation of 2.6 additional teachers per school (for three years) and an average allocation of \$348,000 per school for capital works.
- 24 project facilitators worked with more than 78 primary and secondary schools on education provision issues and to develop provision models. Models included:
 - different design and delivery of curriculum
 - flexible approaches to the use of teaching spaces
 - integration of ICT within teaching and learning

Student programs

In addition to 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, English as a second language (ESL), languages other than English (LOTE) 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 2006, the average P–2 class size was 20.8 students.

- 100 per cent of government schools have an early years numeracy coordinator.
- Funding was allocated to all primary schools to support early years literacy coordination.
- Reading Recovery programs were delivered in approximately 80 per cent of schools with Year 1 enrolments. Over 88 per cent of participating students successfully completed the program with the help of strategies that allowed them to participate fully in reading and writing activities in the classroom.
- Literacy and Numeracy Week was celebrated in September 2005 with many school-based and regional activities. Web-based literacy and numeracy materials were provided to Victorian schools.
- Almost 130,000 Years 3–9 students registered to participate in the inaugural Victorian Premier's Reading Challenge in 2005 and almost 60,000 students completed the challenge by reading 12 books over the six-month period of the challenge. The challenge has been extended to include early years students in 2006 and challenges Years 3–9 students to read 15 books over a seven-month period, and Years P–2 students to read or experience 30 books over seven months.

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

- An extension of funding to 70 clusters of primary and secondary schools in 2006 was made to enable every school with middle years students to continue to participate in the Schools for Innovation and Excellence program, which encourages and supports innovation in curriculum development, and learning and teaching in the middle years.
- Case studies of clusters conducted in 2005 and analyses of student literacy data indicated a close correlation between teacher professional learning and a general positive trend in outcomes for those schools that have been involved in a cluster over time.

- In 2006, additional funding has been allocated to identified schools to enable the employment of up to 805 additional teachers to support improvement in literacy for students with greater needs.
- Clusters formed through the Schools for Innovation and Excellence initiative have provided strong support for other reform initiatives of the Department.

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

- Devolution of management and operational responsibility for Koorie support workers to regional offices has supported better coordination of support for Koorie students at a local level, with a particular focus on improving attendance.
- Three video-conferencing pilots resulted in positive outcomes in numeracy and literacy skills for Koorie students. The Koorie Literacy Link and the Koorie Middle Years Link operated in 33 schools while the Koorie Middle Years Numeracy Link was implemented in eight school communities.
- Victoria's four existing Koorie Open Door Education campuses in Glenroy, Swan Hill, Mildura and Morwell were federated into a single college – the Victorian College of Koorie Education P–12. The federation has enabled greater collaboration and sharing of resources and best practice across the previously dispersed colleges.
- The Yachad Accelerated Learning program was implemented at four schools in the Shepparton area. The aim of the program is to raise the skill level and self-esteem of under-achieving Indigenous students through an accelerated learning process.

- A total of 2172 students from 57 schools attended the Croc Festival held in Swan Hill. The Festival engages young Indigenous and non-Indigenous Australians and promotes awareness about health, education and careers through workshops and activities that utilise sport, visual and performing arts.

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 1880 newly arrived students in English language schools, centres and outposting programs. An additional 232 students were supported by the visiting outposting program.
- A further 150 students were supported through new arrival programs in Geelong and Shepparton, and the isolated ESL Students program in regional Victoria.
- Bridging programs were established and sustained in schools in the metropolitan area to provide support to students with little or no previous schooling. Additional English language tuition was provided to aid their transition into mainstream curriculum.
- Funding was allocated to 352 primary schools, 88 secondary schools and ten primary–secondary schools to support ESL learners.
- Funding continued to be provided to schools for 238 FTE multicultural education aides.
- A total of 7729 on-site and telephone interpreting assignments were provided in 69 languages, and 262 documents were translated into 39 languages for government schools.

Languages other than English

LOTE initiatives are designed to further integrate quality languages education into programs delivery by all schools. The following initiatives support the provision of LOTE programs for all students in Years P–10.

Highlights

- Twenty-one languages were taught in government primary and secondary schools, and 44 languages were provided through the Victorian School of Languages.
- 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.
- Regional Project Officers for Languages supported the establishment of language networks to facilitate the sharing of expertise and resources.
- Funding was allocated for the provision of appropriate teacher training and professional learning programs.

Strategic Partnerships

The Strategic Partnerships program provides funding to 82 cultural and scientific organisations and professional teaching associations to facilitate dynamic partnerships with school communities. The program connects learning and teaching with communities and practice beyond the classroom. These partnerships contribute to teacher professional learning and promote diverse learning and teaching strategies that foster the development of lifelong learning. A new funding model was introduced in 2006 to support a greater emphasis on student learning outcomes.

ICT and e-learning in Schools

The Department continued to roll out its e-learning strategy for the integration of ICT in teaching, learning and school management practices across all stages of schooling.

The strategy incorporates six components:

- professional learning
- content development
- leadership
- partnerships with industry
- research

Highlights

- The Government announced in the 2005–06 Budget that \$89.3 million would be provided to upgrade every Victorian government school to four megabits per second (Mbps) fibre-optic broadband over a four-year period. Rural schools will particularly benefit from significant improvement in online access, administration and communication with other schools and trainer providers. This initiative is currently underway and will ensure that, by the end of 2006, every school is upgraded to an improved minimum standard. This will improve the efficiency and reliability of access to today's technology-rich environment while removing the technological divide between metropolitan and regional schools.

The upgrade is occurring in two phases:

- by the end of 2006, all Victorian government schools will have a high-speed broadband capacity connection of at least two Mbps
- by the end of 2008, all Victorian government schools will be provided with a four Mbps optical fibre connection.

This exciting initiative will open up new opportunities for schools by supporting and improving learning, teaching and administrative functions. Two school clusters, Far East Gippsland and the Yarra Valley e-Learning Community, are a part of the Broadband Innovation Fund initiative of Multimedia Victoria.

- \$1 million of capital funding has been made available to trial the use of interactive whiteboards in Victorian government schools. Several significant trials of interactive whiteboard technology around the world have indicated that it is potentially a very powerful tool in the improvement of educational outcomes. The trial is being conducted in 22 schools, working in clusters. The Assessment Research Centre is undertaking a formal evaluation of the trial. Once the evaluation is complete, recommendations will be made to inform the future use and rollout of interactive whiteboards.

- The Minister for Education and Training has approved an ICT professional learning strategy of \$1.25 million. This funding encompassed a number of components including improved use of student learning data by teachers, Digital Learning Portfolios, implementation of reporting software and focusing school leadership on ICT. This professional learning strategy will support teachers to use ICT for teaching, learning and assessment.
- 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 and professional learning programs for their own teachers and teachers from other schools.
- As of May 2006 over 4000 teachers in Victorian government schools have participated in the Intel® Teach to the Future Essentials program.
- 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.
- The new Teacher ICT Capabilities Resource, ePotential, will support schools in determining staff attitudes and skills in ICT, establish ICT professional learning goals, and provide a bank of resources to improve classroom integration of ICT. Year 10 students in government schools can apply for 2006 Student ICT Fellowships which link successful students with an industry mentor.

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

- Over 4000 students participated in Courage to Care exhibitions and workshops.
- Ninety-eight primary and secondary schools received grants to conduct Cultural Diversity Week community activities.
- Primary and secondary students from across the three sectors participated in the Cultural Diversity Week Quest.

School innovation in teaching: science, mathematics and technology

The School Innovation in Teaching program builds upon Science in Schools introduced in 2000. The primary objective of the program is to foster a culture of innovation and creativity in the teaching of science, mathematics and technology to:

- improve the teaching and learning of science, mathematics and technology
- increase the level of student scientific, mathematical and technological literacy
- encourage more students to study post-compulsory science, mathematics and technology.

The 210 primary and secondary schools participating in the Leading Change program this year are involved in school-based professional development initiatives and a range of 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.

Highlights

- Over 1100 Health and Physical Education teachers participated in an extensive range of professional learning opportunities to build their knowledge of the Victorian Essential Learning Standards in the important area of health and physical education.
- Professional learning opportunities were again offered to support primary and secondary teachers implement effective sport education programs.

Pacific School Games

The Department hosted the 7th Pacific School Games from 26 November to 4 December 2005. Over 3500 students and officials from all Australian states and territories and 20 Pacific Rim countries attended the Games.

Students from 10 to 19 years of age competed in events in track and field, swimming, diving and basketball. Competitions for students with a disability were also conducted within the overall Pacific School Games schedule of events.

Over 1200 students, teachers and other volunteers assisted in the delivery of the Games, and over 3000 students performed throughout the week and at the opening and closing ceremonies.

Gifted and high-potential students

The Minister for Education and Training approved the development of up to ten additional Select Entry Acceleration Learning program schools, strategically located to improve equity of access for gifted students. Seven schools have commenced preparation for student intake into these new programs from 2007.

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. School governance arrangements are a critical factor.

The *Review of School Governance in Victorian Government Schools* was completed in July 2005 and the Minister for Education Services announced the outcomes to school council presidents, principals and stakeholders in March 2006. The Minister accepted all recommendations arising from the review.

Several recommendations relate specifically to the legislative framework within which school councils operate and have been incorporated in the *Education and Training Reform Act 2006*.

Other recommendations relate to the support and training to be provided to school councils. A training and support framework has been developed and \$550,000 has been allocated to implement the recommendations.

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.

Eligible parents of primary students received \$205 per year. Eligible parents of secondary students received \$410 per year.

During 2005–06, the parents and guardians of approximately 200,000 students received the allowance. The Education Maintenance Allowance will be indexed annually to the local consumer price index to ensure that future increases in the payment reflect the increase in the cost of living.

Services to students

The differential and diverse learning needs of 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 Victorian government school system supports all students with additional learning needs by ensuring that the appropriate supports, initiatives and educational adjustments are in place to enable every student to succeed.

Highlights

- *It's Not OK to Be Away*, the Department's attendance strategy, was published in February 2006, promoting the importance of regular school attendance and its positive impact on student learning outcomes.
- First aid training in anaphylaxis management for Victorian government schools was established, and an anaphylaxis training, education and management strategy commenced.
- The anti-bullying resource *Safe Schools are Effective Schools* was published in May 2006. This resource incorporates policies, strategies and case studies for the whole school community, and highlights the importance of providing safe, secure and stimulating environments for all students.
- Phase 3 of the Primary Welfare Officer initiative was implemented successfully with 450 schools with the highest needs now having a primary welfare officer.

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

- In 2005, 700 schools completed their three-year cycle review and prepared new action plans to enhance and improve their drug education programs. In 2006, the three-year review and planning cycle has been replaced with a four-year cycle to align with the new School Accountability and Improvement Framework. This means that schools will integrate their drug education review and planning process into the new school planning arrangements.
- In 2005, 75 per cent of government schools reported at least one member of staff participating in drug education professional development.
- In 2005, 82 per cent of Victorian schools reported involvement of parents in their drug education programs, and 87 per cent reported involving community agencies.

- Surveys developed as part of the Drug Education Evaluation and Monitoring project were implemented in a further 100 schools. The surveys assisted these schools to evaluate the effectiveness of their drug education program.
- As part of the Parent Engagement in Schools Strategic Plan for 2004–2008, all schools received copies of the brochure titled *Parent Involvement in Drug Education: Guidelines for Schools*. The Engaging Parents from Culturally Diverse Backgrounds project was also implemented to assist schools to better involve parents in drug education curriculum and welfare issues.

Students with disabilities

The Program for Students with Disabilities provides schools with additional resources to meet the needs of students with disabilities who 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.

A strengthened approach to meet the needs of students with a language disorder has been successfully implemented statewide. This approach acknowledges that all schools have students requiring support and aims to build the capacity of schools and teachers to provide appropriate program and learning experiences that will improve the oral language skills of students with a language disorder.

Number of students individually supported through the Program for Students with Disabilities in government schools, February 2006

Regular schools	9,419 FTE students
Special schools	7,252 FTE students
Total	16,671 FTE students

Facilities and infrastructure

Emergency and security management

The Department coordinated the installation of 50 new and replacement alarm systems in schools during 2005–06. Approximately 94 per cent of government primary and secondary schools are equipped with alarm systems.

The Department's emergency management support and advice to schools regarding critical incidents emphasises the importance of linking recovery activities to the school's emergency plan, in line with a whole-of-government approach. To assist in this process, the Department has developed a number of new resources, including *Dealing with Threatening Behaviours & Threats in Schools* and *From Crisis to Recovery: Responding to Critical Incidents*. These resources assist school communities in dealing with a variety of issues that may confront them. The Department also undertook a significant coordination role in supporting school and regional recovery processes during the Mildura tragedy, when six secondary school students died in a road accident.

The Department continues to run workshops in emergency management and emergency planning for senior school staff. Representatives from more than 150 schools have attended these workshops in the past twelve months.

There were five significant school fires during 2005–06, Gowrie Street Primary School Shepparton, McKinnon Secondary College, Traralgon Secondary College, Wandin North Primary School and Wangaratta West Primary School.

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.

Conveyance 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 2005–06, approximately 6350 students were transported by bus and taxi to these schools at a cost of approximately \$34 million.

Asset projects

The 2005–06 State Budget committed \$287.28 million in new capital funding for school education. This funding directed:

- \$30.6 million to Leading Schools Fund projects, including funds for investing in excellence and for rural learning campuses
- \$37 million to seven new schools or stages thereof
- \$57.09 million to replacing relocating schools
- \$145.45 million to modernising and improving existing school sites, including the provision of funds for replacing facilities damaged or destroyed by fire (including \$12.54 million for School Improvement projects)
- \$9.84 million for assets to support better education and training
- \$7.3 million for VicSmart broadband network for government schools.

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 school education 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 and school-based staff as facilitators of continuous learning communities and creating strategies that sustain them
- 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 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

Western Metropolitan Region

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Northern Metropolitan Region

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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.

As of February 2006, non-government schools educated over 294,331 students statewide or 35.3 per cent of all Victorian school students. Of these students, 62.1 per cent attended Catholic schools and 37.9 per cent attended Independent schools. There were 482 registered Catholic schools and 218 registered Independent schools.

The Department provided over \$330 million in financial assistance to non-government schools in 2005–06, through untied recurrent funding and specific purpose grants.

The Department has changed its internal organisational arrangements as part of reinvigorating its relationship with non-government schools. Continued improvement in learning and teaching practice will be the central tenet in pursuing mutually beneficial interactions between the Department and non-government schools to improve learning outcomes across all sectors.

The Targeted Initiatives Unit of the Learning Programs Branch is funded to provide drug education support to the non-government schools sector. A Memorandum of Understanding was developed between the sectors to ensure all students have equity of access to available resources.

Highlights

- Twelve schools from the Catholic education sector are working towards external verification of their Performance and Development Culture. 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 VCAA and the Department in the development and sharing of resources to support schools in implementing the Victorian Essential Learning Standards.
- Consultation with the non-government sector continued in the area of student reporting, as well as strong joint partnerships in cross-sectoral projects in drug education and values education.
- The Department completed work on implementation of a new funding model for non-government schools. The new model, developed in conjunction with representatives from the Catholic Education Office and the Association of Independent Schools of Victoria, changes the way the State Grant is calculated for Victoria's non-government schools. The model was implemented on 1 January 2006 and comprises a mix of 50 per cent core per capita funding, weighted according to stages of schooling, and 50 per cent needs-based funding. Needs are determined through a school's student characteristics profile.
- The government and non-government schools sectors entered into a quadrennial agreement for the purposes of state funding from 2006–09.
- In 2005–06, \$315 million incorporating funding assistance for needy non-government schools was allocated to Victorian non-government schools through the State Grant to assist schools in meeting recurrent operating costs.

- Funding to non-government schools in 2005–06 also included:
 - \$7 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
 - \$5.3 million in support services to assist students with special learning needs, including students with a disability
 - \$1.2 million for suicide prevention initiatives
 - \$0.9 million in interest subsidies
 - \$2 million for Internet access
 - \$18.9 million for student transport mainly from outlying areas
 - \$4.6 million in rail ticket subsidies through the Department of Infrastructure.

Registration of non-government schools

During 2005–06, the Registered Schools Board approved the registration, or revision of registration, of schools in the following categories.

New primary schools	1
New secondary schools	1
New primary and secondary schools	3
Additional secondary year levels	16
Additional campuses	2
School amalgamations (two schools to form one school)	4
Relocations	Schools – 1 Campuses – 11
School closures	4
Campus closures	2

Full fee-paying overseas students

In 2005–06, in accordance with section 65 of the *Education Act 1958*, the Departmental officer holding the position of Chair, Registered Schools Board, under delegation from the Minister for Education and Training, endorsed three non-government schools and re-endorsed 37 non-government schools to accept full fee-paying overseas students.

As of June 2006, there were 128 registered schools accepting full fee-paying overseas students. In February 2006, there were 3010 full fee-paying overseas students in non-government schools.

Registered Schools Board

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

- register and, where appropriate, revise the registration of schools
- monitor a school's compliance with the requirements for registration.

Non-government schools are reviewed at least every six years.

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 each year. 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 2005–06, 96 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 2006 was as follows:

Department of Education & Training

Mr John McCarthy (Chair)

Ms Maria Kelly

Mr Don King

Vacancy

Catholic Education Commission of Victoria

Mr Tony O'Meara

Mr Christopher Lennon

Association of Independent Schools of Victoria

Ms Michelle Green

Mr Neville Lyngcoln

Post-compulsory education and training

Post-compulsory education and training provides for the education and training of students from 15 years of age. 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.

Successful provision involves making available a set of varied pathways and programs, coupled with effective support for their completion.

Overview

The Department supports and manages the provision of senior secondary education, training and further education and adult community education, and provides higher education accreditation and monitoring services.

Department programs and services are delivered to the Victorian community through a range of organisations:

- 557 government and non-government schools
- 18 TAFE institutes (including four TAFE divisions within universities)
- 1191 registered providers of vocational education and training (registered training organisations)
- close to 400 ACE organisations, including community-based adult education centres and neighbourhood houses
- adult education institutions – Adult Multicultural Education Services (AMES) and the CAE
- 16 industry training advisory bodies.

The education and skills training provided through these organisations includes:

- senior secondary certificates
- 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 is also responsible for providing support for young people making the transition from school to further education and training or employment. Initiatives which contribute to supporting young people's transitions include the Managed Individual Pathways (MIPs) program in government schools, the Youth Pathways Program in TAFE institutes and ACE organisations, the On Track initiative and the Local Learning and Employment Networks (LLENs).

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.

Provision of post-compulsory programs

Senior Secondary Certificates

The Victorian Certificate of Education (VCE), Victorian Certificate of Applied Learning (VCAL) and International Baccalaureate (IB) are senior secondary certificates of education that provide students in Years 11 and 12 in Victoria with pathways to further study and employment.

Highlights

- In 2005, 149,743 students (34,064 of whom were in Year 10 or earlier) were enrolled in at least one unit of the VCE.
- These students were enrolled at 606 providers, including 340 government, 89 Catholic and 128 Independent schools, 38 adult VCE providers and five offshore providers.
- 49,273 students were eligible to complete their VCE in 2005. Of these students, 97 per cent successfully completed their VCE.
- 10,675 students enrolled in the VCAL with 380 providers in 2005, up from 8,125 students and 322 providers in 2004.

The majority of senior school certificates are delivered in the school setting, as part of the later years program, which involves provision of education, training and associated services designed to improve the quality of student learning in Years 10–12 in government and non-government schools.

VCE and VCAL in TAFE institutes and ACE organisations

In addition to schools, some TAFE institutes and ACE organisations deliver the VCE and the VCAL to post-compulsory learners. In 2005, there were 2921 students aged 15–19 years studying a senior secondary certificate with an ACE organisation or TAFE institute, 1591 studying VCE and a further 1330 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 for Adult Community Education in Victoria* identified the CAE as a centre of excellence for the 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.

VET in Schools

VET in Schools programs (including School-Based New Apprenticeships and traineeships) comprise nationally recognised VET certificates which can be undertaken by senior secondary students as part of either the VCE or VCAL. VET in Schools programs are designed to expand opportunities and pathways for senior secondary students and improve post-compulsory educational outcomes in line with the Government's goals and targets. They also contribute to addressing industry employment needs in Victoria.

VET in Schools programs are typically delivered through partnerships between schools, industry and training providers, and increasingly provide opportunities for students to participate in workplace learning.

The number of students undertaking VET in Schools in government and non-government schools has increased from 36,231 in 2004 to 37,179 in 2005 (including school-based new apprenticeships). Some of these students undertook more than one VET program. The number of secondary schools, TAFE institutes and ACE providers offering VET in Schools has grown from 539 in 2004 to 561 in 2005.

School-based apprenticeships and traineeships

Apprenticeship and traineeship pathways for senior school students continued to expand. In 2005, there were 4615 certificate enrolments in apprenticeships or traineeships undertaken as part of a program of studies that combined the VCE or VCAL with a nationally accredited training certificate and employment.

Vocational education and training

In 2005, nearly 72,000 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.

ACE and Schools Partnership Delivery program

Through the ACE and Schools Partnership Delivery program, secondary schools, ACE organisations and the regional Office of School Education enter into a Memorandum of Understanding to allow for a small number of students under 15 years of age to enrol at an ACE organisation to maintain the students' engagement in learning. In 2005–06, a total of 85 Memoranda of Understanding were formalised to allow 106 students to undertake vocational education and training in an ACE organisation while maintaining their relationship with their school.

Support initiatives

Managed Individual Pathways

The MIPs program commenced in 2001 and requires that all students 15 years and over in government schools have current individual pathway plans and associated support as a means to continued education, training or full-time employment.

The MIPs program in schools was reviewed in 2005 to advise the Minister for Education and Training on the alignment of the program to Government policy and initiatives, in particular the *Blueprint for Government Schools*, and make recommendations to improve its operational effectiveness. The report of the Review identifies and documents a good practice framework for MIPs delivery and makes recommendations for enhancing the program through the School Accountability Improvement Framework. The recommendations are currently being implemented through a range of capacity-building programs.

Youth Pathways Program

Students participating in Youth Pathways programs in TAFE institutes or ACE organisations also have a pathways plan.

The Youth Pathways Program provides customised education and support at a TAFE institute or ACE organisation to young people aged 15–19 years who have not completed Year 12. In 2005, there were over 3000 young people participating in the Youth Pathways Program.

Tracking surveys demonstrate that participants who undertook the Youth Pathways Program at a TAFE institute or ACE organisation in 2005 achieved very positive outcomes, with over half of the students continuing in education or training in the following year. Almost one-third secured employment, including 9.16 per cent who successfully obtained a new apprenticeship.

On Track

Each year the *On Track* survey tracks the destination of Year 12 completers and early school leavers from government and non-government schools six months after they leave school.

On Track data publication contributes to better understanding by parents, students and schools of the destinations of young people after their final school year and celebrates the broad range of outcomes that all schools create for students. At the time of survey, assistance and advice is offered to those students not in education, training or full-time employment.

The 2006 *On Track* survey found that, for young people who completed Year 12 at government and non-government schools in 2005, 75.7 per cent of students were in education or training (compared with 76.5 per cent last year). Of those not in education or training, 13 per cent were employed full or part-time, and 3.3 per cent were looking for work (down from 3.8 per cent last year).

Key findings were the increase in the percentage of Year 12 or equivalent completers who were university-enrolled at the time of the survey (46 per cent compared with 43 per cent in 2005) and the high proportion (29.5 per cent) of VCAL students who have continued on to apprenticeships or traineeships.

(Note: June 2006 data. Data in On Track Final Report may differ slightly)

Local Learning and Employment Networks (LLENs)

LLENs bring together organisations and people who can make a difference to young people's post-compulsory education, training and employment outcomes. LLENs establish local collaborative partnerships between schools, TAFE institutes, ACE providers, employers, unions, local government and youth support organisations.

Following an external review of the LLEN initiative in 2005, a detailed framework for the continuation of the initiative has been progressively implemented, and has included a new funding model and strategies for the management and ongoing development of the LLENs. These strategies included the sharing of good practice, stakeholder satisfaction surveys and a continued focus on good governance.

The framework also reiterated the core role of the LLENs in the creation and further development of sustainable relationships, partnerships and brokering initiatives between local education providers, industry and the community. As a result, new contracts were entered into with each of the 31 LLENs for the three-year period 2006–08. The contracts include specific targets and performance measures for each LLEN.

The statewide network of 31 LLENs brokered close to 300 partnerships between schools, TAFE, ACE and other stakeholders including industry and community organisations. These partnerships and related initiatives influenced the education, training and employment outcomes of 24,306 young people at risk of not completing Year 12 or its equivalent, of whom 2,036 had already disengaged from education and training and were not in full-time employment.

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 for addressing Victoria's future skills requirements. The 2005–06 period

marked the fourth year of implementation of the Statement, and the Department continued to focus on specialisation and innovation. During this time, the Government also commissioned an independent inquiry of the VET system to check the progress of reforms.

The Inquiry into Vocational Education and Training applied a consultative and analytical approach to review the performance of the VET sector against six elements including apprenticeships and traineeships, information, quality and VET in Schools.

The inquiry, in conjunction with the Victorian workforce participation strategy and other key pieces of Government and independent research, informed the February 2006 Government Statement *Maintaining the Advantage: Skilled Victorians*.

The Statement builds on the 2002 Ministerial Statement and includes a range of policy reforms and investments targeted at increasing productivity and workforce participation in Victoria's labour force. Implementation of the Statement's initiatives will begin on 1 July 2006 and will form the basis of future activity and reporting over the next four years.

A new approach to financing skill development

A key objective outlined in the 2002 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, and following the findings of a project that identified the costs of delivering a range of training programs, the Department trialed a new approach to funding TAFE institutes in 2005 which aimed at ensuring that the funding provided to each institute for delivery of training reflected its share of the cost of training delivery.

In 2006, the VLESC entered new three-year Performance Agreements with TAFE institutes and, as part of these agreements, the new Weighted Program model has formed the basis for funding institutes.

Changes were also made in 2006 to the prices being paid to private registered training organisations on the basis of the Weighted Program model. As a consequence, there has been an increase in the average price of training delivery paid to private training organisations.

Establishing priorities for vocational education and training

In 2005, all Victorian TAFE institutes agreed to targets to re-align training from low-priority industry areas to high-priority industry areas. The targets have been included in the 2006–2008 TAFE Performance Agreements.

In December 2005, the VLESC approved the development of the Targeted Cohorts model to augment the planning framework and address the needs of priority groups in accordance with the Ministerial Statement. The model identifies the proportion of the population which may potentially benefit from undertaking a further education course as a pathway into vocational education and training and employment.

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

Following an extensive review process in 2004, a new fees and charges policy for vocational education and training was introduced on 1 January 2005. The policy is designed to increase equity of access for students, improve administration, and enhance the flexibility of the VET system. In January 2006, the Office of Training and Tertiary Education commenced a review of the implementation of the fees and charges policy to assess the impact of the policy's rollout and to ensure that it meets its stated objectives. This review will inform the development of any future policy refinements to ensure that its underpinning goals continue to be met.

Reinvigorating TAFE

Specialist Centres

Nineteen Specialist Centres have been established to deliver specialist training in priority industries and in the technological capabilities needed to drive effective competition in the innovation economy. They work closely with individual enterprises and sectors to identify and deliver specific training that addresses current and emerging technological and business development requirements. Four of these centres were established in 2004–05 in the areas of biotechnology, heritage trades, textiles and e-business. All centres are operating effectively with industry and are engaging industry in the design of specialised training programs in each of their sectors.

Design initiative

The Department has continued to implement initiatives in response to a future directions paper *The State of Design – Future Directions*, which outlines how Victoria will be positioned as an international centre for excellence in applied design. The initiatives completed or currently being undertaken in 2005–06 are:

- design capability professional development for secondary teachers and TAFE teachers and managers – another 500 participants (in addition to the earlier 2500 participants) benefited from this professional development activity in 2005
- implementation of the Certificate IV in Applied Design for Industry in a range of industry sectors, including building and construction, furnishing, aviation, beauty, competitive manufacturing, automotive
- Museum Victoria's delivery of Design Public Engagement programs and preparation of *Freestyle: New Australian Design for Living*
- delivery of the Premier's Design Awards by lab.3000
- delivery of State of Design Festival 2006 by lab.3000
- delivery of the design industry showcasing components of the Commonwealth Games Business Benefits Program – Victorian Industry Showcasing.

Transforming the TAFE workforce

In July 2005, the Minister for Education and Training launched the TAFE Development Centre. The centre is responsible for raising the professional standing and promoting the development of staff in TAFE institutes across Victoria. The centre has been registered as a public company and has undertaken a funding agreement with the Department. In 2005–06, the centre provided funding to TAFE institutes to support the following programs:

- TAFE Industry Skills Scheme \$540,000
- TAFE Teaching and Learning Excellence program \$378,000
- TAFE Leadership Scheme \$144,000
- TAFE Teaching Fellowships \$216,000

In March 2006, Dr Wanda Korndorffer was appointed Chief Executive Officer of the TAFE Development Centre.

The Department continues to invest in the capability development of the VET sector workforce to ensure the design and delivery of programs in identified areas of new and emerging skills needs. Staff development funds, e-learning grants and innovation funds provide opportunities for TAFE providers to target development areas of specific local need.

Degrees in TAFE

A 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) to deliver degree qualifications and expand the access of students to higher education qualifications. As at June 2006, 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 2005, 43 initiatives to a value of \$6 million were endorsed for implementation across 14 TAFE institutes. A further 42 initiatives to a value of \$3.7 million have been incorporated into TAFE Performance

Agreements for 2006 and include projects to shift training delivery from low- to high-priority areas and develop workforce training for existing workers.

Training and further education

The State Training System

Delivered training

In 2005, TAFE institutes and ACE and private registered training organisations provided approximately 484,000 students with 111.3 million student contact hours of training and further education (excluding non-VET activity). Of this total delivery, government-funded delivery accounted for over 79.9 million of the reported contact hours. Training delivery remained in excess of delivery required by the Victorian system under the Bi-lateral agreement.

In 2005, TAFE institutes delivered 62.8 million government-funded student contact hours, with the remainder delivered by ACE and private registered training organisations.

Training packages and implementation advice

Victoria has continued to develop training package implementation guides for use by training providers. These guides now incorporate advice about pre-apprenticeship arrangements where these have been formally agreed by industry parties. Training packages describe the skills and knowledge needed to obtain a qualification to work effectively in particular industries. In 2005–06, the Department facilitated the development of guides for new and reviewed packages, and has continued to work closely with the Commonwealth Department of Education, Science and Training on initiatives to support national consistency across the implementation of training packages. Advice about national training packages and state vocational education and training products is provided by Curriculum Maintenance Managers, a service funded by the Department.

Apprenticeships and traineeships

As at 30 June 2006, the overall number of apprentices and trainees was 132,785. Of these 100,114 received a government-funded training place. Training places are not funded for existing worker trainees and were not funded for existing worker apprentices during 2005–06.

During 2005–06, 80,917 apprentices and trainees commenced. Of these, 60,200 were eligible for a government-funded training place (an increase of 2.3 per cent compared with 2004–05).

There were 45,411 completions, of which 30,405 were for apprentices and trainees who had been in receipt of a government-funded training place.

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 2005–06 financial year, employers of 13,992 apprentices and trainees qualified for Completion Bonus payments under the scheme. Employers of a further 2369 apprentices and trainees of not-for-profit group training organisations were eligible under the Group Training Employment Support Scheme.

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 2005, 225 private registered training organisations provided over 25,000 apprenticeship and traineeship training places. In 2006, 223 registered training organisations have been selected to provide over 21,000 places, including Jobs for Young People placements in local government administered by the Department for Victorian Communities.

A further 1000 places are being reserved for integrated school-based new apprentices.

Priority Education and Training program

The Priority Education and Training program funds private registered training organisations to provide training that complements local public provision in industries and regions that have been identified as government priorities. This program is for students that are not apprentices or trainees.

Through this program, 2.07 million student contact hours of training were delivered in 2005 by 84 private registered training organisations, an increase of 5.5 per cent from 2004. In 2006, 91 private registered training organisations have been selected to participate in the program.

Fresh Start

The Fresh Start program was established in 1996 as a response to an increase in reported incidences of violence and harassment against apprentices and trainees in their workplaces.

The objectives of the program are to:

- encourage the reporting of workplace violence and harassment
- take action against employers engaging in these practices
- assist apprentices and trainees subjected to abuse to successfully complete their vocational training, usually through placements with group training organisations.

Regulatory action was taken against 11 employers arising from breaches of training contract obligations.

Administration and Field Services

Apprenticeship Field Officers perform a key role in advising apprentices, trainees and their employers about training issues and resolving issues that arise in the workplace. They also gather information about training delivery by registered training organisations, which is used by delegates of the VQA responsible for monitoring these organisations.

During 2005–06, Apprenticeship Field Officers, and a supporting telephone advisory service, continued to deliver high-quality services.

In partnership with the Commonwealth Department of Education, Science and Training, the Department continued intensive monitoring of registered training organisations and employers recorded high growth in training numbers. Apprenticeship Field Officers had a significant role in the implementation of this monitoring process.

Skill Up

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 2006, funding had been approved for 1773 retrenched workers.

Fee-for-service activity

In addition to their government-funded delivery, TAFE institutes and ACE organisations delivered 18.82 million and 1.75 million student contact hours respectively of fee-for-service vocational and further education in 2005. TAFE institutes and ACE organisations delivered a further 6.87 million student contact hours to full fee-paying overseas students. Over 1.7 million student contact hours in personal enrichment programs were delivered to 74,128 students.

Flexible learning

Victoria plays a leadership role in the planning and management of the Australian Flexible Learning Framework, the e-learning strategy for the national VET system. The framework aims to develop the VET system's e-learning capacity and is designed to respond to the changing social, economic and policy environments in which it operates. In 2006,

the framework will make a direct contribution to achievement of the national vocational education and training agenda and the Council of Australian Governments' skills agenda.

The Flexible Learning Advisory Group provides advice to the National Senior Officials Committee on directions and priorities for flexible e-learning and is also responsible for the planning, implementation and accountability of the framework. The Secretariat of the Flexible Learning Advisory Group, which provides both the Secretariat function and framework management services, sits within the Department.

The purpose of the framework is to increase the sustainable uptake of quality e-learning in vocational education and training. It acts as an enabler of the goals of the National Strategy for the VET Sector: Shaping Our Future by driving uptake of information and communication technologies as a means to enhancing system flexibility and client responsiveness.

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

Under the 2006 framework, Victoria receives national funds of \$2,962,949 to undertake the following initiatives and projects:

- Flexible Learning Advisory Group Secretariat
- Flexible Learning Toolboxes
- e-standards for Training
- Inclusive e-learning
- LearnScope (State/Territory pro-rata allocation)
- Toolbox Champions program
- Program Management (Resources and Innovation)
- Framework Coordination Officer.

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

Implementation of the Wurreker strategy continued during 2005. Partnerships between stakeholders including the Victorian Aboriginal Education Association Incorporated, 30 local Aboriginal Education Consultative Groups and TAFE institutes provided advice on planning and delivery of training and the provision of appropriate support services. The strategy has resulted in increased enrolments and participation at higher qualification levels. In 2005, 4500 students identifying as Koorie were enrolled in government-funded VET programs and almost 60 per cent of Koorie delivery was at Certificate III level and above.

In 2005, a further \$0.5m of training was available for Koorie training opportunities through the Government's Priority Education and Training program.

Students with disabilities

A disability agenda for the VET sector in Victoria has been developed and implementation commenced in 2005. The disability agenda describes 20 key actions that are designed to:

- increase the effectiveness of what is already in place for people with a disability in the VET sector
- ensure that pathways into and out of VET are accessible to those with a disability
- support the VET sector in meeting legislative, policy and performance obligations.

To facilitate progression of the goals of the disability agenda, an implementation framework has been developed. The majority of key actions articulated in the framework will have been executed by the end of 2006. Two key actions have already been implemented:

- delivery of Acting Responsibly seminars to TAFE institutes and ACE organisations
- distribution of the Disability Action plan funding to TAFE institutes.

The majority of key actions will be implemented by the end of 2006.

The Department has continued to support 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 remote areas using information and communication technology.

The Department also funded Wodonga Institute of TAFE to develop a professional development resource, *In My Shoes*. This resource aims to enhance the training and educational experiences of students with a disability by developing staff communication strategies and enhancing their knowledge of the Disability Standards for Education.

In 2005, a further \$1.06 million was allocated to create further training opportunities for people with disabilities through the Government's Priority Education and Training program.

Women

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

- ongoing implementation of the Government's Leading with Victoria's Women 2004–2007 report
- trialing of MIPs for equity groups to provide individual pathway support into training or employment for students over 45 years and not currently employed, sole parents who have not completed Year 12 or who have been out of the workforce for longer than 12 months, and students from culturally and 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 2005–06, at least 2475 grants were issued to eligible parents to cover course fees, child-care and material costs while parents undertake training.

Governance

Under the *Vocational Education and Training Act 1990*, TAFE institutes are self-governing.

Each of Victoria's TAFE institutes has distinct characteristics that reflect its local community and industry base, size, region and the nature of the courses it offers.

Each year, TAFE institutes enter into Performance Agreements with the VLESC. These Performance Agreements commit them to deliver specific programs, achieve certain targets and comply with system-wide policies.

A full report on the activities of each TAFE institute is contained in its own annual report.

TAFE governance

The TAFE Governance Review identified as a level one priority that a statewide training program be established for members of TAFE institute boards.

In September 2005, the Minister for Education and Training launched a series of five workshops on good governance, each with supporting resources. Representatives from 13 TAFE institutes and two adult education institutes attended the first workshop, *Understanding and Applying Governance in the Public Sector*, which was delivered in four locations across the State.

The second workshop, *Culture and Continuous Improvement in a Board Context*, was delivered in seven workshops at metropolitan and regional locations between March 2006 and May 2006.

Other resources that have been developed and distributed to Board members include:

- *Good Governance in Victoria*: a good practice governance charter with support materials for boards to develop and improve their governance practices
- *Welcome to the Board*: an induction kit for new directors
- *Governance*: a director's duties and liabilities handbook.

An additional resource titled *Participating as an Effective Council Director*, a CD-supported self-paced learning resource, is currently in production and will be distributed to TAFE institutes shortly.

Two other workshops on financial and risk management will be delivered as part of the project.

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 Standards. In 2005–06, 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 Commonwealth–States 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 2005, 196 registered training organisations were audited for compliance with the Australian Quality Training Framework Standards. In addition, audits took place in:

- 103 organisations in receipt of government funding

- 56 providers of vocational education and training programs to overseas students
- 15 group training organisations
- 15 organisations as part of the national strategic industry audit on the hospitality industry.

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.

Strategic audits are also conducted in industry areas where concerns have been raised about the quality of training.

In 2005, a national strategic training audit in the hospitality industry was conducted in collaboration with other States and Territories. Three qualifications were audited: THH21802 Certificate II in Hospitality (Operations), THH22002 Certificate II in Hospitality (Kitchen Operations) and THH31502 Certificate III in Hospitality (Commercial Cookery).

Fifteen registered training organisations operating in Victoria were audited plus a further six Victorian registered training organisations operating in New South Wales by the New South Wales Vocational Education & Training Accreditation Board. Of the 15 Victorian organisations operating in Victoria, there were 10 private providers, three TAFE institutes and two schools.

Of the 15 organisations audited, four were compliant with all of the standards audited, including the two TAFE institutes, one secondary school and one private provider. Ten registered training organisations had a small number of minor non-compliances with the Australian Quality Training Framework Standards and one had major non-compliances. The Department has initiated a range of activities to implement the recommendations of the audit.

Group training organisations

In Victoria, 32 organisations have been approved as meeting the national standards for group training organisations and were included on the National Register of Group Training Organisations. Group training organisations are largely non-profit organisations and recruit and employ people in apprenticeships and traineeships. In 2005–06, nine group training organisations were audited against the national standards.

In 2005–06, 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 then 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.

In Victoria, this target is being achieved under the Group Training – Innovation Fund program introduced in 2004–05. In 2005–06, the Office of Training and Tertiary Education funded projects undertaken by 11 separate 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 2005–06, major capital developments commenced at the Gordon and William Angliss TAFE institutes and at Ballarat and Victoria universities. Major 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 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.

In 2005–06, a further seven TAFE institutes received funding to improve voice communications and replace obsolete telephony equipment. The institutes involved are the Box Hill Institute of TAFE, Central Gippsland Institute of TAFE, Chisholm Institute of TAFE, Kangan Batman Institute of TAFE, Holmesglen Institute of TAFE, South West Institute of TAFE and William Angliss Institute of TAFE.

Asset disposal

Assets that have been found surplus to requirements and disposed of include three residential properties in Oswald Street, Dandenong that were formerly occupied by Chisholm Institute of TAFE.

TAFE capital works projects

Completed projects

In 2005–06, the Victorian Government funded the refurbishment of the former Noble Park campus of Chisholm Institute of TAFE for use as a new teaching centre for AMES. This project has been completed.

The following projects were funded by the Australian Government through the Department of Employment, Science and Training and completed in 2005–06:

- the construction of the Wine Training Centre for the Bendigo Regional Institute of TAFE

- the construction of the Business Enterprise Centre at Frankston for Chisholm Institute of TAFE
- the construction of a new Automotive and Building Studies facility and refurbishment of the Hospitality faculty building at Bairnsdale for East Gippsland Institute of TAFE
- the refurbishment of the Moorabbin campus of the Holmesglen Institute of TAFE.

Projects under construction

The following projects were funded by the Victorian Government and were under construction in 2005–06:

- the Automotive Centre of Excellence at Docklands for the Kangan Batman Institute of TAFE
- the Building and Construction Training Centre for the University of Ballarat
- the extension to the Building and Construction Centre at the East Geelong campus of the Gordon Institute of TAFE.

The following projects were funded by the Australian Government through the Department of Employment, Science and Training and were being undertaken in 2005–06:

- the replacement of the Cleeland Street buildings at the Dandenong campus of the Chisholm Institute of TAFE
- horticulture redevelopment at the Waverley campus of Holmesglen Institute of TAFE
- establishment of the Culinary Academy at William Angliss Institute of TAFE
- the consolidation of engineering and IT programs at the Sunshine and Footscray campuses of Victoria University
- establishment of the Centre for Integrated Engineering and Science at the Dandenong campus of Chisholm 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 and the responsibilities and functions of ANTA transferred to the Commonwealth Department of Education, Science and Training. A new Ministerial council on vocational education, the Ministerial Council for Vocational and Technical Education, has been formed to lead the new national training system.

Inter-governmental agreements

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 has been developed. The Commonwealth–State Agreement for Skilling Australia's Workforce 2005–08 replaced the ANTA Agreement in September 2005.

National VET strategy 2004–10

Under 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 access to 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 including 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

Over 12.9 million student contact hours across 454,716 module enrolments were delivered in ACE organisations and adult education institutions in 2005. Nearly 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 2005, nearly 9400 students aged 15–19 were enrolled in ACE, representing a 2.3 per cent increase on the previous year. On average, there was an increase in the number of hours delivered to each student. In 2005, nearly 1.8 million contact hours were delivered, an increase of 10 per cent on the total training hours delivered in 2004.

All reported participation is for the 2005 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 adult community education.

Broadening the role of adult community education

Community Learning Partnerships

A further 28 Community Learning Partnership projects were funded across Victoria in 2005–06.

The projects aim to achieve outcomes for learners and communities around local issues through a collaborative approach by a range of stakeholders comprising state and local government, community, business and industry organisations. These relationships will strengthen communities, build social capital and enhance the sustainability of communities.

Measuring Impact

Measuring Impact is an evidence-based evaluation tool that measures project outcomes for learners and communities. In accordance with the Ministerial Statement, the tool is being used to monitor the impact of Community Learning Partnerships and Learning Towns.

Research

In 2005, as part of the *Putting ACE Research to Work – the ACE Research Strategy for 2005–07*, the Board established three statewide Circles of Professional Research Practice. Their purpose is to maximise the practical benefit of high-level research for ACE organisations and support the implementation of the Ministerial Statement at a regional and local level. The Circles are led by professional researchers, coordinated by ACE organisations and made up of interested ACE organisations and practitioners. They disseminate the findings of the most recent research projects funded by the Board in the practical setting:

- The ACE Experience: Pedagogies for Life and Employment (Victoria University)

- Men’s Learning through ACE and Community Involvement in Small Rural Towns (University of Ballarat)
- The ACE Longitudinal Study (University of Melbourne).

Recognising specific groups of learners

Disability

To further support the ACFE Board strategy to address the participation needs of people with a disability in adult community education, two key initiatives were funded in 2005–06.

The first initiative, the ACE Disability Network led by Yooralla – Community Living and Learning Service, was funded to undertake the following activities:

- mapping specific disability resources and services in adult community education and linking providers to these
- identifying, promoting and developing partnerships to support disability programs and services in adult community education
- providing professional development to support ACE best practice for learners with a disability in adult community education
- promoting and facilitating shared access by ACE providers to the range of available disability services and resources within communities.

The second initiative focused on the Disability Discrimination Act Education Standards introduced by the Commonwealth in August 2005. Information seminars were conducted across the state for ACFE Regional Councils, ACE organisations and adult education institutions to ensure knowledge of the requirements of the Act. Seminars were well attended by participants and ACE organisations received assistance in developing Disability Action plans.

Wurreker

Wurreker is the central strategy for Koorie vocational education and training in Victoria. Wurreker is a partnership between the Koorie community and the vocational education and training sector. The strategy supports innovative partnerships and pathways that lead to positive training and employment outcomes for Koories.

All Regional Councils and the CAE have developed 2006 Wurreker implementation plans to include participation in Wurreker regional planning forums and advisory committees.

Youth

The ACFE Youth Strategy, Young Learners in ACE, aims to improve the learning outcomes of 15–19-year-olds. Implementation of the strategy has included the development of a framework for more effective planning, delivery and management of programs for young learners undertaking Year 12 or equivalent, or learning programs leading to Year 12 or equivalent.

Post-compulsory learning pathways and employment options have been broadened through the development of regional youth networks and cross-sector partnerships.

ACFE Board partnership projects have included the Catholic Education Commission of Victoria pilot program for literacy and numeracy support to Catholic secondary school students undertaking the VCAL and the Department of Justice pilot for early intervention in gambling awareness for participants in the Youth Pathways program.

Culturally and Linguistically Diverse Learners in ACE

The statewide project Promoting Pathways to Employment for Culturally and Linguistically Diverse Learners in ACE was led by AMES on behalf of the ACFE Board in 2005–06.

The project sought to improve the opportunities available to learners and consequently their outcomes in employment, particularly in relation to increasing the capacity of ACE providers to support Culturally and Linguistically Diverse Learners to articulate and pursue employment goals.

ICT for Access

Investment from the Increasing Access to ACE initiative and an expansion of the Mobile Computer Learning Library program has provided 434 laptops and 300 data show projectors to the ACE sector. This investment will improve access to flexible learning technologies for students located in rural and remote Victoria and in Melbourne's growth corridors.

University of the Third Age

In line with the directions outlined in the Ministerial Statement for ACE, *Future Directions for ACE in Victoria*, the ACFE Board initiated the establishment of resourcing arrangements to better meet the needs of University of the Third Age (U3A) groups and participants. Accordingly, for the 2006 calendar year, the ACFE Board entered into a Performance and Funding Agreement with the U3A Network Inc. which included the provision of resources to support the delivery of programs for individual U3A organisations.

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 and the ACE and Schools Partnership Delivery program.

Enhancing the sustainability of ACE provision

Building sustainable community businesses

The Building Sustainable Community Businesses project delivered 18 workshops to 70 ACE organisations and trialed the application of the Building Sustainable Community Businesses: A Strategy for Success framework, case studies and self-assessment and support tools. The framework provides direction and information in four key sustainability building areas: value proposition, organisational capacity, collaborative arrangements and developing a revenue base.

The framework has been published for distribution and use across the ACE sector. In addition, a communication strategy was developed to demonstrate the links between the Sustainability of ACE Provision initiatives.

ACE Business Models

This project builds on the ACE Models for Working with Industry project conducted in 2004–05. Four workshops were delivered to 54 ACE organisations. Key elements of sustainable Business Models through applied learning were explored and implemented within organisations.

The project also developed and documented four ACE Business Models and a range of fee-for-service strategies which can be utilised across the diversity of ACE organisations.

Reframing the Future program

The Reframing the Future program is a national staff development and change management program funded by the Department of Education, Science and Training. It provides a professional learning framework for educational change, staff learning and organisational capacity building in vocational education and training.

The ACE sector in Victoria has had a growing and beneficial involvement in this program over recent years. In 2006, five projects from the ACE sector in Victoria received a total of \$75,000 in national funding.

Curriculum strategy

In February 2005, the Board endorsed the Curriculum Strategy for Adult, Community and Further Education. This strategy is designed to provide curriculum arrangements that assist the Board, its partners and stakeholders in meeting the goals of the Ministerial Statement. It provides an integrated approach to accredited and non-accredited program delivery in the ACE sector.

Victoria University, in its role as General Studies and Further Education Curriculum Maintenance Manager, advises the ACFE Board on further education matters. A streamlined and strategic framework of further education qualifications is emerging that promotes pathways and options for the full range of potential learners with a clear focus on learner outcomes.

A-Frame: a framework for non-accredited learning

The A-Frame provides user-friendly curriculum development and delivery advice to course developers, managers of ACE organisations and trainers/tutors for non-accredited delivery. This new resource will contribute to higher and more consistent quality standards in non-accredited delivery, improved pathways for learners to enable them to easily articulate from non-accredited to accredited learning and better recognition of the value of non-accredited learning by other education and training sectors.

LearnScope

In 2005, professional development opportunities supported by ACE LearnScope consisted of statewide start-up workshops for ACE staff and 10 funded projects that assisted ACE organisations to improve their understanding of e-learning and flexible delivery online.

Investing in ACE

Redistribution and greater equity

In 2006, the ACFE Board implemented new allocation arrangements developed in consultation with ACE organisations and Regional Councils. The new arrangements align resource allocation with the directions of the Ministerial Statement.

Revised arrangements include the introduction of three-year funding and service agreements that provide predictability of funding for ACE organisations, revised planning processes that inform funding allocation, and statewide targeted delivery of student contact hours to address unmet, new and emerging learner 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.

Fees and concessions reimbursement

\$2.2 million was made available to ACE organisations for the reimbursement of fee concessions during 2005–06.

ACE infrastructure

The Government committed funds to support renovations, extensions and refurbishments in community-based adult education organisations. This program is in its final stages, with a further five projects completed in 2005–06. The program has attracted an additional contribution of \$16 million from the community.

Higher education

During 2005–06, there were eight public universities and two campuses of the Australian Catholic University operating in Victoria. Some of these institutions are multi-campus with campuses located in metropolitan and regional areas. There are four dual-sector universities which teach both vocational education and training and higher education courses and offer pathways from higher level VET qualifications to higher education undergraduate degrees. In June 2005, the University of Melbourne Council decided to cease the operations of what had been Victoria's only private university, Melbourne University Private, from 2006. On 28 February 2006, the Minister for Education and Training made an order revoking the approval granted to Melbourne University Private Ltd to operate as a university.

The Commonwealth provides a share of funding for teaching and research in Victoria's public universities. Through legislation and the Minister's requirements, the Victorian Government approves the establishment of universities and ensures their accountability.

In addition to its regulatory role, the Victorian 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 remain relevant to their local communities.

Higher education policy and research

In 2005–06, Victoria contributed to national debates about the future direction of higher education. Research has been undertaken to support effective university management and accountability, develop stronger regional institutions, improve student articulation opportunities and encourage debate about the future shape, resourcing and direction of Australian higher education.

The Department released a report into the social and economic impact of Victoria's universities. *Higher Education in Victoria: Opportunities for 2005 and Beyond* outlines the size and shape of the Victorian higher education sector and the direct impact it has on the State's economy and communities.

In order to promote community engagement, the Department commissioned a major study on the links between Victorian universities and their communities. *Beyond Rhetoric: University–Community Engagement in Victoria* provided an account of how Victoria's universities engage with their respective communities and articulated a pathway to further strengthen such interactions. The report was launched by the Minister for Education and Training at a conference in July 2005.

In November 2005, MCEETYA adopted a set of good practice principles, which will be used as a basis for consultation with the higher education and VET sectors about the information they provide on credit transfer and articulation. MCEETYA has also undertaken a national study of the current practices in credit transfer and articulation between vocational education and training and higher education, mapped against the good practice principles. The study will identify gaps in practice and make recommendations for improving articulation between the sectors. Early stages of the research suggest that there are promising opportunities for further work in this area for Victoria's four dual-sector institutions.

Consultation with the sector has occurred on an ongoing basis and at special events such as the 2005 Victorian Higher Education Symposium. The symposium brought the sector together with the Minister for Education and Training to discuss issues of significance for the regulation of higher education providers.

The Ministerial Higher Education Round Table, which promotes the Government's strategic engagement with universities, has continued to meet in 2005–06. In April 2006, the Minister for Education and Training met with the Commonwealth Minister for Education, Science and Training and Victoria's Vice-Chancellors to discuss policy issues affecting the sector.

Participation and access

Preliminary data for the first half of 2005 indicates that the number of undergraduate students in Victorian public universities was 156,137. Postgraduate enrolments were 60,341 in 2005. The figures for 2004 and 2005 are not directly comparable due to a change in statistical methodology and coverage.

The Government supports clear targets to increase the participation of under-represented groups and seeks to maximise opportunities for access to universities.

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 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 sought new partnership arrangements with the Commonwealth, including consultative planning related to the range and location of programs offered, and allocated university place numbers. These arrangements have been agreed for the allocation of places for 2007.

International students

Victoria continues to attract a large number of overseas students. In 2004, 46,591 international students were enrolled in Victorian universities, which is similar to the enrolment level in 2003. One in five students studying in a Victorian university is an international student.

Of the 164,535 international students in higher education in Australia in 2004, 28.3 per cent were studying in Victoria.

In addition, Victoria is a leader in the provision of offshore education and training. In 2004, a further 20,238 students were studying offshore programs delivered by Victorian universities in their home countries. Data on international students enrolled

in Victorian universities in 2005 had not been released from the Department of Education, Science and Training at the time of preparation of this report.

Regulation

The Department's role in higher education includes developing and implementing legislation for Victorian universities and other higher education providers. On 1 January 2007 the Victorian Registration and Qualifications Authority (VRQA) will assume the responsibility of regulating schools, vocational education and training and higher education. This will include the regulatory functions carried out under the *Tertiary Education Act 1993*. Various related national regulatory agreements and university Acts will still apply.

Major reviews of two key national regulatory documents on behalf of the Joint Committee on Higher Education were undertaken in 2005–06. Victoria is managing a consultancy to develop a revised set of National Protocols for Higher Education Approval Processes (the National Protocols). The National Protocols assure students and the community that higher education institutions are subject to appropriate government regulation. A review of the National Code of Practice for Registration Authorities and Providers of Education and Training to Overseas Students, which ensures that higher education institutions meet set criteria and adhere to appropriate regulation, is also underway. Final decisions on the new arrangements will be made in 2006–07.

Accreditation

Publicly funded universities offer the majority of higher education programs in Victoria. Private providers also deliver higher education courses and require accreditation 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.

Private providers are authorised to conduct their programs under the *Tertiary Education Act 1993*. This legislation will be replaced by the *Education and Training Reform Act 2006* when that Act is proclaimed.

In 2005, there were 53 private providers authorised to offer 290 higher education programs in Victoria. During the year there were:

- five new providers approved to offer 22 new programs
- seven established providers approved to offer 14 new programs
- four established private providers re-approved to deliver eight existing programs.

In addition, six interstate universities were endorsed to deliver 77 courses to overseas students in Victoria and four TAFE institutes approved to offer 20 higher education programs.

University governance

Accountability for ensuring the effective governance of public universities rests with the State Government, which is responsible for university-establishing Acts.

The Department coordinates the preparation and tabling of each university's annual report in the Victorian Parliament. The annual reports for 2005 reflect a sector in good financial health, with the net worth of Victorian public universities increasing by 4.5 per cent to just over \$8 billion.

As part of its work monitoring the governance and compliance of each university in 2005–06, the Department held a seminar, *Audit and Risk Management – Building a Culture of Good Governance in Victorian Universities*, and undertook a review of the university council appointments process. Nine appointments to university councils were made in the annual report period.

In order to enable Victorian universities to comply with the new National Governance Protocols and to receive additional funding tied to compliance, the Government enacted the *Higher Education Acts (Amendment) Act 2005*.

Portfolio management services

International education

The role of the International Division is to enable Victoria to benefit from and contribute to the exchange of knowledge, experience, expertise and trade between peoples of different countries by delivering educational, economic, and social and cultural benefits through:

- establishing and maintaining ongoing relationships with overseas governments and global partners to facilitate the delivery of high-quality international education and strategic international export development activity
- promoting and managing cross-government and education and training providers' participation in the international education marketplace.

The Minister released a statement in 2004 entitled *Global Pathways: International Education for Victoria*. Implementation of the three global strategies and directions in the statement is well advanced. These strategies, Global Learning, Positioning Victoria and Quality Assurance, are designed to ensure that Victoria can make the most of the opportunities presented by the growth in international education.

Engaging industry and international stakeholders

A key initiative aimed at working with international education stakeholders and industry is International Education Week. The third International Education Week was held in March 2006 to celebrate the contribution that international education makes to Victoria's cultural diversity and social and economic development.

Working across Victorian government agencies

The International Division continues to strengthen linkages with other Victorian Government

agencies and develop whole-of-government strategies that effectively utilise Victorian Government infrastructure overseas.

The Division contributed to the Inter-Departmental Committee for Business Benefits arising from the hosting of the 2006 Commonwealth Games.

In addition, the Department provided input on Victoria's international education industry for DIIRD's whole-of-government strategies for Japan, India and China.

The Department is also working with the Department for Victorian Communities to conduct a skilled migration pilot project to assist international students to obtain work in a key regional area.

Strengthening education linkages between Victoria and overseas governments

International cooperation

The Department successfully concluded new Memoranda of Cooperation in 2005–06 with:

- Handan Education Bureau, People's Republic of China
- Goethe-Institut, Germany
- The Government of Sharjah, United Arab Emirates.

Under the latter Memorandum of Cooperation and at the request of the Sharjah Government, the Department is undertaking flagship initiatives in the United Arab Emirate of Sharjah including:

- an analysis of the government schools sector in Sharjah and the development of a five-year strategic plan for its reform
- provision of educational services to the Victoria International School of Sharjah.

The Government of Sharjah will own and build this new private school to a design by a Victorian architect. The model for the operation of the school, including curriculum, pedagogy, assessment and reporting, will be based on Victorian government schools. Staff will be recruited from within Victoria to ensure familiarity with the model. The school will cater for 3000 students from kindergarten to Year 12 and is due to open in September 2007.

International delegations

The International Division hosted a number of delegations from overseas to further relations with education stakeholders. Delegations of teachers, principals and education officials from overseas visit Victoria on a regular basis. In 2005–06, 48 delegations involving 582 participants were organised.

International students

International students make a significant educational, cultural, social and economic contribution to Victoria. During 2005, approximately 94,000 international students from 154 nationalities were enrolled with education and training providers in Victoria, compared to 89,000 in 2004. Over half (54 per cent) enrolled in higher education courses, 18 per cent in VET providers, 8 per cent in schools, and 14 per cent in English Language colleges.

In addition, Victorian education and training providers are delivering programs offshore to an estimated 29,000 students in their home countries.

Victoria is a market leader in the recruitment of international students, with 27 per cent of international students in Australia studying in Victoria.

Public information and promotion

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

Education Times is the main communication link within the school education sector. The newspaper is published fortnightly during school terms. It provides information on training opportunities, government education policies, news and innovations in education. A readership survey conducted in April 2006 showed that nine in ten respondents were satisfied or very satisfied with the newspaper.

Major publications in 2005–06 included *Bringing Learning to Life*, an information handbook for parents, and the *TAFE Courses Directory 2006*. These publications are available at <www.education.vic.gov.au/about/publications/newsinfo/learningtolife.htm> and <www.education.vic.gov.au/tafecourses/> 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 to the community 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.

The Department's electronic newsletter, entitled *Parent Update*, provides information to parents and the broader education community about initiatives in Victorian government school education. *Parent Update* is published eight times a year during the school terms. Parents and members of the broader Victorian community receive this free newsletter through subscription. The newsletter had 3146 subscribers at 30 June 2006.

The Department's Communications and Events Coordination Branch managed a strategic events and 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.

The Department's Information and Referral 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 Regional Offices as well as information about special education and training dates and events.

In addition, the service responds to telephone and email enquiries about 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 and other community members, and by school staff. The Department's Information and Referral Service telephone number is 1800 809 834 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 and Freedom of Information. 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 and the Minister for Education Services as members of the Ministerial Council on Education, Employment, Training, and Youth Affairs, and the

Secretary as a member of the Australian Education Systems Officials Committee. It also coordinates the provision of advice to Commonwealth and State parliamentary enquiries and reviews on education and training policy.

Yearly management cycle

In 2005–06, major activities in the coordination of the Department's yearly management cycle included:

- 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 2006–07 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 2005–06
- 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. Following an extensive public consultation process on the Discussion Paper (released in the previous financial year), this program continued into 2005–06 with the release of a White Paper in September 2005. The White Paper was informed by submissions to the Discussion Paper and outlined the Government's proposed reforms to education and training legislation. In response to the White Paper a moderate number of submissions were received.

An exposure draft of the Education and Training Reform Bill was released on 15 December 2005, providing further opportunity for community and stakeholder input into the Bill prior to its introduction into Parliament.

The Bill was introduced into Parliament on 7 February 2006. The Bill was passed by both Houses of Parliament and received Royal Assent on 16 May 2006, thereby becoming the *Education and Training Reform Act 2006*.

The Act strengthens the provisions for effective service delivery in Victoria and replaces 12 Acts with one consolidated Act. In addition, the Act:

- includes, for the first time in education and training legislation, two sets of overarching principles that reflect the democratic values that are the essence of Australian society and system of government
- raises the minimum compulsory school leaving age to 16 years
- provides a guarantee of free instruction at a government school or a guarantee of a place at a TAFE institute or other public training provider for students under 20 years of age who are completing their Year 12 or equivalent qualification
- enables government school councils to seek voluntary contributions, while having regard to a set of principles that protect students and parents

- reaffirms the secularity of the government school system, continues provisions for voluntary religious instruction and makes clear that government school teachers can discuss religious issues and teach subjects involving comparative religion
- establishes a single new statutory authority, the VRQA, with responsibility for the regulation of all schools, training and non-university higher education providers, as well as for home schooling
- gives the VRQA the responsibility for the accreditation of Victorian education and training qualifications and for approving providers to offer courses to overseas students
- abolishes the Registered Schools Board and the VQA, whose functions will be covered by the new VRQA
- clarifies the role of the VCAA
- updates the functions of the VLESC and changes its name to the Victorian Skills Commission.

Implementation of the legislation, including the development of the subordinate legislation (regulations), associated Ministerial Orders, guidelines, policies, and structures is currently underway and will be detailed in the 2006–07 annual report.

Outputs and performance measures

This section reports on achievement against the outputs and performance measures listed in the 2005–06 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 of high quality education and training for lifelong learning.

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

- growing and linking all of Victoria
- a fairer society that reduces disadvantage and respects diversity
- more quality jobs and thriving, innovative industries across Victoria
- sound financial management.

All targets and results refer to the 2005 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. This 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.

Early years

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

Performance measure	Unit of measure	2005–06 Target	2005–06 Result	Comments
Quantity				
Average P–2 class size	number	21	20.8	
Average Years 3–6 class size	number	24.8	24	
Eligible students in regular schools receiving ESL support: primary	per cent	91	91.1	
Koorie Educators employed	number	15	15	
Koorie Home School Liaison Officers employed	number	6	6	
New arrival students receiving intensive or targeted support: primary	number	1,150	1,313	
Non-government students receiving supplementary funding as percentage of all non-government school students	per cent	79	n/a	This measure can no longer be calculated as a new funding model for non-government schools has been introduced.
Number of principals participating in statewide, centrally funded leadership development programs	number	240	310	
Percentage of schools with an early years numeracy coordinator	per cent	100	100	
Primary school Welfare Officers employed ^(a)	number	256	255	
Schools with a 1:5 or better computer to student ratio: primary	per cent	95	89.7	This result is an improvement over the previous year. Statewide, the average computer to student ratio is approximately 1: 3.75. Strategies to improve performance include additional funding to provide computers for students. The impact of additional funds on the performance measure cannot be accurately determined as schools may choose to replace existing computers rather than purchase additional computers.
Teachers and principals with a notebook computer: primary	per cent	95	94.6	
Teacher–student ratio: primary	ratio	1:16.3	1:16.1	
Year 1 cohort accessing one-to-one literacy intervention programs such as Reading Recovery	per cent	20	20	
Quality				
Parent satisfaction with primary schooling on a 100-point scale	per cent	86	87	
Percentage of Year 3 Indigenous students reaching national benchmarks in numeracy	per cent	79	n/a	2005 national benchmark results have not been released yet.
Percentage of Year 3 Indigenous students reaching national benchmarks in reading	per cent	70	n/a	2005 national benchmark results have not been released yet.
Percentage of Year 3 students reaching national benchmarks in numeracy	per cent	95	n/a	2005 national benchmark results have not been released yet.
Percentage of Year 3 students reaching national benchmarks in reading	per cent	92	n/a	2005 national benchmark results have not been released yet.

Primary schools identified as performing at or above expected levels		93	92	The calculation methodology for this measure has been revised to include all schools and to incorporate data sets in keeping with the new School Accountability and Improvement Framework. The targets and results for 2005–06 and onwards are based on the new calculation methodology and are not comparable with previous targets and results.
Student attainment at text level 1 at end of Prep in reading (metropolitan and non-metropolitan students)	per cent	96	96.4	Targets and results for this year and onwards refer to students deemed as capable of reading previously unseen text, with 90 per cent accuracy at text level 1.
Student attainment at text level 5 at end of Year 1 reading (metropolitan and non-metropolitan students)	per cent	99.6	99.4	Targets and results for this year and onwards refer to students deemed as capable of reading previously unseen text, with 90 per cent accuracy at text level 5.
Students in non-metropolitan regions achieving at text level 1 at end of Prep in reading	per cent	96	96.2	Students deemed as capable of reading previously unseen text with 90 per cent accuracy at text level 1.

(a) Financial year target and result

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	2005–06 Target	2005–06 Result	Comments
Quantity				
Average rate of student attendance at Year 5	per cent	95	94	The attendance rate covers all absences including that due to illness and family holidays.
Average rate of student attendance at Year 6	per cent	95	93	The attendance rate covers all absences including that due to illness and family holidays.
Average rate of student attendance in Years 7–10	per cent	93	91	The attendance rate covers all absences including that due to illness and family holidays.
Eligible students in regular schools receiving ESL support: secondary	per cent	89	89.3	
New arrival students receiving intensive or targeted support: secondary	number	882	952	
Schools with a 1:5 or better computer to student ratio: secondary	per cent	95	84.5	This result is an improvement over the previous year. Statewide, the average computer to student ratio is approximately 1:3.75. Strategies to improve performance include additional funding to provide computers for students. The impact of additional funds on the performance measure cannot be accurately determined as schools are responsible for allocating resources to best meet their needs.
Teachers and principals with a notebook computer: secondary	per cent	95	94.8	
Teacher–student ratio: secondary	ratio	1:12.1	1:12.0	
Years 7–10 English class sizes less than 26 students	per cent	86	87.5	
Quality				
Parent satisfaction with secondary schooling on a 100-point scale	per cent	78	79	
Percentage of Year 5 Indigenous students reaching national benchmarks in numeracy	per cent	82	n/a	2005 national benchmark results have not been released yet.
Percentage of Year 5 Indigenous students reaching national benchmarks in reading	per cent	73	n/a	2005 national benchmark results have not been released yet.
Percentage of Year 5 students reaching national benchmarks in numeracy	per cent	95	n/a	2005 national benchmark results have not been released yet.

Percentage of Year 5 students reaching national benchmarks in reading	per cent	92	n/a	2005 national benchmark results have not been released yet.
Percentage of Year 8 students assessed as 'consolidating' at CSF level 5 or above in English: Reading	per cent	85	84	
Percentage of Year 8 students assessed as 'consolidating' at CSF level 5 or above in English: Writing	per cent	85	83	
Percentage of Year 8 students assessed as 'consolidating' at CSF level 5 or above in Mathematics: Algebra	per cent	82	82	
Percentage of Year 8 students assessed as 'consolidating' at CSF level 5 or above in Mathematics: Chance & Data	per cent	83	82	
Secondary schools identified as performing at or above expected levels	per cent	90	90	The calculation methodology for this measure has been revised to include all schools and to incorporate data sets in keeping with the new School Accountability and Improvement Framework. The targets and results for 2005–06 and onwards are based on the new calculation methodology and are not comparable with previous targets and results.
Years 5–6 students' opinion of their connectedness with school ^(a)	number (1–5)	3.8	3.6	
Years 7–9 students' opinion of their connectedness with school ^(a)	number (1–5)	3	2.8	

^(a) The Department is in the process of fully implementing the Schools for Innovation and Excellence initiative designed to support innovative and engaging middle years programs (to improve rates of student connectedness with school). At the time of the survey, the third group of school clusters (approximately one-third of all schools) had just commenced the initiative.

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 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	2005–06 Target	2005–06 Result	Comments
Quantity				
Annual student contact hours in VET in Schools programs ^(a)	number (million)	10.5	11.6	
Number of providers offering VCAL ^(a)	number	380	380	
Number of student enrolments in VCAL ^(a)	number	8,500	10,675	
Enrolments in VET in Schools certificate programs ^(a)	number	33,000	47,636	
Quality				
Average rate of student attendance in Years 11 and 12 ^(b)	per cent	93	91	The attendance rate covers all absences including that due to illness and family holidays.
Enrolments in VET in Schools units as a proportion of total VCE unit enrolments ^(b)	per cent	6.9	7.8	
Median VCE study score ^(a)	number	29	28.9	
Percentage of Year 10 students assessed as 'consolidating' at CSF level 6 or above in English: Reading ^(b)	per cent	81	82	
Percentage of Year 10 students assessed as 'consolidating' at CSF level 6 or above in English: Writing ^(b)	per cent	82	81	
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	78	
Statewide rate of transition from Years 10 to Year 11 (February Census)	per cent	97	97.2	
Students satisfactorily completing VCAL ^(a)	per cent	45	63.2	
VET in Schools students completing a qualification ^(a)	number	12,488	13,077	
VET in Schools students progressing to further education, training or work ^(a)	per cent	90	95	
Years 10–12 apparent retention rate (August census) ^(b)	per cent	78	77	
Years 7–12 apparent retention rate (August census) ^(b)	per cent	75	74	

^(a) Includes 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) Government schools only

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	2005–06 Target	2005–06 Result	Comments
Quantity				
Annual government-funded module enrolments	number (million)	2.31	2.24	The average duration of modules continues to increase. Fewer module enrolments are being undertaken by students.
Audit of contract compliance by registered training organisations and other State Training System organisations ^(a)	number	350	352	
Government-funded student contact hours of training and further education provided	number (million)	70.23	72.95	
Government-funded student contact hours of training and further education provided to 15–24-year-olds	number (million)	44	44.6	
Number of apprentices/trainees completions who qualify for the completion bonus ^(a)	number	12,700	13,992	Target and results exclude bonuses paid to not-for-profit Group Training Organisations.
Number of apprenticeship/traineeship commencements by new employees ^(a)	number	65,100	60,247	This result is an improvement over the previous year. Apprenticeship and traineeship commencements by new employees reflect employer recruitment patterns and demand for labour. Government initiatives to support outcomes include the apprentice and traineeship completion and trade bonuses.
Number of individuals assisted through the Skill Up program ^(a)	number	1,200	1,380	
Number of people assisted by Parents Returning to Work grants ^(a)	number	2,475	2,675	
Quality				
School-based apprentices/trainees in training	number	3,500	4,255	
Participation rate of 15–19-year-olds in training and further education in Victoria: Non-metropolitan Victoria ^(b)	per cent	31.1	33.7	
Participation rate of 15–19-year-olds in training and further education in Victoria: All Victoria ^(b)	per cent	27.8	27.1	
Percentage of TAFE graduates who rate quality of training as 4 or more out of 5	per cent	82.6	87	
Persons aged 15–64 participating in TAFE programs as proportion of population	per cent	14.8	12.7	While Victoria has experienced an overall decline in the number of people participating in TAFE programs, there has been an increase in the hours of study undertaken by participating students.
Successful training completions as measured by module load pass rate	per cent	77.5	78.1	
TAFE graduates in employment six months following graduation	per cent	77.5	82	

^(a) Financial year target and result

^(b) 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	2005–06 Target	2005–06 Result	Comments
Quantity				
Government-funded annual module enrolments – ACE organisations and adult education institutions	number	129,000	147,161	
Government-funded student contact hours of VET activity provided through ACE organisations and adult education institutions	number (millions)	3.68	5.4	
Government-funded student contact hours of VET activity provided to 15–24-year-olds through ACE organisations and adult education institutions	number (millions)	2.0	2.1	
Student contact hours delivered in ACE to persons 15 and over who have no qualification at all or a qualification less than Year 12 or Certificate II	number (millions)	3.44	3.6	
Quality				
Student satisfaction with ACE courses meeting overall needs	per cent	80	85.4	
Successful completions as measured by module load completion rate – ACE organisations and adult education institutions	per cent	79.8	77.7	

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	2005–06 Target	2005–06 Result	Comments
Quantity				
LLEN strategic plans forwarded to and approved by VLESC	per cent	100	100	
Quality				
ACE and adult education institution students funded through Youth Pathways program leaving ACE 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 Years 10–12 school students provided with detailed (mail and phone) follow-up in the year after exit	per cent	70	71	
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	n/a	Finalisation of the result has been delayed this year due to external factors.
TAFE students funded through Youth Pathways Program leaving TAFE who are tracked by a provider six months after exiting	per cent	100	100	
TAFE students funded through Youth Pathways Program with a MIPs plan	per cent	100	100	
Percentage of participating Years 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	n/a	Finalisation of the result has been delayed this year due to external factors.

Services to students

This consists of one output which covers student welfare and support, services to students with disabilities, 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 well-being 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.

Performance measure	Unit of measure	2005–06 Target	2005–06 Result	Comments
Quantity				
Eligible special school students provided with appropriate travel	number	5,800	6,000	
Percentage of Victorian government schools meeting minimum requirements of the Framework for Student Support Services in Victorian Government Schools	per cent	98	98.3	
Regular schools with students with disabilities	per cent	91	93	
School students (government) supported by conveyance allowance	number	10,450	10,716	
School students (non-government) supported by conveyance allowance	number	28,550	30,882	
School students receiving the Education Maintenance Allowance	number	205,000	202,677	
Students funded under the disabilities program in government schools as a proportion of the total student population	per cent	3.0	2.9	
Quality				
Parent satisfaction with special education on a 100-point scale	per cent	92	90	
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	87.2	
School satisfaction with student support services	per cent	82	85	
Student Drug Education Learning Outcomes Index	number (1–100)	77	78.8	
Timeliness				
Student transport payments made according to published schedule	per cent	100	100	

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, 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 strategic advice to the Ministers (including parliamentary and legislative responsibilities).

Performance measure	Unit of measure	2005–06 Target	2005–06 Result	Comments
Quantity				
Number of briefings provided following requests from the Ministers ^(a)	number	1,000	727	The result is dependent on requests for briefings.
Number of responses to items of correspondence provided for the Ministers' signature ^(a)	number	1,100	799	The result is dependent on the level of incoming correspondence requiring a response with the Ministers' signature.
Quality				
Reader satisfaction with news publications ^(a)	per cent	100	90	The decline in reader satisfaction is largely due to changes introduced to the advertising of vacancies and appointments in <i>Education Times</i> . Reader feedback continues to inform the ongoing development and design of news publications within the Department.
Timeliness				
Percentage of responses to items of Ministerial correspondence that are provided within 14 days ^(a)	per cent	100	95	The 2005–06 result is a significant improvement on the actual 2004–05 result of 76 per cent. The target of 100 per cent is difficult to achieve because complex matters are often raised in correspondence that require considerable consultation and multiple inputs.

^(a) Financial year target 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	2005–06 Target	2005–06 Result	Comments
Quantity				
Overseas students recruited to study in Victorian government schools in the year	number	800	1,124	
Teacher scholarships taken up ^(a)	number	180	182	Includes scholarships provided to those involved in a career change.
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 Registered Schools Board	per cent	99	99	
Timeliness				
Marketing campaign to promote Victoria as a preferred education destination developed and implemented ^(a)	date	December 2005	n/a	The Study Melbourne brand has been developed and rollout has commenced. The marketing campaign is expected to be rolled out in key markets by the end of June 2007.
Private provider applications assessed within six months ^(a)	per cent	75	79	
Range of offshore models for facilitating export of Victorian education services developed and implemented ^(a)	date	December 2005	n/a	The Service Level Agreement (2006–08) with DIIRD has been signed and implementation has commenced. The models will take about 2 years to fully implement.

^(a) Financial year target and result

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Operating statement for the financial year ended 30 June 2006

	Notes	2006 \$'000	2005 \$'000
Income			
Revenue	3(a)	437,272	491,511
Income from Government	3(b)	6,600,519	6,205,931
Resources received free of charge		4,000	–
		7,041,791	6,697,442
Expenses			
Employee benefits	3(c)	(3,612,497)	(3,468,449)
Grants and other payments	3(d)	(1,232,710)	(1,141,951)
Supplies and services	3(e)	(1,003,376)	(924,077)
Capital asset charge	1(q)	(799,414)	(764,622)
Depreciation and amortisation	3(f)	(239,910)	(215,304)
Resources provided free of charge or for nominal consideration	3(g)	(1,937)	(1,734)
Finance costs	3(h)	(307)	(127)
Other expenses	3(i)	(4,039)	(7,788)
		(6,894,190)	(6,524,052)
Net result from continuing operations		147,601	173,390
Net result for period		147,601	173,390

The above operating statement should be read in conjunction with the accompanying notes.

Balance sheet

as at 30 June 2006

	Notes	2006 \$'000	2005 \$'000
Current assets			
Cash and cash equivalents	5	477,294	463,777
Receivables	6	504,835	371,907
Other	7	6,087	8,095
		988,216	843,779
Non-current assets classified as held for sale	8	19,035	–
Total current assets		1,007,251	843,779
Non-current assets			
Receivables	6	155,509	150,880
Other financial assets		8,912	11,300
Intangible assets	9	2,515	2,749
Property, plant and equipment	10	9,157,643	8,208,311
Total non-current assets		9,324,579	8,373,240
Total assets		10,331,830	9,217,019
Current liabilities			
Payables	11	288,537	236,879
Interest-bearing liabilities	12	2,700	1,343
Provisions	13	869,578	854,795
Other	14	11,335	16,371
Total current liabilities		1,172,150	1,109,388
Non-current liabilities			
Interest-bearing liabilities	12	3,316	2,200
Provisions	13	52,808	58,406
Total non-current liabilities		56,124	60,606
Total liabilities		1,228,274	1,169,994
Net assets		9,103,556	8,047,025
Equity			
Contributed capital	15(a)	4,823,251	4,706,289
Reserves	15(b)	3,049,800	2,257,832
Accumulated surplus	15(c)	1,230,505	1,082,904
Total equity		9,103,556	8,047,025
Contingent liabilities and contingent assets	20	18,128	15,303
Commitments for expenditure	21	251,684	233,262

The above balance sheet should be read in conjunction with the accompanying notes.

Statement of recognised income and expense for the financial year ended 30 June 2006

	Notes	2006 \$'000	2005 \$'000
Gain/(loss) on property revaluation	15(b)	821,281	392,161
Impairment adjustment to building values		(29,313)	(813,666)
Share of increments in reserves attributable to associates		-	-
Available for sale investments:			
Gain/(loss) taken to equity		-	-
Transferred to profit or loss for the period		-	-
Other		-	-
Net income recognised directly in equity		791,968	(421,505)
Net result for the period	15(c)	147,601	173,390
Total recognised income and expense for the period		939,569	(248,115)
Effects of changes in accounting policy		-	-
Effects of correction or errors		-	-
		-	-

The above statement of recognised income and expense should be read in conjunction with the accompanying notes.

Cash flows statement

for the financial year ending 30 June 2006

	Notes	2006 \$'000	2005 \$'000
Cash flows from operating activities			
Receipts from Government		6,457,927	6,095,606
Receipts from other entities		411,050	470,223
Payments of grants and transfer payments		(1,232,710)	(1,141,950)
Payments to suppliers and employees		(4,650,631)	(4,394,857)
Goods and Services Tax recovered from the ATO		96,648	80,115
Goods and Services Tax paid to the ATO		(454)	(2,974)
Finance costs		(307)	(127)
Interest received		26,676	24,261
Capital asset charge		(799,414)	(764,622)
Net cash provided by operating activities	25	308,785	365,675
Cash flows from investing activities			
Payments for property, plant and equipment		(414,201)	(343,644)
Payments for intangible assets		(5,342)	(9,116)
Movements of investments		2,388	(4,480)
Proceeds from sale of property, plant and equipment		2,453	3,193
Net cash used in investing activities		(414,702)	(354,047)
Cash flows from financing activities			
Capital contributions by State Government		116,961	64,827
Finance lease repayments		(967)	(336)
Finance lease receipts		3,440	2,876
Net cash provided by financing activities		119,434	67,367
Net increase/(decrease) in cash held		13,517	78,995
Cash and cash equivalents at the beginning of the financial year		463,777	384,782
Cash and cash equivalents at the end of the financial year	5	477,294	463,777

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

Notes to and forming part of the financial statements for the year ended 30 June 2006

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NOTE 1 Summary of significant accounting policies

Statement of compliance

The financial report is a general purpose financial report which has been prepared on an accrual basis in accordance with the *Financial Management Act 1994*, Australian Accounting Standards and Urgent Issues Group Interpretations. Accounting Standards include Australian Equivalents to International Financial Reporting Standards ('A-IFRS').

The financial statements were authorised for issue by Claire Britchford, Chief Finance Officer, on 5 September 2006.

Basis of preparation

The financial report has been prepared in accordance with the historical cost convention except for the revaluation of certain non-current assets and financial instruments. Cost is based on the fair values of the consideration given in exchange for assets.

In the application of A-IFRS, management is required to make judgements, estimates and assumptions about carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstance, the results of which form the basis of making the judgements. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revision to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

Judgements made by management in the application of A-IFRS that have significant effects on the financial statements and estimates with a significant risk of material adjustments in the next year are disclosed throughout the notes in the financial statements.

Accounting policies are selected and applied in a manner which ensures that the resulting financial information satisfies the concepts of relevance and reliability, thereby ensuring that the substance of the underlying transactions or other events is reported.

The Department changed its accounting policies on 1 July 2005 to comply with A-IFRS. The transition to A-IFRS is accounted for in accordance with Accounting Standard AASB 1 'First-time Adoption of Australian Equivalents to International Financial Reporting Standards', with 1 July 2004 as the date of transition. An explanation of how the transition from superseded policies to A-IFRS has affected the Department's financial position, financial performance and cash flows is discussed in Note 30.

The Department has also elected to apply Accounting Standard AASB 2005-4 and 2005-6 'Amendments to Accounting Standards' (June 2005), even though the Standard is not required to be applied until annual reporting periods beginning on or after 1 January 2006.

The accounting policies set out below have been applied in preparing the financial statements for the year ended 30 June 2006, the comparative information presented in these financial statements for the year ended 30 June 2005, and in the preparation of the opening A-IFRS balance sheet at 1 July 2004, the Department's date of transition, except for the accounting policies in respect of financial instruments, including derivatives. The Department has not restated comparative information for financial instruments, as permitted under the first-time adoption transitional provisions. The accounting policies for financial instruments applicable to the comparative information and the impact of the changes in these accounting policies are discussed further in Note 1(j).

The financial report includes all transactions of the State's 1606 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 some schools still operate on a cash basis. The schools' cash balances incorporated into these financial statements are those held by them as at 31 December 2005.

(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 Administered Items (see Note 23).

Other trust activities on behalf of parties external to the 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 operating statement and balance sheet of the Department. The transaction balances are reported in Note 29.

Administrative changes

There were no administrative changes during 2005–06.

(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, other income, assets and liabilities which are reliably attributable to those output activities is set out in the Departmental outputs schedule (Note 2). Information about expenses, revenues, assets and liabilities administered by the Department are given in the Schedule of administered Items (Note 23).

(d) Income recognition

All income 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 22). At that point, section 29 provides for an equivalent amount to be added to

the annual appropriation. In respect to revenue from the 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 23.

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 relevant Minister 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.

• *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 revenues and expenses (Note 23).

(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 and cash equivalents

Cash and cash equivalents comprise cash on hand and cash in banks and 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 5).

(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 uncollectable are written off. A provision for doubtful debts is raised when some doubt as to collection exists. Non-current receivables have not been discounted due to low materiality levels.

(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 have been 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 is 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 2005–06, 462 school sites were subject to a detailed valuation which has been booked at Secretary's valuation (2004–05: 610 school sites) (refer Note 10). 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 equity in 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 net result, the increment is recognised 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 or other revalued amount 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 2006 and 30 June 2005 and depreciation rates are as follows:

	Useful life Years	2006 %	2005 %
Buildings – permanent	60	1.7	1.7
Buildings – relocatable and other improvements	40	2.5	2.5
Plant and equipment	3 to 33	3–33	3–33

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 are recognised and derecognised on trade date where purchase or sale of an investment is under a contract whose terms require delivery of the investment within the timeframe established by the market concerned, and are initially measured at fair value, net of transaction costs.

The Department classifies its other investments in the following categories: financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments, and available-for-sale financial assets. The classification depends on the purpose for which the investments were acquired. Management determines the classification of its investments at initial recognition.

Financial assets at fair value through profit or loss

Investments held for trading purposes are classified as current assets and are stated at fair value, with any resultant gain or loss recognised in profit or loss.

Held-to-maturity investments

Where the Department has the positive intent and ability to hold investments to maturity, they are stated at amortised cost less impairment losses.

Available-for-sale financial assets

Other investments held by the Department are classified as being available-for-sale and are stated at fair value. Gains and losses arising from changes in fair value are recognised directly in equity until the investment is disposed of or is determined to be impaired, at which time the cumulative gain or loss previously recognised in equity is included in profit or loss for the period.

Loans and receivables

Trade receivables, loans and other receivables are recorded at amortised cost, using the effective interest method, less impairment.

The effective interest method is a method of calculating the amortised cost of a financial asset and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset, or, where appropriate, a shorter period.

(k) Leased assets

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

Department as lessee

Assets held under finance leases are recognised as assets of the Department at their fair value or, if lower, at the present value of the minimum lease payments, each determined at the inception of the lease. The corresponding liability to the lessor is included in the balance sheet as a finance lease obligation.

Lease payments are apportioned between finance charges and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged directly against income.

Finance lease assets are amortised on a straight-line basis over the estimated useful life of the asset.

Operating lease payments are recognised as an expense on a straight-line basis over the lease term, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

(l) Non-current physical assets

Land and buildings are measured at fair value. Plant, equipment and vehicles are measured at cost less accumulated depreciation and impairment.

Crown land is measured at fair value with regard to the property's highest and best use after due consideration is made for any legal or constructive restrictions imposed on the land, public announcements or commitments made in relation to the intended use of the land. Theoretical opportunities that may be available in relation to the asset are not taken into account until it is virtually certain that the restrictions will no longer apply.

(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 10 years at a rate of 10 per cent.

(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

Provision is made for benefits accruing to employees in respect of wages and salaries, annual leave, long service leave, and sick leave when it is probable that settlement will be required and they are capable of being measured reliably.

Provisions made in respect of employee benefits are to be measured based on their expected settlement. Provisions which are expected to be settled within 12 months are measured at their nominal values using the remuneration rate expected to apply at the time of settlement. Provisions which are not expected to be settled within 12 months are measured as the present value of the estimated future cash outflows to be made by the Department of Education & Training in respect of services provided by the employee up to the reporting date.

Regardless of the expected timing of settlement, provisions made in respect of employee benefits are classified as a current liability unless there is an unconditional right to defer the settlement of the liability for at least 12 months after the reporting date, in which case it would be classified as a non-current liability. Provisions made for annual leave and unconditional long service leave would be classified as a current liability where the employee has a present entitlement to the benefit. A non-current liability would include long service leave entitlements accrued for employees with less than 7 years of continuous service.

Superannuation

Defined contribution plans

Contributions to defined contribution superannuation plans are expensed when incurred.

Defined benefit plans

Financial report of a Department not required to recognise defined benefit liabilities or surpluses:

The amount charged to the operating statement in respect of defined benefit plan superannuation represents the contributions made by the Department to the superannuation plan in respect to the current services of current Department staff. Superannuation contributions are made to the plans based on the relevant rules of each plan.

The Department does not recognise any defined benefit liability in respect of the superannuation plan because the Department has no legal or constructive obligation to pay future benefits relating to its employees; its only obligation is to pay superannuation contributions as they fall due. The Department of Treasury and Finance administers and discloses the State's defined benefit liabilities in its financial report.

(p) Goods and services tax systems changes

Revenues, expenses and assets are recognised net of the amount of goods and services tax (GST), except:

- where the amount of GST incurred is not recoverable from the taxation authority, it is recognised as part of the cost of acquisition of an asset or as part of an item of expense; or
- for receivables and payables which are recognised inclusive of GST.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables.

Cash flows are included in the cash flow statement on a gross basis. The GST component of cash flows arising from investing and financing activities which is recoverable from, or payable to, the taxation authority is classified as operating 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 2005–06 financial year, the basis of the charge is 8 per cent 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) Contributions by owners

Consistent with Urgent Issues Group Interpretation 1038, 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

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

Intangible assets are recognised at cost. Costs incurred subsequent to initial acquisition are capitalised when it is expected that additional future economic benefits will flow to the Department.

Intangible assets with finite useful lives are amortised on a straight-line basis over the asset's useful life. Amortisation begins when the asset is available for use, that is, when it is in the location and condition necessary for it to be capable of operating in the manner intended by management. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each annual reporting period. In addition, an assessment is made at each reporting date to determine whether there are indicators that the intangible asset concerned is impaired. If so, the assets concerned are tested as to whether their carrying value exceeds their recoverable amount.

Intangible assets with indefinite useful lives are not amortised. The useful life of intangible assets that are not being amortised are reviewed each period to determine whether events and circumstances continue to support an indefinite useful life assessment for that asset. In addition, the Department tests all intangible assets with indefinite useful lives for impairment by comparing its recoverable amount with its carrying amount:

- (a) annually, and
- (b) whenever there is an indication that the intangible asset may be impaired.

Any excess of the carrying amount over the recoverable amount is recognised as an impairment loss.

Research and development costs

Expenditure on research activities is recognised as an expense in the period in which it is incurred. Where no internally-generated intangible asset can be recognised, development expenditure is recognised as an expense in the period as incurred.

An internally-generated intangible asset arising from development (or from the development phase of an internal project) is recognised if, and only if, all of the following are demonstrated:

- (a) the technical feasibility of completing the intangible asset so that it will be available for use or sale
- (b) the intention to complete the intangible asset and use or sell it
- (c) how the intangible asset will generate probable future economic benefits

- (d) the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset
- (e) the ability to measure reliably the expenditure attributable to the intangible asset during its development.

Internally-generated intangible assets are stated at cost less accumulated amortisation and impairment, and are amortised on a straight-line basis over their useful lives as follows:

Capitalised software development costs 3–5 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) Interest-bearing liabilities

Interest-bearing liabilities are recorded initially at fair value, net of transaction costs.

Subsequent to initial recognition, interest-bearing liabilities are measured at amortised cost with any difference between the initial recognised amount and the redemption value being recognised in profit and loss over the period of the interest-bearing liability using the effective interest rate method.

(x) 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.

(y) Non-current assets held for sale

Non-current assets (and disposal group) classified as held for sale are measured at the lower of carrying amount and fair value less costs to sell.

Non-current assets and disposal groups are classified as held for sale if their carrying amount will be recovered through a sale transaction rather than through continuing use. The condition is regarded as met only when the sale is highly probable and the asset (or disposal group) is to be completed within one year from the date of classification.

(z) Impairment of assets

Goodwill and intangible assets with indefinite useful lives and intangible assets not yet available for use are tested annually for impairment (i.e. as to whether their carrying value exceeds their recoverable amount) and whenever there is an indication that the asset may be impaired. All other assets are assessed annually for indications of impairment, except for financial assets.

If there is an indication of impairment, the assets concerned are tested as to whether their carrying value exceeds their recoverable amount. Where an asset's carrying value exceeds its recoverable amount, the difference is written off by a charge to the operating statement except to the extent that the write-down can be debited to an asset revaluation reserve amount applicable to that class of asset.

(aa) Payables

Payables are recognised when the Department becomes obliged to make future payments resulting from the purchase of goods and services.

(ab) Comparative information – financial instruments

The Department has elected not to restate comparative information for financial instruments within the scope of AASB 132 'Financial Instruments: Disclosure and Presentation' and AASB 139 'Financial Instruments: Recognition and Measurement', as permitted on the first-time adoption of A-IFRS.

The accounting policies applied to accounting for financial instruments in the current financial year are detailed in Notes 1(w), 1(f), 1(j) and 1(aa).

The following accounting policies were applied to accounting for financial instruments in the comparative financial year:

(a) Payables

Payables 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.

(b) 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.

(c) Other financial assets – investments

Investments in unlisted securities are recognised at cost and dividend income is recognised as revenue when receivable.

(d) 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 which are known to be uncollectable are written off. A provision for doubtful debts is raised when some doubt as to collection exists.

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 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 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 the 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 well-being 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 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, 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 2006

	Compulsory years	Post-compulsory years	Services to students	Portfolio management services	Departmental total
	2006 \$'000	2006 \$'000	2006 \$'000	2006 \$'000	2006 \$'000
Income					
Revenue	276,793	131,400	20,115	8,964	437,272
Appropriations	3,862,623	2,155,730	551,803	30,362	6,600,519
Resources received free of charge	–	4,000	–	–	4,000
Other income	–	–	–	–	–
Total income	4,139,418	2,291,130	571,918	39,326	7,041,791
Expenses					
Grants and other payments	(295,111)	(806,315)	(115,258)	(16,025)	(1,232,710)
Employee benefits expense	(2,525,858)	(775,603)	(296,586)	(14,450)	(3,612,497)
Depreciation and amortisation expense	(172,279)	(54,460)	(13,051)	(120)	(239,910)
Finance costs	(203)	(75)	(27)	(2)	(307)
Capital asset charge	(455,506)	(309,373)	(34,375)	(160)	(799,414)
Supplies and services	(591,891)	(241,814)	(156,226)	(13,445)	(1,003,376)
Resources provided free of charge or for nominal consideration	(1,279)	(477)	(168)	(13)	(1,937)
Other expenses	(2,376)	(998)	(433)	(232)	(4,039)
Total expenses	(4,044,503)	(2,189,115)	(616,124)	(44,448)	(6,894,190)
Net result for period	94,915	102,015	(44,206)	(5,122)	147,601

Departmental outputs schedule – items of controlled income and expense recognised directly in equity for the year ended 30 June 2006

	Compulsory years	Post-compulsory years	Services to students	Portfolio management services	Departmental total
	2006 \$'000	2006 \$'000	2006 \$'000	2006 \$'000	2006 \$'000
Gain/loss on property valuation	576,556	177,071	67,655	–	821,281
Share of increments in reserves attributable to associates	–	–	–	–	–
Share of increments in reserves attributable to jointly controlled entities	–	–	–	–	–
Gain/(loss) on available-for-sale assets	–	–	–	–	–
Other	–	–	–	–	–
Total	576,556	177,071	67,655	–	821,281

Departmental outputs schedule – controlled assets and liabilities as at 30 June 2006

	Compulsory years	Post-compulsory years	Services to students	Portfolio management services	Departmental total
	2006 \$'000	2006 \$'000	2006 \$'000	2006 \$'000	2006 \$'000
Assets					
Current assets	705,680	216,760	82,796	2,015	1,007,251
Non-current assets	6,447,946	2,129,734	746,899	0	9,324,579
Total assets	7,153,626	2,346,494	829,695	2,015	10,331,830
Liabilities					
Current liabilities	819,567	251,778	96,233	4,571	1,172,150
Non-current liabilities	39,236	12,055	4,608	224	56,124
Total liabilities	858,803	263,833	100,841	4,795	1,228,274
Net assets/(liabilities)	6,294,823	2,082,661	728,853	(2,780)	9,103,556

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	0	483
Revenue from other parties	311,126	147,453	22,610	10,322	491,511
Total revenue	3,927,421	2,201,777	519,322	48,922	6,697,442
Expenses					
Employee benefits	(2,425,290)	(744,851)	(284,590)	(13,718)	(3,468,449)
Depreciation and amortisation	(154,631)	(48,865)	(11,709)	(99)	(215,304)
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	(4,581)	(1,924)	(836)	(448)	(7,788)
Finance costs	(84)	(31)	(11)	(1)	(127)
Total expenses	(3,873,995)	(2,094,472)	(511,512)	(44,072)	(6,524,052)
Net result for the reporting period	53,426	107,305	7,809	4,849	173,390
Net increase in asset revaluation reserve	275,305	84,551	32,305	0	392,161
Adjustment to accumulated surplus	–	–	–	–	–
Total changes in equity other than those resulting from contributions of Victorian State Government as owner	328,731	191,856	40,114	4,849	565,551

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	591,142	181,550	69,366	1,721	843,779
Non-current assets	5,781,863	1,912,820	678,459	99	8,373,240
Total assets	6,373,005	2,094,370	747,825	1,820	9,217,019
Liabilities					
Current liabilities	775,765	238,252	91,030	4,341	1,109,388
Non-current liabilities	42,378	13,015	4,973	240	60,606
Total liabilities	818,143	251,267	96,003	4,581	1,169,994
Net assets/(liabilities)	5,554,862	1,843,103	651,822	(2,761)	8,047,025

NOTE 3 Net result from operations

	2006 \$'000	2005 \$'000
Income		
(a) Revenue		
Schools revenue	347,026	405,717
Provision of services	1,485	2,853
Interest	26,676	24,261
Other revenue	62,085	58,680
Total revenue	437,272	491,511
(b) Income from Government		
Output appropriations	6,600,269	6,205,448
Special appropriations	250	483
Total appropriations received	6,600,519	6,205,931
Expenses		
(c) Employee benefits		
Salary and wages – Departmental employees	2,745,994	2,602,875
Salary and wages – staff employed by school councils	173,641	167,899
Superannuation	307,269	295,541
Annual leave and long service leave expense	171,596	193,568
Other on-costs (fringe benefits tax, payroll tax and WorkCover levy)	213,997	208,566
Total employee benefits	3,612,497	3,468,449
(d) Grants and other payments		
Grants to Victorian Curriculum and Assessment Authority	35,607	40,050
Grants to Victorian Learning and Employment Skills Commission	668,211	620,516
Grants to Victorian Qualifications Authority	3,490	3,807
Grants to Victorian Institute of Teaching	1,196	1,167
Grants to Adult Community and Further Education Board	33,979	32,875
Grants to non-government schools		
– Primary	130,754	128,151
– Secondary	191,539	179,871
– Other	12,927	12,064
Grants to external organisations	103,586	77,392
Conveyance and Education Maintenance Allowance payments	51,421	46,058
Total grants and other payments	1,232,710	1,141,951

	2006 \$'000	2005 \$'000
(e) Supplies and services		
Administration	109,912	90,003
Maintenance	307,094	249,310
School requisites, TAFE institutes and Victorian Curriculum and Assessment Authority	529,242	534,233
Other	17,168	9,478
	963,416	883,024
Rental expense relating to operating leases		
Minimum lease payments	39,960	41,053
Total supplies and services	1,003,376	924,077
(f) Depreciation and amortisation		
Depreciation		
Buildings	120,138	104,937
Plant and equipment	112,975	109,111
	233,113	214,048
Amortisation		
Plant and leasehold improvements	1,221	858
Software	5,576	398
	6,797	1,256
Total deprecation and amortisation	239,910	215,304
(g) Resources provided free of charge or for nominal consideration		
Victorian Curriculum and Assessment Authority		
Rent provided free of charge at 1 Railway Parade, Camberwell and 41 St Andrews Place, East Melbourne	1,846	1,734
Victorian Qualifications Authority		
Rent provided free of charge at level 2, 33 St Andrews Place, East Melbourne	91	-
Total resources provided free of charge or for nominal consideration	1,937	1,734
(h) Finance costs		
Finance lease charges	307	127
(i) Other expenses		
(Gain)/loss on disposal of property, plant and equipment		
Consideration from disposals	(2,453)	(3,193)
Carrying amount of assets disposed	5,297	9,557
	2,844	6,364
Other		
Bad and doubtful debts – debtors	(662)	(392)
Other expenses	1,857	1,816
Total other expenses	4,039	7,788

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 appropriations received by the Department for the year. In accordance with accrual output-based management procedures, 'Provision for outputs' and 'Additions to net assets' are disclosed as 'controlled' activities of the Department. Administered transactions are those that are undertaken on behalf of the State over which the Department has no control or discretion.

	Financial Management Act 1994																			
	Appropriation Act						Section 35 advances													
	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)		Variance (\$'000)	
2006	2005	2006	2005	2006	2005	2006	2005	2006	2005	2006	2005	2006	2005	2006	2005	2006	2005	2006	2005	
Controlled																				
Provision for outputs	6,417,384	5,995,560	61,520	135,048	-	-	93,988	89,172	-	41,546	27,213	-	-	6,614,438	6,246,993	6,600,269	6,205,448	14,169	41,545	
Additions to net assets	105,025	-	-	-	-	-	113,965	74,912	-	4,001	-	-	3,000	222,991	77,912	117,966	73,674	105,025	4,238	
Administered																				
Payments made on behalf of the State	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Total	6,522,409	5,995,560	61,520	135,048	-	-	207,953	164,084	-	45,547	27,213	-	3,000	6,837,429	6,324,905	6,718,235	6,279,122	119,194	45,783	

The variance of \$14,169,000 represents carry-over for the provision of outputs of \$9,366,000 and savings of \$4,803,000 due to the 10 per cent reduction in WorkCover premium as per the 2005-06 State Budget Initiative. The variance of \$105,025,000 represents additions to net asset base appropriation not being required to fund the Department's capital program, as there was sufficient depreciation equivalent funding in the Department's Statement Administration Unit.

(b) Summary of compliance with special appropriations

Authority	Purpose	Appropriations applied	
		2006 \$'000	2005 \$'000
Controlled			
Section 34 of the <i>Education Act 1958</i>	Volunteers workers compensation	250	483
Total		250	483

NOTE 5 Cash assets

	2006 \$'000	2005 \$'000
Amounts held by schools*	408,507	408,501
Departmental operating bank accounts	64,521	52,254
Other bank accounts	4,266	3,022
Total cash	477,294	463,777
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	477,294	463,777
Balances per statement of cash flows	477,294	463,777

* The schools cash and investments balances for 2005–06 are held by the Department's schools across Victoria and are reported as at 31 December 2005. The balances for 2004–05 were balances held by schools as at 31 December 2004.

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 one year or less of \$82,667,905 (\$80,457,367 in 2005).

NOTE 6 Receivables

	2006 \$'000	2005 \$'000
Current		
Amounts owing from Victorian Government	436,647	340,744
GST receivables	16,495	21,312
Other debtors	55,183	11,491
	508,325	373,547
Allowance for doubtful debts	(3,490)	(1,640)
Total current receivables	504,835	371,907
Non-current		
Amounts owing from Victorian Government	155,250	150,602
Other debtors	319	401
	155,569	151,003
Allowance for doubtful debts	(60)	(123)
Total non-current receivables	155,509	150,880
Aggregate carrying amount of receivables		
Current	504,835	371,907
Non-current	155,509	150,880
Total aggregate carrying amount of receivables	660,344	522,787

NOTE 7 Other assets

	2006 \$'000	2005 \$'000
Prepayments		
Operating expenses	6,087	8,095
Total prepayments	6,087	8,095

NOTE 8 Non-current assets classified as held for sale

	2006 \$'000	2005 \$'000
Buildings	6,067	-
Land	12,835	-
Plant and equipment	133	-
Total non-current assets classified as held for sale	19,035	-

NOTE 9 Intangible assets

	2006 \$'000	2005 \$'000
Software (at cost)	13,777	36,742
Less: Accumulated amortisation	(11,262)	(33,993)
Total intangible assets	2,515	2,749

Movement in reconciliation	\$'000
Carrying amount at 1 July 2004	15,205
Additions	9,116
Amortisation expense (i)	(398)
Disposals	(21,174)
Carrying amount at 1 July 2005	2,749
Additions	5,342
Amortisation expense (i)	(5,576)
Disposals	-
Carrying amount at 30 June 2006	2,515

(i) Amortisation expense is included in the line item 'depreciation and amortisation' in the operating statement.

NOTE 10 Property, plant and equipment

	2006 \$'000	2005 \$'000
Land		
Crown land		
At cost	58,982	33,579
At Secretary's valuation	4,427,525	4,075,853
Total land	4,486,507	4,109,432
Buildings		
At cost	276,471	160,288
Less: Accumulated depreciation	(5,077)	(1,760)
	271,394	158,528
At valuation 2002–2003	–	912,492
Less: Accumulated depreciation	–	(53,931)
	–	858,561
At valuation 2003–2004		
Less: Accumulated depreciation	1,369,904	1,356,983
	(91,768)	(46,030)
	1,278,136	1,310,953
At valuation 2004–2005	1,282,540	1,298,969
Less: Accumulated depreciation	(50,769)	–
	1,231,771	1,298,969
At Secretary's valuation 2005–2006	1,269,329	–
Total buildings	4,198,244	3,728,732
Less total accumulated depreciation	(147,613)	(101,720)
Total written-down value of buildings	4,050,631	3,627,012
Leasehold improvements – at cost	12,945	12,648
Less: Accumulated amortisation	(5,705)	(4,484)
	7,240	8,164
Total land and buildings	8,544,378	7,744,608
Plant and equipment		
At cost	923,234	838,762
Less: Accumulated depreciation	(688,881)	(611,136)
	234,353	227,626
Plant and equipment under finance lease	6,931	3,904
Less: Accumulated amortisation	(1,079)	(374)
	5,852	3,530
Total plant and equipment	240,205	231,156
Work in progress		
Buildings	347,779	217,458
Plant and equipment	25,281	15,088
Total work in progress	373,060	232,546
Total property, plant and equipment	9,157,643	8,208,311

Valuation of land and buildings

The basis of valuation of land and buildings adopted for those assets revalued as at 30 June 2006 is fair value being the depreciated current replacement cost of the assets' remaining future economic benefits. The latest revaluation as at 30 June 2006 is a Secretary's valuation based on an independent assessment of current rates and market conditions.

Prior to 30 June 2002, the basis of valuation of the land and buildings 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.

2006	Land	Buildings	Leasehold improvements	Plant and equipment	Work in progress	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Carrying amount at start of year	4,109,432	3,627,012	8,164	231,156	232,546	8,208,311
Additions	37,804	126,540	402	124,783	260,000	549,528
Impairment adjustment	–	(29,313)	–	–	–	(29,313)
Transfers to completed assets	–	–	–	–	(119,374)	(119,374)
Disposals	(2,664)	(13,912)	(105)	(2,626)	(112)	(19,420)
Revaluation increments	354,772	466,509	–	–	–	821,281
Classified as held for sale	(12,835)	(6,067)	–	(133)	–	(19,035)
Depreciation/amortisation	–	(120,138)	(1,221)	(112,975)	–	(234,335)
Carrying amount at end of year	4,486,507	4,050,631	7,240	240,205	373,060	9,157,643

NOTE 11 Payables

	2006 \$'000	2005 \$'000
Salaries, wages and on-costs	84,016	86,256
Accrued payments to non-government schools	83,901	79,416
Accrued grants and transfer payments	5,927	2,571
Other accruals	–	–
Government schools' creditors	9,572	4,157
Capital expenditure	38,315	23,901
Operating expenditure	60,905	29,420
Advance from public account	5,901	11,158
	288,537	236,879

NOTE 12 Interest-bearing liabilities

	2006 \$'000	2005 \$'000
Aggregate carrying amount of interest-bearing liabilities		
Current	2,700	1,343
Non-current	3,316	2,200
Total aggregate carrying amount of provisions	6,016	3,543

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

	2006 \$'000	2005 \$'000
Finance lease		
Motor vehicles under finance lease	5,852	3,530
Total non-current assets pledged as security	5,852	3,530

NOTE 13 Provisions

	2006 \$'000	2005 \$'000
Current		
Employee benefits (Note 22)	867,927	852,865
Legal expenses	221	500
Sabbatical leave	1,430	1,430
Total current	869,578	854,795
Non-current		
Employee benefits (Note 22)	52,808	58,406
Total non-current	52,808	58,406
Aggregate carrying amount of provisions*		
Current	869,578	854,795
Non-current	52,808	58,406
Total aggregate carrying amount of provisions	922,386	913,201
Employee benefits	920,735	911,271
Legal expenses	221	500
Sabbatical leave	1,430	1,430
	922,386	913,201

*Comparative change: Due to changed disclosure requirements applicable to this reporting period, the calculation for current long service liability represents leave entitlements from seven years employment service. Prior years current long service leave liability was calculated as a percentage of total entitlements based on past experience.

Movements in provisions

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

	Legal expenses	Sabbatical leave	Total
Carrying amount at start of year	500	1,430	1,930
Additional provisions recognised	-	-	-
Payments and other sacrifices of economic benefits	(279)	-	-
Carrying amount at end of year	221	1,430	1,930

NOTE 14 Other current liabilities

	2006 \$'000	2005 \$'000
Unearned revenue	11,335	16,371
Total other current liabilities	11,335	16,371

NOTE 15 Equity and movements in equity

	2006 \$'000	2005 \$'000
(a) Contributed capital		
Balance as at beginning of reporting period	4,706,289	4,641,462
Capital contribution by Victorian State Government	117,966	73,674
Capital contribution by other entities	15,022	10,157
Equity transfers to administered entity	(16,026)	(19,004)
Balance at end of financial year	4,823,251	4,706,289
(b) Reserves		
Asset revaluation	3,049,800	2,257,832
	3,049,800	2,257,832
Movements		
Asset revaluation reserve		
Balance at beginning of financial year	2,257,832	3,304,451
Revaluation increment of land during the year	354,772	83,759
Revaluation increment of buildings during the year	466,509	308,402
Impairment adjustment to building values	(29,313)	–
Amount transferred to accumulated surplus	–	(1,438,780)
Balance at end of financial year	3,049,800	2,257,832
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).		
(c) Accumulated surplus		
Accumulated surplus as at beginning of reporting period	1,082,904	300,974
Amount transferred from asset revaluation reserve	–	1,438,780
A-IFRS adjustments	–	(830,240)
Net result for the reporting period	147,601	173,390
Balance at end of financial year	1,230,505	1,082,904

NOTE 16 Financial instruments

(a) Financial risk management objectives

The Department does not enter into derivative financial instruments to manage its exposure to interest rate and foreign currency risk or for speculative purposes. The use of financial derivatives is governed by the Department's

policies approved by the Departmental Management Committee, which provide written principles on the use of financial derivatives.

The policies for managing these risks are discussed in more detail below.

(b) Significant accounting policies

Details of the significant accounting policies and methods adopted, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised, in respect of each class of financial asset, financial liability and equity instrument are disclosed in Note 1 to the financial statements.

(c) Credit risk

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

(d) Interest rate risk

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.

The following table details the Department's exposure to interest rate risk as at 30 June 2006.

2006	Notes	Weighted average interest rate	Variable interest rate	Fixed interest maturing in:					Non-interest bearing	Total
				1 year or less	1-2 years	2-3 years	3-4 years	4+ years		
			\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	
Financial assets										
Cash – Department	5		–	–	–	–	–	–	68,786	68,786
Cash – Schools	5	4.74%	325,840	82,668	–	–	–	–	–	408,507
Receivables	6		–	–	–	–	–	–	660,344	660,344
Other financial assets		4.78%	867	–	4,763	856	337	1,507	583	8,912
			326,707	82,668	4,763	856	337	1,507	729,713	1,146,549
Financial liabilities										
Payables	11		–	–	–	–	–	–	288,537	288,537
Lease liabilities	12	6.4%	–	2,700	2,385	931	–	–	–	6,016
			0	2,700	2,385	931	0	0	288,537	294,553
Net financial assets (liabilities)			326,707	79,968	2,378	–75	337	1,507	441,176	851,996

The following table details the Department's exposure to interest rate risk as at 30 June 2005.

2005	Notes	Weighted average interest rate	Variable interest rate	Fixed interest maturing in:			Non-interest bearing	Total
				1 year or less	Over 1 to 5 years	More than 5 years		
			\$'000	\$'000	\$'000	\$'000	\$'000	
Financial assets								
Cash – Department	5		–	–	–	–	55,276	55,276
Cash – Schools	5	4.61%	328,044	80,457	–	–	–	408,501
Receivables	6		–	–	–	–	522,787	522,787
Other financial assets		4.44%	218	–	8,462	2,061	559	11,300
			328,262	80,457	8,462	2,061	578,622	997,864
Financial liabilities								
Payables	11		–	–	–	–	236,879	236,879
Lease liabilities	12	6%	–	1,343	2,200	–	–	3,543
			0	1,343	2,200	–	236,879	240,422
Net financial assets (liabilities)			328,262	79,114	6,262	2,061	341,743	757,442

(e) 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:

	2006		2005	
	Carrying amount \$'000	Net fair value \$'000	Carrying amount \$'000	Net fair value \$'000
On-balance sheet financial instruments				
Financial assets				
Cash – Department	68,786	68,786	55,276	55,276
Cash – schools	408,507	408,507	408,501	408,501
Receivables	660,344	660,344	522,787	522,787
Other financial assets	8,912	8,912	11,300	11,300
Non-traded financial assets	1,146,549	1,146,549	997,864	997,864
Financial liabilities				
Payables	288,537	288,537	236,880	236,880
Lease liabilities	6,016	6,016	3,543	3,543
Non-traded financial liabilities	294,553	294,553	240,423	240,423

(ii) Off-balance sheet

The Department has potential financial liabilities, which may arise from certain contingencies disclosed in Note 20. As explained in that note, no material losses are anticipated in respect of any of the contingencies and the net fair value disclosed below.

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.

	2006		2005	
	Carrying amount \$'000	Net fair value \$'000	Carrying amount \$'000	Net fair value \$'000
Off-balance sheet financial instruments				
Financial assets	-	-	-	-
Contingencies	-	-	-	-
	-	-	-	-
Financial liabilities (see Note 20)				
Contingencies	18,128	18,128	15,303	15,303
	18,128	18,128	15,303	15,303

NOTE 17 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 positions of Ministers and Accountable Officers in the Department are as follows:

Minister for Education and Training	Lynne Kosky, MP	1 July 2005 to 30 June 2006
Acting Minister for Education and Training	Jacinta Allan, MP	24 July to 5 August 2005
	Jacinta Allan, MP	31 August to 2 September 2005
	Sherryl Garbutt, MP	19 September to 23 September 2005
	Jacinta Allan, MP	9 January to 29 January 2006
	Bob Cameron, MP	14 April 2006
	Gavin Jennings, MP	19 June to 30 June 2006
Minister for Education Services	Jacinta Allan, MP	1 July 2005 to 30 June 2006
Acting Minister for Education Services	Sherryl Garbutt, MP	19 September to 23 September 2005
	Lynne Kosky, MP	24 September to 30 September 2005
	Lynne Kosky, MP	27 December 2005 to 8 January 2006
	Bob Cameron, MP	14 April 2006
	Lynne Kosky, MP	15 April to 29 April 2006
	Justin Madden, MP	19 June to 30 June 2006
Secretary	Grant Hehir	1 July 2005 to 30 June 2006
Acting Secretary	Darrell Fraser	4 July to 8 July 2005
	Patricia Neden	12 December to 31 December 2005
	Dahle Suggett	1 January to 13 January 2006
	Jeff Rosewarne	19 June to 23 June 2006

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:

	2006	2005
\$40,000 – \$49,999	-	-
\$130,000 – \$139,999	-	-
\$140,000 – \$149,999	-	-
\$300,000 – \$309,999	-	-
\$380,000 – \$389,999	-	1
\$390,000 – \$399,999	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 Directions of the Minister for Finance have been considered and there are no matters to report.

NOTE 18 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, in addition to the Department's, includes the Adult Community and Further Education Board plus the Victorian Learning and Employment Skills Commission.

Income band	Total remuneration		Base remuneration	
	2006 Number	2005 Number	2006 Number	2005 Number
\$0,000 – \$9,999	1	–	–	–
\$10,000 – \$19,999	1	1	–	3
\$20,000 – \$29,999	–	2	–	3
\$30,000 – \$39,999	–	2	1	1
\$40,000 – \$49,999	–	1	1	1
\$50,000 – \$59,999	1	5	–	4
\$60,000 – \$69,999	3	1	3	1
\$70,000 – \$79,999	–	–	–	1
\$80,000 – \$89,999	–	2	–	3
\$90,000 – \$99,999	1	2	2	4
\$100,000 – \$109,999	1	2	1	3
\$110,000 – \$119,999	1	2	2	–
\$120,000 – \$129,999	2	2	1	7
\$130,000 – \$139,999	6	4	12	6
\$140,000 – \$149,999	7	7	6	9
\$150,000 – \$159,999	5	8	9	13
\$160,000 – \$169,999	10	13	14	6
\$170,000 – \$179,999	12	8	8	2
\$180,000 – \$189,999	6	3	–	1
\$190,000 – \$199,999	6	2	1	–
\$200,000 – \$209,999	–	1	–	–
\$210,000 – \$219,999	1	–	1	1
\$220,000 – \$229,999	1	–	1	–
\$230,000 – \$239,999	–	1	1	1
\$240,000 – \$249,999	–	2	1	1
\$250,000 – \$259,999	–	–	–	–
\$260,000 – \$269,999	2	–	1	–
\$270,000 – \$279,999	–	–	–	–
\$280,000 – \$289,999	–	–	–	–
\$290,000 – \$299,999	1	–	–	–
Total number	68	71	66	71
Total amount (\$'000)	\$10,685	\$9,749	\$9,852	\$8,706

Two executive officers left in 2004–05 and received their final payments in the 2005–06 reporting period.

NOTE 19 Remuneration of auditors

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

	2006 \$'000	2005 \$'000
Paid as at 30 June	164	90
Payable as at 30 June	144	201
Total audit fees	308	291

NOTE 20 Contingent liabilities and contingent assets

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

	2006 \$'000	2005 \$'000
Quantifiable contingent liabilities		
Claims for damages	18,128	15,303
Total quantifiable contingent liabilities	18,128	15,303

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 21 Commitments for expenditure

	2006 \$'000	2005 \$'000
(a) 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	107,614	103,529
Later than one year but not later than five years	25,968	374
Later than five years	-	-
Total capital commitments	133,582	103,903
(b) Operating leases		
Commitments for minimum lease payments in relation to non-cancellable operating leases are payable as follows:		
Within one year	38,205	44,406
Later than one year but not later than five years	61,575	60,902
Later than five years	18,322	24,051
Total operating leases	118,102	129,359
Total commitments	251,684	233,262

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

	2006 \$'000	2005 \$'000
(c) Finance leases		
Commitments in relation to finance leases are payable as follows:		
Within one year	3,002	1,476
Later than one year but not later than five years	3,481	2,344
Later than five years	-	-
Minimum lease payments	6,483	3,820
Less: Future finance charges	(467)	(277)
Present value of minimum lease payments	6,016	3,543
 Add: Lease incentives on non-cancellable operating leases included in lease liabilities	 -	 -
Total lease liabilities	6,016	3,543
Representing lease liabilities:		
Current (Note 12)	2,700	1,343
Non-current (Note 12)	3,316	2,200
Total finance leases	6,016	3,543

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

NOTE 22 Employee benefits

	2006 \$'000	2005 \$'000
Provision for employee benefits		
Current (Note 13)		
All annual leave and long service leave entitlements representing 7+ years of continuous service		
– Short-term employee benefits that fall due within 12 months after the end of the period measured at nominal value	139,057	132,734
– Other long-term employee benefits that do not fall due within 12 months after the end of the period measured at present value	722,230	713,571
Long service leave		
Other	6,640	6,560
	867,927	852,865
Non-current (Note 13)		
Long service leave representing less than 7 years of continuous service measured at present value	52,808	58,406
	52,808	58,406
Aggregate employee benefit liability	920,735	911,271
Employee numbers		
Average number of employees during the financial year	61,408	60,135

As explained in Note 1(o), the amounts for long service leave and superannuation are measured at their present values. The following assumptions were adopted in measuring present values:

	2006 Rate	2005 Rate
(a) Long service leave		
Weighted average rates of increase in annual employee entitlements to settlement of the liabilities	4.75%	4.75%
Weighted average discount rates	5.78%	5.13%
Weighted average terms to settlement of the liabilities	8 years	8 years
(b) Superannuation		
Name of scheme		
State Superannuation Scheme – Revised Scheme	17.0%	17.0%
State Superannuation Scheme – New Scheme – 0% contributor	7.5%	7.5%
State Superannuation Scheme – New Scheme – 3% contributor	8.8%	8.8%
State Superannuation Scheme – New Scheme – 5% contributor	9.7%	9.7%
State Superannuation Scheme – New Scheme – 7% contributor	10.5%	10.5%
VicSuper*	9.0%	9.0%
State Employees Retirement Benefit Scheme	12.8%	12.8%

* 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.

Government employees' superannuation schemes

No liability is recognised in the balance sheet 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 2006 \$'000	Contribution for the year 2005 \$'000	Contribution outstanding at year end 2006 \$'000	Contribution outstanding at year end 2005 \$'000
State Superannuation schemes (defined benefit scheme)	187,824	178,705	-	14,323
VicSuper (accumulation scheme)	119,049	107,603	-	-
State Employees Retirement Benefits Scheme (defined benefit scheme)	3,531	3,613	-	-
Other private schemes	4,056	8,093	-	-
Total	314,460	298,014	-	14,323

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 abovementioned superannuation schemes.

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 23 Administered items

In addition to the specific Departmental operations which are included in the balance sheets, operating statement and cash flow statement, 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

income, expenses, assets and liabilities and are determined on an accrual basis. Administered revenues include 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 incomes earned but yet to be collected.

	School education		Training and tertiary education		Policy, strategy and information services		Departmental total	
	2006 \$'000	2005 \$'000	2006 \$'000	2005 \$'000	2006 \$'000	2005 \$'000	2006 \$'000	2005 \$'000
Administered income								
Commonwealth on-passing to non-government schools								
General recurrent grant	1,319,011	1,269,876	-	-	-	-	1,319,011	1,269,876
Other	122,540	93,461	-	-	-	-	122,540	93,461
Prizes and scholarships	207	291	-	-	-	-	207	291
Proceeds from sale of assets	11,435	14,846	-	-	-	-	11,435	14,846
Commonwealth general recurrent grants to government schools	396,398	388,701	-	-	-	-	396,398	388,701
Other	196,714	149,328	-	-	-	-	196,714	149,328
Total	2,046,305	1,916,503	-	-	-	-	2,046,305	1,916,503
Administered expenses								
Commonwealth on-passing to non-government schools								
General recurrent grant	1,318,240	1,269,891	-	-	-	-	1,318,240	1,269,891
Other	122,618	93,388	-	-	-	-	122,618	93,388
Prizes and scholarships	144	40	-	-	-	-	144	40
Written-down value of assets sold *	16,026	18,617	-	-	-	-	16,026	18,617
Amounts paid to Consolidated Fund **	531,122	513,181	-	-	-	-	531,122	513,181
Total	1,988,152	1,895,117	-	-	-	-	1,988,152	1,895,118
Revenue less expenses	58,153	21,386	-	-	-	-	58,153	21,385
Administered assets								
Receivables	8,046	10,927	-	-	-	-	8,046	10,927
Investments	12,038	10,876	-	-	-	-	12,038	10,876
Prepayments	3,301	3,301	-	-	-	-	3,301	3,301
Property, plant and equipment	11,265	11,265	-	-	-	-	11,265	11,265
Total	34,650	36,369	-	-	-	-	34,650	36,369
Administered liabilities								
Creditors and accruals	4,413	6,887	-	-	-	-	4,413	6,887
Total	4,413	6,887	-	-	-	-	4,413	6,887

* 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.

NOTE 24 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 *Workplace Relations Act 1996*.

	2006 number	2005 number
\$0 – \$9,999	62	83
\$10,000 – \$19,999	14	26
\$20,000 – \$29,999	8	13
\$30,000 – \$39,999	10	11
\$40,000 – \$49,999	–	7
\$50,000 – \$59,999	4	3
\$60,000 – \$69,999	2	1
\$70,000 – \$79,999	–	2
\$80,000 – \$89,999	1	–
\$90,000 – \$99,999	1	1
\$100,000 – \$109,999	–	2
\$110,000 – \$119,999	–	1
\$120,000 – \$129,999	1	–
\$130,000 – \$139,999	–	–
\$140,000 – \$149,999	–	–
\$150,000 – \$159,999	–	1
Total number of payments	103	151
Total amount of payments	\$1,445,068	\$2,520,934

NOTE 25 Reconciliation of net result for the reporting period to net cash inflow from operating activities

	2006 \$'000	2005 \$'000
Net result for the reporting period	147,601	173,390
Depreciation and amortisation	239,910	215,304
Net (gain)/loss on sale of non-current assets	2,844	6,364
Net transfers free of charge	(2,063)	1,734
Change in operating assets and liabilities		
Decrease (increase) in receivables	(137,556)	(83,550)
Decrease (increase) in other operating assets	2,242	2,839
Increase (decrease) in payables	51,657	(2,516)
Increase (decrease) in other current liabilities	(5,035)	5,264
Increase (decrease) in employee entitlements	9,185	46,846
Net cash inflow from operating activities	308,785	365,675

NOTE 26 Subsequent events

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 27 Non-cash financing and investing activities

	2006 \$'000	2005 \$'000
Acquisition of plant and equipment by means of finance leases	3,027	2,875
	3,027	2,875

NOTE 28 Annotated receipt agreements

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

	2006 \$'000	2005 \$'000
Sales of goods and services		
Alarm monitoring	152	148
Schools, hostels – Food and other taxable supplies	–	35
Schools, hostels – Accommodation	–	203
Housing rent (Input Taxed)	923	980
Registered Schools Board	1	2
Unwanted alarms	93	160
Copyright	80	282
	1,249	1,810
Asset sales		
Sale of land	11,435	14,846
	11,435	14,846
Commonwealth Specific Purpose Payments		
Indigenous Education Strategic Initiatives	5,699	1,721
Literacy and numeracy special learning needs	64,266	64,669
Capital school buildings	69,299	60,066
Investing in our Schools	33,231	–
English as a second language (ESL) new arrivals	15,805	13,449
Languages other than English (LOTE)	4,269	4,654
Country Areas Programme (CAP)	2,493	2,494
Literacy and Numeracy Week	207	376
	195,269	147,428
Total annotated receipts (Note 4)	207,953	164,084

NOTE 29 Trust account balances

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

	2006 \$'000	2005 \$'000
Controlled trusts		
Suspense	1	1,023
State Treasury Trust	60,094	47,383
Vehicle lease trust account	509	–
Commonwealth Treasury Trust	3,916	3,848
Total controlled trusts	64,520	52,254
Administered trusts		
Prizes and scholarships	1,735	1,669
Commuter Club	36	73
On-passing from the Commonwealth	853	162
Total administered trusts	2,624	1,904

The following is a list of trust accounts opened and closed by the Department during 2005–2006.

Trust accounts opened during 2005–2006

Nil

Trust accounts closed during 2005–2006

Nil

NOTE 30 Impacts of the adoption of Australian Equivalents to International Financial Reporting Standards

The Department changed its accounting policies, other than its accounting policies for financial instruments, on 1 July 2004 to comply with A-IFRS. The transition to A-IFRS is accounted for in accordance with Accounting Standard AASB 1 'First-time adoption of Australian Equivalents to International Financial Reporting Standards', with 1 July 2004 as the date of transition. The Department changed its accounting

policies for financial instruments effective from 1 July 2005 (refer Note 1).

An explanation of how the transition from superseded policies to A-IFRS has affected the Department's financial position, financial performance and cash flows is set out in the following tables and the notes that accompany the tables.

Effect of A-IFRS on the balance sheet as at 1 July 2004

	Notes	Superseded policies* \$'000	Effect of transition to A-IFRS \$'000	A-IFRS \$'000
Current assets				
Cash and cash equivalents		384,782	–	384,782
Receivables		262,450	–	262,450
Inventories		–	–	–
Other		11,671	–	11,671
Non-current assets classified as held for sale		–	–	–
Total current assets		658,903	–	658,903
Non-current assets				
Receivables		144,748	–	144,748
Other financial assets		6,820	–	6,820
Intangible assets	(a)	15,205	(15,205)	–
Property, plant and equipment	(b)	8,542,429	(813,666)	7,728,763
Total non-current assets		8,709,202	(828,871)	7,880,331
Total assets		9,368,105	(828,871)	8,539,234
Current liabilities				
Payables		239,395	–	239,395
Interest-bearing liabilities		226	–	226
Provisions	(c)	132,196	5,911	138,107
Other		11,107	–	11,107
Total current liabilities		382,924	5,911	388,835
Non-current liabilities				
Payables		–	–	–
Interest-bearing liabilities		779	–	779
Provisions		728,248	–	728,248
Total non-current liabilities		729,027	–	729,027
Total liabilities		1,111,951	5,911	1,117,862
Net assets		8,256,154	(834,782)	7,421,372
Equity				
Contributed capital		4,641,462	–	4,641,462
Reserves	(e)	3,304,451	(1,438,780)	1,865,671
Accumulated surplus	(f)	310,241	603,998	914,239
Total equity		8,256,154	(834,782)	7,421,372

* Reported financial position for the financial year ended 30 June 2004

Effect of A-IFRS on the operating statement for the financial year ended 30 June 2005

	Notes	Superseded policies* \$'000	Effect of transition to A-IFRS \$'000	A-IFRS \$'000
Income				
Revenue		491,511	–	491,511
Appropriations received		6,205,931	–	6,205,931
Resources received free of charge		–	–	–
		6,697,442	–	6,697,442
Expenses				
Employee benefits		(3,468,449)	–	(3,468,449)
Grants and other payments		(1,141,951)	–	(1,141,951)
Supplies and services		(924,077)	–	(924,077)
Capital asset charge		(764,622)	–	(764,622)
Depreciation and amortisation	(a & b)	(224,572)	9,268	(215,304)
Resources provided free of charge or for nominal consideration		(1,734)	–	(1,734)
Finance costs		(127)	–	(127)
Other expenses		(7,789)	–	(7,788)
Result from ordinary activities		(6,533,320)	9,268	(6,524,052)
Net result from continuing operations		164,122	–	173,390
				–
Net result for period		164,122	–	173,390

Effect of A-IFRS on the balance sheet as at 30 June 2005

	Notes	Superseded policies* \$'000	Effect of transition to A-IFRS \$'000	A-IFRS \$'000
Current assets				
Cash and cash equivalents		463,777	–	463,777
Receivables		371,907	–	371,907
Inventories		–	–	–
Other		8,095	–	8,095
Non-current assets classified as held for sale		–	–	–
Total current assets		843,779	–	843,779
Non-current assets				
Receivables		150,880	–	150,880
Other financial assets		11,300	–	11,300
Intangible assets	(a)	15,942	(13,193)	2,749
Property, plant and equipment	(b)	9,019,448	(811,137)	8,208,311
Total non-current assets		9,197,570	(824,330)	8,373,240
Total assets		10,041,349	(824,330)	9,217,019
Current liabilities				
Payables		236,879	–	236,879
Interest-bearing liabilities		1,343	–	1,343
Provisions	(c)	140,984	713,811	854,795
Other		16,371	–	16,371
Total current liabilities		395,577	713,811	1,109,387
Non-current liabilities				
Payables				
Interest-bearing liabilities		2,200	–	2,200
Provisions	(d)	766,306	(707,900)	58,406
Total non-current liabilities		768,506	(707,900)	60,606
Total liabilities		1,164,083	5,911	1,169,994
Net assets		8,877,266	(830,241)	8,047,025
Equity				
Contributed capital		4,706,289	–	4,706,289
Reserves	(e)	3,696,612	(1,438,780)	2,257,832
Accumulated surplus	(f)	474,365	608,539	1,082,904
Total equity		8,877,266	(830,241)	8,047,025

Effect of A-IFRS on the cash flow statement for the financial year ended 30 June 2005

There are no material differences between the cash flow statement presented under A-IFRS and the superseded policies.

Notes to the reconciliation of income and equity

- (a) Represents reassessed written-down values of intangible assets and adjustments to amortisation.
- (b) Represents impairment of buildings write-down and corresponding adjustments to depreciation for impairment and componentisation.
- (c) Represents opening balance recognition of employee entitlements and shift of entitlements from non-current to current liabilities.
- (d) Represents change in employee entitlements from non-current to current liabilities.
- (e) Represents election of deemed cost adjustment to previously revalued properties transferred to accumulated surplus.
- (f) Effect of changes in accumulated surplus is reflected below.

		1 July 2004 \$'000	30 June 2005 \$'000
Transfer from asset revaluation reserve	(e)	1,438,780	1,438,780
Impairment of buildings	(b)	(813,666)	(813,666)
Depreciation adjustment due to impairment	(b)	–	21,911
Depreciation adjustment due to componentisation	(b)	–	(19,381)
Recognition of provisions	(c)	–	(5,911)
Intangible assets write-down	(a)	–	(19,933)
Amortisation adjustment on intangible assets	(a)	–	6,739
Total adjustment to accumulated surplus		625,114	608,539



Department of Education & Training

Office of the Secretary

Accountable Officer's and Chief Finance and Accounting Officer's Declaration

We certify that the attached financial statements for the Department have been prepared in accordance with Standing Direction 4.2 of the *Financial Management Act 1994*, applicable Financial Reporting Directions, Australian Accounting Standards and other mandatory professional reporting requirements.

We further state that, in our opinion, the information set out in the Operating Statement, Balance Sheet, Statement of Recognised Income and Expense, Cash Flow Statement and notes to and forming part of the financial statements, presents fairly the financial transactions during the year ended 30 June 2006 and financial position of the Department at 30 June 2006.

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

Dr Peter Dawkins
Secretary
Department of Education and Training

Date: 6 / 9 / 2006

Claire Britchford
Chief Finance Officer
Department of Education and Training

Date: 6 / 9 / 2006

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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

Matters Relating to the Electronic Presentation of the Audited Financial Report

This audit report for the financial year ended 30 June 2006 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 2006 of the Department of Education and Training consists of the operating statement, balance sheet, statement of recognised income and expense, cash flow statement, notes to and forming part of the financial report, and the accountable officer's and chief finance and accounting officer's 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 and responsibilities 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 2006 and its financial performance and cash flows for the year then ended.

MELBOURNE
8 September 2006

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 2005–06 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 four universities with TAFE divisions.

Operating statement for the year ended 30 June 2006

Controlled items	Notes	2005-06 Actual (\$ million)	2005-06 Budget (\$ million)	Variation ^(a) (%)
Revenue from ordinary activities				
Output appropriations	1	6,600.3	6,515.2	1.3
Special appropriations		0.3	0.3	0.0
Resources received free of charge or for nominal consideration		4.0	0.7	n/a
Sale of goods and services	2	558.2	537.7	3.8
Commonwealth grants	3	302.4	274.8	10.0
Other revenue and revenue from other parties ^(b)		321.5	313.8	2.5
Total		7,786.7	7,642.5	1.9
Expenses from ordinary activities				
Employee benefits ^(c)	4	4,468.0	4,438.1	0.7
Depreciation and amortisation	5	316.6	302.5	4.7
Grants and other payments	6	661.4	612.5	8.0
Capital asset charge		799.4	801.2	(0.2)
Supplies and services ^(d)	7	1,355.0	1,379.8	(1.8)
Other expenses from ordinary activities		1.2	0.0	n/a
Borrowing costs		1.2	1.0	20.0
Total		7,602.8	7,535.1	0.9
Result from ordinary activities		183.9	107.3	71.4
Net result for the reporting period		183.6	107.3	71.4
Net increase in asset revaluation reserve		814.1	0.0	n/a
Total revenues, expenses and revaluation adjustments recognised directly in equity		814.1	0.0	n/a
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		998.0	107.3	n/a

	Notes	2005–05 Actual (\$ million)	2005–06 Budget (\$ million)	Variation ^(a) (%)
Administered items				
Administered revenue				
Sale of goods and services		1.3	1.5	(13.3)
Commonwealth grants	8	2,033.2	2,008.4	1.2
Other		(4.2)	9.9	n/a
Total		2,030.3	2,019.8	0.5
Administered expenses				
Grants and other payments	8	1,441.0	1,438.2	0.2
Payments into the Consolidated Fund		531.1	581.5	(8.7)
Total		1,972.1	2,019.8	(2.4)
Revenue less expenses		58.2	0.1	n/a

^(a) Variation between 2005–06 Actual and 2005–06 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 for school maintenance, services to students with disabilities and the school start bonus.

Note 2

The variance is mainly due to actual revenues raised by TAFE institutes from commercial activities 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 from the additional government investment in services to students with disabilities.

Note 5

The variance is due to the effect on depreciation expenses of building revaluations as at 30 June 2005 and the impact of asset purchases by TAFE institutes' own source funds.

Note 6

The variance mainly reflects the payment of the School Start Bonus and additional funding for services to students with disabilities.

Note 7

The variance mainly reflects lower than anticipated expenditure by TAFE institutes on supplies and services.

The variances for administered items can be explained as follows:

Note 8

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

Balance sheet as at 30 June 2006

		2005-06 Actual (\$ million)	2005-06 Budget (\$ million)	Variation ^(a) (%)
Controlled items	Notes			
Assets				
Current assets				
Cash assets	1	689.2	566.5	21.7
Other financial assets	1	84.8	181.4	(53.3)
Receivables	2	710.4	698.2	1.7
Inventories		10.4	8.6	20.9
Prepayments		15.2	15.2	0.0
Other assets		0.1	0.0	n/a
		1,510.1	1,469.9	2.7
Non-current asset classified as held for sale	3	29.1	15.4	89.0
Total current assets		1,539.2	1,485.3	3.6
Non-current assets				
Receivables ^(b)		0.3	0.3	0.0
Other financial assets	4	56.3	20.2	n/a
Property, plant and equipment	5	11,201.7	10,445.6	7.2
Intangible assets		5.1	4.4	15.9
Other		0.0	0.1	(100.0)
Total non-current assets		11,263.4	10,470.6	7.6
Total assets		12,802.6	11,955.9	7.1
Liabilities				
Current liabilities				
Payables	6	274.5	210.2	30.6
Interest-bearing liabilities		3.5	2.0	75.0
Employee provisions ^(c)	7	974.5	247.3	n/a
Other		69.3	93.9	(26.2)
Total current liabilities		1,321.8	553.4	n/a
Non-current liabilities				
Interest-bearing liabilities		10.0	7.6	31.6
Provisions	7	155.5	896.8	(82.7)
Other		0.0	0.2	(100.0)
Amounts owing to other departments		0.6	0.8	(25.0)
Total non-current liabilities		166.1	905.3	(81.7)
Total liabilities		1,487.9	1,458.8	2.0
Net assets		11,314.7	10,497.1	7.8

	2005–06 Actual (\$ million)	2005–06 Budget (\$ million)	Variation ^(a) (%)
Administered items			
Assets			
Current assets			
Cash assets	1.1	0.5	n/a
Receivables	17.5	19.9	(12.1)
Other financial assets	1.5	1.5	0.0
Prepayments	3.3	3.3	0.0
Total current assets	23.4	25.2	(7.1)
Non-current assets			
Property, plant and equipment	11.3	11.3	0.0
Total non-current assets	11.3	11.3	0.0
Total administered assets	34.7	36.4	(4.7)
Liabilities			
Current liabilities			
Payables	0.0	3.5	(100.0)
Other	4.4	3.4	29.4
Total current liabilities	4.4	6.9	(36.2)
Total administered liabilities	4.4	6.9	(36.2)
Net assets	30.3	29.5	2.7

^(a) Variation between 2005–06 Actual and 2005–06 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 rebalancing in the investment strategy of TAFE institutes from term deposit (other financial assets) to currency deposits at call (cash assets).

Note 2

The variance reflects the Department's higher than anticipated level of accruals at balance day.

Note 3

The variance reflects greater land and buildings designated for sale than anticipated.

Note 4

The variance reflects higher long-term investments made by TAFE institutes investing their surplus in longer-term investments.

Note 5

The variance is due to significant revaluation of property assets.

Note 6

The variance reflects timing of payments to creditors.

Note 7

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

Cash flow statement for the year ended 30 June 2006

Controlled items	Notes	2005–06 Actual (\$ million)	2005–06 Budget (\$ million)	Variation ^(a) (%)
Cash flows from operating activities				
Operating receipts				
Receipts from Government		6,803.3	6,662.5	2.1
Receipts from other entities	1	506.6	534.9	(5.3)
Interest received	2	47.8	31.9	49.8
Other receipts	3	281.7	303.4	(7.2)
		7,639.4	7,532.7	1.4
Operating payments				
Payments for supplies, grants and employees	4	(6,411.4)	(6,379.8)	0.5
Capital asset charge		(799.4)	(801.2)	(0.2)
Borrowing costs expense		(1.2)	(1.0)	20.0
		(7,212.0)	(7,182.0)	0.4
Net cash inflow (outflow) from operating activities		427.4	350.7	21.9
Cash flows from investing activities				
Payments for property, plant and equipment	5	(512.7)	(555.7)	(7.7)
Proceeds from sale of property, plant and equipment	6	6.9	2.4	n/a
Repayment of loans by other entities		42.1	0.0	n/a
Net cash inflow (outflow) from investing activities		(463.9)	(553.3)	(16.2)
Cash flows from financing activities				
Net proceeds from capital contribution by State Government		113.4	174.6	(35.1)
Net proceeds of borrowings		0.0	0.0	n/a
Net cash inflow (outflow) from financing activities		113.4	174.6	n/a
Net increase (decrease) in cash held		76.9	(28.1)	n/a
Cash at beginning of period		612.2	594.6	n/a
Cash at the end of the financial year		689.1	566.5	21.6

^(a) Variation between 2005–06 Actual and 2005-06 Budget.

The variances for controlled items can be explained as follows:

Note 1

Refer to Note 1 of the operating statement.

Note 2

Refer to Note 2 of the operating statement and Note 2 of the balance sheet.

Note 3

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

Note 4

Refer to Notes 4, 6 and 7 of the operating statement and Notes 6 and 7 of the balance sheet.

Note 5

Refer to Note 5 of the operating statement and Note 5 of the balance sheet.

Note 6

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

APPENDIX 2

Portfolio statistics

School education

*FTE government school students by year level,
February 2006*

Year level	2006
Preparatory	43,632.8
Year 1	43,785.6
Year 2	43,615.0
Year 3	43,731.4
Year 4	44,060.6
Year 5	44,153.4
Year 6	44,591.1
Ungraded	6.6
Primary total	307,576.5
Year 7	39,199.9
Year 8	39,601.7
Year 9	39,097.2
Year 10	38,655.1
Year 11	35,808.1
Year 12	30,376.7
Ungraded	88.0
Secondary total	222,826.7
Special	7,756.1
Language	1,184.0
Total	539,343.3

FTE students by student type and sector, February 2003–06

Student type	Government			Catholic			Independent			All schools						
	2003	2004	2005	2006	2003	2004	2005	2006	2003	2004	2005	2006				
Primary	312,134.4	311,964.0	309,972.6	307,576.5	99,665.2	98,863.6	98,406.6	98,373.0	39,381.2	40,170.2	41,459.5	42,310.3	451,180.8	450,997.8	449,838.7	448,259.8
Secondary	218,740.7	220,271.7	221,618.3	222,826.7	80,626.2	81,514.5	82,921.3	84,375.2	64,194.3	65,659.0	66,780.0	68,764.4	363,561.2	367,445.2	371,319.6	375,966.3
Special	6,517.0	6,826.2	7,219.4	7,756.1	171.2	165.8	160.4	170.0	310.8	331.0	308.4	338.6	6,999.0	7,323.0	7,688.2	8,264.7
Language	917.0	1,010.0	1,142.0	1,184.0	-	-	-	-	-	-	-	-	917.0	1,010.0	1,142.0	1,184.0
Total	538,309.1	540,071.9	539,952.3	539,343.3	180,462.6	180,543.9	181,488.3	182,918.2	103,886.3	106,160.2	108,547.9	111,413.3	822,658.0	826,776.0	829,988.5	833,674.8
% of all students	65.4	65.3	65.1	64.7	21.9	21.8	21.9	21.9	12.6	12.8	13.1	13.3	100.0	100.0	100.0	100.0

Number of schools by school type and sector, February 2004–06

School type	Government			Catholic			Independent			All schools		
	2004	2005	2006	2004	2005	2006	2004	2005	2006	2004	2005	2006
Primary	1,223	1,222	1,213	381	380	378	57	54	52	1,661	1,656	1,643
Primary–Secondary	49	50	48	10	12	13	131	132	134	190	194	195
Secondary	262	261	263	85	84	84	18	21	22	365	366	369
Special	80	80	78	7	7	7	10	10	10	97	97	95
Language	4	4	4	-	-	-	-	-	-	4	4	4
Total	1,618	1,617	1,606	483	483	482	216	217	218	2,317	2,317	2,306
% of all schools	69.8	69.8	69.6	20.8	20.8	20.9	9.3	9.4	9.5	100.0	100.0	100.0

Training and tertiary education

Student contact hours of training and further education by Australian Qualifications Framework (AQF) levels, Victoria, 2003–05

Qualification level	2003	2004	2005
AQF 1 – Certificate I	6,334,702	6,347,142	6,354,674
AQF 2 – Certificate II	15,953,701	14,667,770	15,039,319
AQF 3 – Certificate III	32,049,718	32,900,480	34,983,959
AQF 4 – Certificate IV	18,417,750	19,902,079	17,107,207
AQF 5 – Diploma	19,253,250	19,059,014	20,018,595
AQF 6 – Advanced Diploma	10,253,254	9,174,788	8,963,223
Above AQF 6	188,056	200,380	275,156
Secondary	2,327,393	2,549,221	2,639,354
Module only	3,044,575	2,249,285	1,972,214
Not defined*	4,194,563	4,148,593	3,991,410
Total	112,016,962	111,223,752	111,345,111
Corrections delivery not included	1,007,222	913,969	996,800

*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 2003 have been modified to reflect changes in classifications.

Student contact hours of training and further education by industry group, Victoria, 2003–05

Industry	2003	2004	2005
Adult community education	14,398,522	15,065,792	14,618,556
Automotive	2,712,780	2,694,599	2,792,884
Building and construction	5,828,815	6,135,401	6,953,273
Business services	18,687,528	19,796,740	18,425,292
Community services and health	12,382,332	13,890,661	13,871,716
Cultural and recreation	9,078,697	8,825,534	8,912,648
Electro-technology and communications	12,292,800	10,777,754	10,096,311
General manufacturing	5,134,321	5,471,025	5,884,418
Metals and engineering	3,641,452	3,983,662	3,865,432
Primary and forest	4,847,445	4,707,280	4,797,627
Public administration and safety	468,928	441,830	605,211
Tourism and hospitality	8,712,048	8,634,445	9,677,870
Transport and storage	4,877,748	3,062,473	3,008,427
Water	40,166	116,865	161,624
Wholesale, retail and personal services	5,608,400	5,317,122	5,762,794
Non-industry specific (incl. module-only)	3,345,146	2,419,434	2,072,652
Total	112,016,962	111,223,752	111,345,111
Corrections delivery not included	1,007,222	913,969	996,800

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, 2005

Region	Adult literacy and numeracy		Employment skills		VCE/VCAL		Vocational		Total	
	E	SCH	E	SCH	E	SCH	E	SCH	E	SCH
BSW	3,448	198,333	5,782	145,389	322	25,952	15,269	378,761	24,821	748,435
EM	3,845	203,296	7,446	174,831	329	32,958	20,209	480,565	31,829	891,650
GIPP	2,922	126,499	2,560	74,491	0	0	10,861	242,473	16,343	443,463
GRA	1,666	68,284	2,628	67,679	0	0	9,683	199,917	13,977	335,880
HUME	2,415	128,707	1,923	51,819	440	30,168	12,144	262,136	16,922	472,830
LM	2,598	163,220	4,413	131,033	377	24,223	13,607	389,294	20,995	707,770
NM	5,695	345,166	4,631	136,650	68	6,960	11,927	361,166	22,321	849,942
SM	10,686	491,170	2,727	93,789	24	1,800	9,758	267,650	23,195	854,409
WM	6,057	381,151	1,528	44,721	184	20,920	4,330	141,780	12,099	588,572
AMES	140	5,567	1,292	35,855	232	14,615	3,704	140,062	5,368	196,099
CAE	3,975	222,089	1,578	58,266	3,287	244,711	5,816	278,689	14,656	803,755
Total	43,447	2,333,482	36,508	1,014,523	5,263	402,307	117,308	3,142,493	202,526	6,892,805
%	21.45	33.85	18.03	14.72	2.60	5.84	57.92	45.59	100.00	100.00

*Based on new boundaries for Regions, introduced in 2005.

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), Eastern Metropolitan (EM), Gippsland (GIPP), Grampians (GR), Hume (HUME), Loddon Mallee (LM), Northern Metropolitan (NM), Southern Metropolitan (SM), and Western Metropolitan (WM).

Total reported adult, community and further education provision for ACE organisations and adult education institutions, Victoria, 2003–05

Region*	Module enrolments			Student contact hours		
	2003	2004	2005	2003	2004	2005
BSW	38,046	40,115	38,629	1,292,309	1,118,291	1,048,116
EM	64,974	59,144	60,217	1,612,606	1,547,037	1,474,949
GIPP	26,603	26,061	22,084	573,788	591,104	552,189
GR	25,428	25,569	21,370	483,550	485,686	474,865
HUME	33,685	32,950	32,313	843,003	887,385	866,872
LM	36,940	37,234	36,770	993,843	879,139	1,012,872
NM	28,412	30,696	28,151	966,248	1,023,085	1,025,730
SM	36,545	36,164	36,490	1,205,307	1,178,324	1,154,010
WM	19,915	21,505	21,890	862,882	856,766	852,761
AMES	11,022	6,078	6,437	336,018	219,233	226,451
AMES/DIMIA	71,614	75,834	87,827	2,148,420	2,250,586	2,653,225
CAE	53,891	56,532	62,538	1,518,084	1,554,380	1,619,929
Total	447,075	447,882	454,716	12,836,058	12,591,016	12,961,969

*Based on new boundaries for Regions, introduced in 2005.

**Over 90 per cent of provision at AMES is funded by other sources, including the Commonwealth Government (see below). Total reported adult, community and further education provision is for all funding sources, including fee-for-service activity.

AMES (Victorian Government)	11,022	6,078	6,437	336,018	219,233	226,451
AMES/DIMIA	71,614	75,834	87,827	2,148,420	2,250,586	2,653,225
Total AMES	82,636	81,912	94,264	2,484,438	2,469,819	2,879,676

Higher education

Actual student load for all students by institution and broad level of course 2004–05

Level	1 January – 30 June 2005 EFTSL*	1 January – 30 June 2004 EFTSU**
Sub-total postgraduate	20,051	20,740
Sub-total undergraduate	70,585	71,919
Other	941	767
Total	91,577	93,426

*EFTSL: Equivalent full-time student

** EFTSU: Equivalent full-time student unit

*All students by institution and broad level of course, 2004–05**

Level	1 January 2004 – 30 June 2004	1 January 2005 – 30 June 2005
Sub-total postgraduate	59,618	60,341
Sub-total undergraduate	155,184	156,137
Other	2,341	2,007
Total	217,143	218,485

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

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 resource 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 developing and supporting its workforce by:

- building leadership capacity
- building the future workforce through enhancing workforce capacity
- actively shaping supply and managing employee relations
- creating and supporting a culture of health, safety and well-being
- creating and supporting a performance and development culture
- implementing robust human resource management systems.

Staff development

Development of Victorian Public Service (VPS) staff has focused on the human resource strategic priorities of building leadership capacity (particularly on improving the development of senior leaders within the VPS) and building the future workforce by enhancing workforce capacity through induction and orientation, and the building of skills of the corporate workforce.

A broad range of learning and development opportunities have been encouraged including development of beneficial working relationships, experience-based development and courses and programs.

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.

Development for public service staff has focused on skill 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. It is currently being reviewed to provide further improvements.

Professional development for school staff is discussed in page 19 of this report.

Focus on women

Women represented 73.3 per cent of the Department's workforce in June 2006. 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 skill development programs which build the capability of all employees.

Women represented 69.6 per cent of teaching staff and 89.7 per cent of non-teaching staff in government schools in June 2006. The percentage of women in the principal class in government schools continued to rise, with an increase from 47.3 per cent in June 2005 to 49.3 per cent in June 2006.

Women represented 61.1 per cent of VPS staff in central and regional offices and the percentage of women at executive officer level increased from 38.8 per cent in June 2005 to 39.1 per cent in June 2006.

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 of 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 program will be managed by the Office of School Education from 2007.

The Julia Flynn program has been reviewed and scholarships for the enhanced program will be offered in the second half of 2006. These scholarships are designed to provide women with a program that supports their personal and professional growth and enhances their leadership potential.

Diversity and equal opportunity

The Department's commitment to diversity and equal employment opportunity principles has been incorporated into strategic, business and workforce plans. The attraction and retention of staff of diverse skills and backgrounds has been a major focus with particular attention being given to people with disabilities. The Department's Disability Action Plan 2005–08 was launched during the reporting year. The Plan provides for six key outcome areas to be addressed by all Offices of the Department: employment, consultation and decision making, improving staff awareness and understanding of the needs of people with a disability, accessible information and communication processes, accessible programs and services, and improved physical access to buildings and facilities.

Initial actions included the publication of successful case studies of employees with a disability which was made available to all staff, an expanded mentor program that included staff with a disability, a Disability Working Group consisting of managers and staff with disabilities or who care for someone with a disability, and improved central office facilities including the introduction of Braille signage and 'talking lifts'.

The Department continued to strengthen and promote employee work–life balance through flexible and family-friendly work arrangements for employees. A carer's and lactation room was launched as part of the Well-being Centre and is accessible to all central precinct staff.

The Department has continued to maintain a firm commitment to educating staff on their rights and responsibilities under Equal Opportunity legislation and ensuring schools and all education workplaces promote inclusive and positive workplace environments free of discrimination, sexual and other forms of harassment and bullying.

A formal consultative committee with the Equal Opportunity Commission of Victoria was established to work in partnership to promote equal opportunity education programs and foster policy development in areas of mutual interest and responsibility.

A diversity events calendar was established with staff participation encouraged as an opportunity to celebrate and increase awareness and knowledge of the contributions of Indigenous, multicultural and disability groups to a vibrant education and training system.

Employee relations

The Department worked closely with TAFE institutes to facilitate the finalisation of certified agreements covering their professional, administrative, clerical, computing and technical staff. These agreements now have a common nominal expiry date and will improve planning for future agreements.

The Department received 12 'overgrade' grievances and 44 classification grievances relating to the translation of student SSOs to the new Allied Health adaptive structure introduced in 2005. Seven grievances remained to be heard by a tripartite panel or resolved internally.

The redeveloped executive officer performance management and development system provided a reinvigorated approach to establishing a performance and development culture within the Department. The Department's Corporate Plan and executive officer performance priorities were clearly linked with the accountabilities and behaviours in the Department's Accountability and Capability Framework.

The Department conducted an initial trial and a subsequent expanded VPS Mentor program for past graduate recruits and VPS staff from Grades 1 to 4, including people from Indigenous backgrounds and those with disabilities.

As part of the implementation of the *Blueprint for Government Schools* initiative to expand Local Administrative Bureaus to relieve the administrative burden on principals of small schools, two pilot bureaus were established in the Yarra Valley and Far East Gippsland. Data collected from these, and from the existing pilot bureau at Horsham, will inform the development of a business plan for further expansion of Local Administrative Bureaus.

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 range of teacher supply initiatives announced by the Minister for Education Services in January 2004 in the report *Teacher Supply and Demand for Government Schools* continued to be implemented during 2005–06.

Key initiatives

- The Career Change program continued in 2006 with a second intake of 32 non-teaching professionals from a variety of backgrounds employed as teacher trainees in hard-to-staff teaching vacancies in mainly rural secondary schools. Twenty-seven of the 29 trainees from the 2005 intake continued into the second year of the two-year school-based training program. The program 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 181 teachers, mainly in rural schools, to commence retraining in curriculum areas experiencing teacher shortages.

Sixteen teachers completed their courses during 2005–06.

- A total of 341 student teachers and 164 schools benefited from the Student Teacher Practicum Scheme which provides student teachers with financial incentives to undertake their practicum 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) was pursued via career fairs, university visits and the publicity generated by the Career Change program.
- Links continued to be strengthened between the Department and universities, particularly education faculties delivering pre-service teacher education courses, both through formal forums such as the Teacher Supply and Demand Reference Group and the Victorian Council of Deans of Education meetings, and through 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 941 recent teacher graduates through the Teacher Graduate Recruitment program
- awarding 150 scholarships to student teachers and new graduates under the Teaching Scholarship Scheme.

The Department has worked with the Victorian Institute of Teaching to implement recommendations arising from the State Parliamentary Inquiry into Pre-service Teacher Training in Victoria.

The Department made written submissions to the House of Representatives Standing Committee on Education and Vocational Training inquiry into teacher education and appeared before the Standing Committee at a hearing in May 2006.

In 2005–06, there were 13 exemptions from advertisement for VPS recruitment approved by the Secretary or his delegate consistent with the requirements of the Public Sector Standards Commissioner. The majority of these exemptions related to the appointment of staff at the conclusion of the Graduate Recruitment Scheme.

Recruitment online

Since commencing the online advertising of school-based vacancies in April 2005, there has been an increase in the average number of applicants per vacancy. An upgrade of the online system is scheduled for July 2006 which will incorporate enhancements identified from user feedback and extensive consultation processes during the first year.

An online recruitment system for VPS staff vacancies was also introduced in 2005 as part of a Victorian government initiative across the VPS. The Careers with the Victorian Government website has streamlined the recruitment process for VPS staff and provides a common application process for all public service positions across government.

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 other 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 improved injury management systems.

Key achievements in 2005–06 included:

- establishment of OHS Consultative Committees and forums
- completion of a tripartite Stress Prevention pilot study with the Community and Public Sector Union and the Australian Education Union
- conduct of a Safety and Security in Schools pilot training program
- introduction of an improved Employee Assistance program to provide increased counselling services, including a Manager Hotline to provide principals and managers with advice to support their staff.

The Department's OHS performance generally achieved its targets. In 2005–06, the Victorian WorkCover Authority continued its inspection activities and issued 83 improvement, 13 prohibition and two non-disturbance notices which represents an overall 5.5 per cent decrease on the previous year's numbers. The decrease is mainly due to reduced activity by inspectors through WorkSafe projects and specific WorkSafe targets within the education sector.

Key performance indicators

The Department is committed to reporting on the Victorian WorkCover Authority's lead and lag indicators. The following table provides measurements against 14 of the agreed OHS key performance indicators.

Occupational health and safety measures

	OHS lag key performance indicators	2005–06 Target	2005–06 Actual	
			Number	Rate
Claims	Number and rate of standardised WorkCover claims ¹ including: sprains and strains stress other	818	801	1.532
	Number and rate of lost time WorkCover claims ²	287	314	.600
	Number and rate of claims exceeding 13 weeks ³	150	169	.323
Fatalities	Fatality claims ¹	No fatalities	2	
Claims costs	Average cost per WorkCover claim ⁴	\$41,737	\$45,082	

Measure	OHS lead key performance indicators	2005–06 Target	2005–06 Actual
Management commitment	Evidence of OHS policy statement; OHS objectives	Reported quarterly and/or annually	Department's OHS policy including objectives at < www.eduweb.vic.gov.au/hrweb/ohs/accp/riskm.htm >
	Regular reporting to senior management of OHS; and OHS plans (signed by CEO or equivalent)	Empirical evidence of OHS plans, policies and reporting processes	Monthly health, safety and well-being reports to Minister and Department Management Committee regarding OHS trends, issues and project plans, achievements and milestones.
	Evidence of OHS criteria in purchasing guidelines (including goods, services and personnel)	Reported quarterly and/or annually	Schedule 21 Part D of the Department tender documents addresses OHS management.
Consultation and participation	Evidence of agreed structure of Designated Work Groups, Health and Safety Representatives, and issue resolution procedures	Empirical evidence of OHS criteria in purchasing guidelines	Part E requires tenderers to declare any OHS legislative breaches.
		Reported quarterly and/or annually	In schools each campus is a Designated Work Group. Each Office at Treasury Precinct and each regional office are Designated Work Groups. Designated Work Group policy established in 1995. OHS issue resolution process in OHS Guidelines at < http://www.eduweb.vic.gov.au/hrweb/ohs/accp/riskm.htm >
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	81 per cent

People Matters Survey of OHS	Questions	Average per cent who 'Agree' and 'Strongly Agree'
Management commitment	My manager is committed to health and safety improvements	N/A 82.4 per cent
Organisational commitment	My organisation is committed to health and safety improvements	N/A 74.2 per cent
Health and safety representatives	Elected health and safety representatives regularly take up health and safety issues with management in my organisation	N/A 60.7 per cent
Consultation	There is meaningful employee consultation in my organisation on health and safety matters	N/A 55.6 per cent
Policy awareness	Matters that can affect health and safety in my organisation are addressed by work instructions, policies and procedures	N/A 69.4 per cent
Proactive OHS action	My organisation regularly undertakes proactive action to improve health and safety	N/A 58.1 per cent
OHS reporting	Employees in my organisation are encouraged to report health and safety incidents and injuries	N/A 75.2 per cent
Corrective action	Corrective action is taken by my organisation when unsafe conditions are identified through incident and/or injury reports	N/A 76.1 per cent

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. Data for standardised claims and death claims is at 30 June each financial year.

² A time-lost claim is one with one or more days compensated by the Victorian WorkCover Authority (that is, once the employer has paid the 10-day excess) at the time of extraction. Time-loss claims are a sub-set of standardised claims. Data for time-loss claims is at 30 June each financial year.

³ 13-week claims is a measure of the number of claims exceeding 13 weeks¹, compensation based on a derived day count. The 13-week measure begins at day one (that is, employer excess and Victorian WorkCover Authority payments). Data for 13-week claims is based on calendar year (that is, January to December) extracted as at 30 June each year.

⁴ Data for average cost per claim based on claims reported from April to March each year extracted as at 30 June each year.

Conduct and ethics

Criminal record checks

In 2005–06, the Department conducted in excess of 24,000 criminal record checks in collaboration with the Commonwealth CrimTrac Agency via the Department's online criminal record check system. Of these checks, approximately 50 per cent were for people wishing to perform volunteer work in schools including student teachers undertaking a teaching practicum.

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 2006
- ongoing and fixed-term 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 2006

- 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 2006

Classification		Males	Females	Total
Primary				
	Principal class	915.3	989.1	1,904.5
	Teaching staff	3,220.4	15,383.5	18,604.0
	Instructors	10.0	7.6	17.6
	Total	4,145.7	16,380.3	20,526.0
Secondary				
	Principal class	527.7	413.2	940.8
	Teaching staff	7,384.4	11,099.8	18,484.3
	Instructors	143.0	60.5	203.5
	Total	8,055.2	11,573.4	19,628.6
Total		12,200.9	27,953.7	40,154.6

Source: Department of Education & Training

FTE of non-teaching staff in schools by classification and sex on pay as at June 2006

Classification	Level	Males	Females	Total
School services officer	SSO1-1	483.1	5,416.2	5,899.3
	SSO1-2	193.6	1,476.9	1,670.5
	SSO2-3	117.2	878.4	995.6
	SSO2-4	89.1	525.0	614.1
	SSO2-5	47.4	392.1	439.5
	SSO3-6	32.1	230.8	263.0
	SSO3-7	25.5	67.7	93.2
	SSO3-8	14.6	42.1	56.7
Subtotal		1,002.6	9,029.4	10,032.0
VPS staff	AH2	3.0	85.2	88.2
	AH3	27.8	144.7	172.5
	AH4	33.8	90.4	124.2
	VPSG1	1.0	1.0	2.0
	VPSG2	–	5.6	5.6
	VPSG3	–	4.9	4.9
	VPSG4	0.8	6.4	7.2
	VPSG5	5.6	12.4	18.0
	VPSG6	–	1.0	1.0
Subtotal		72.0	351.5	423.5
Other		–	0.1	0.1
Total		1,074.6	9,381.0	10,455.6

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 2006

Classification	Males	Females	Total
Teaching staff	48.0	64.6	112.6
Executive officer	Secretary	–	1.0
	EO1	1.0	1.0
	EO2	23.0	10.0
	EO3	17.0	16.0
	Subtotal	42.0	27.0
VPS staff	VPSG1	4.4	11.4
	VPSG2	41.6	130.0
	VPSG3	103.5	241.7
	VPSG4	120.8	153.1
	VPSG5	188.7	252.3
	VPSG6	112.8	106.7
	Senior Technical Specialist	1.0	1.0
	AH2	–	1.0
	AH4	1.0	0.6
	Graduate recruits	4.0	10.0
	Subtotal	577.8	907.8
Other	2.0	10.1	
Ministerial staff	2.0	–	
Total	671.8	1,009.5	1,681.3

FTE of staff in non-school locations by office on pay as at June 2006

Office	FTE
Office of Strategy and Review and Office of the Secretary	186.2
Office of School Education (including regions)	494.8
Office of Learning and Teaching	155.9
Office of Resources Management and Strategy	476.2
Office of Training and Tertiary Education	153.3
VCAA	182.2
Merit Protection Boards	6.0
VQA	24.6
Ministerial offices	2.0
Total	1681.3

Senior officers as at 30 June 2006

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

Mr Ian Claridge
Assistant General Manager, Student Wellbeing

School System Development

Ms Dina Guest
(*Acting) General Manager

Dr Sara Glover
Assistant General Manager, School System Outcomes

Ms Judy Petch
(*Acting) Assistant General Manager, Leadership and Teacher Development

School Resources

Dr Peter Stewart
General Manager

Ms Andrée Butler
Assistant General Manager, Planning and Provision

Mr Franco Greco
Assistant General Manager, Facilities and Infrastructure

Building Futures Taskforce

Mr David Brooks
Taskforce Director

Regions

Regional office contact details appear on pages 27–28 (information provided by the Office of School Education).

Barwon South Western

Ms Glenda Strong
Regional Director

Eastern Metropolitan

Dr Jim Watterston
Regional Director

Gippsland

Ms Michonne van Rees
Regional Director

Grampians

Mr Malcolm Millar
Regional Director

Hume

Mr Stephen Brown
Regional Director

Loddon Mallee

Mr Ron Lake
Regional Director

Northern Metropolitan

Mr Wayne Craig
Regional Director

Lynne Williams
Executive Project Officer

Southern Metropolitan

Mr Peter Greenwell
Regional Director

Western Metropolitan

Mr Rob Blachford
Regional Director

Office of Learning and Teaching

Level 3

33 St Andrews Place
East Melbourne Victoria 3002

Dr Dahle Suggett, Deputy Secretary

Post-Compulsory

Mr George McLean
General Manager

Mr Edmund Misson
Assistant General Manager, Post-Compulsory

Student Learning

Mr Tony Cook
General Manager

Ms Carol Kelly
Assistant General Manager, Learning Programs

Research and Innovation

Mr John Sullivan
General Manager

Mr John McCarthy
Assistant General Manager, Research and
Development

Mr John Doherty
(*Acting) 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, Deputy Secretary

Vocational Education and Training

Ms Jan Trehwella
General Manager

Adult, Community and Further Education

Ms Sandy Forbes
General Manager

Higher Education and Regulation

Dr Terry Stokes
General Manager

Strategic Directions

Mr Phillip Clarke
General Manager

Ms Wendy Timms
Assistant General Manager, Planning and Industry
Relations

Ms Susan McDonald
Assistant General Manager, Policy Development

Mr Jim Strilakos
Assistant General Manager, Resources and
Facilities

Training Operations

Ms Lee Watts
General Manager

Mr Grant Radford
Assistant General Manager, Training Purchasing

Mr Chris Stewart
Assistant General Manager, Apprenticeships and
Traineeships

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

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

Resources Strategy

Mr Jim Miles
General Manager

Chief Information Officer

Mr Adam Todhunter
Chief Information Officer

Financial Services

Ms Claire Britchford
Chief Finance Officer

Mr Nino Napoli
Assistant General Manager, Schools Resource Allocation

Mr Ron Cooper-Thomas
Assistant General Manager, Accounting Policy and Tax

Mr Peter Froutzis
Assistant General Manager, Budget and Reporting

Information Technology

Mr Erle Bourke
General Manager

Ms Katrina Reynen
Assistant General Manager, Information Technology

Office of Strategy and Review

1st floor
2 Treasury Place
East Melbourne Victoria 3002

Ms Katherine Henderson, Deputy Secretary

International Division

Ms Lynn Glover
General Manager

External and Inter-Governmental Relations

Mr Colin Twisse
General Manager

Mr Patrick Lyons
Assistant General Manager, External and Inter-Governmental Relations

Mr John Livi
Manager, Legal Services

Strategic Policy and Planning

Julie Alliston
(*Acting) General Manager

Mr Ian Burrage
Assistant General Manager, Strategic Planning and Review

Ms Kerry Rozenbergs
(*Acting) Assistant General Manager, Policy Development and Coordination

Portfolio Improvement and Assurance

Mr Colin Twisse
(*Acting) General Manager

Strategic Initiatives

Mr Michael Kane
General Manager

Ms Lesley Foster
Project Director, Legislation Implementation

Ms Penny Duckworth
Project Manager, Schools Futures Project

Communications

Ms Mary-Anne Thomas
General Manager

International Education Developments

Ms Sue Christophers
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 John Firth, Chief Executive Officer

Mr Bill Perrin
(*Acting) General Manager, Policy Measurement
& Research

Mr Byron Crawford
General Manager, Corporate Services

Ms Helen Wildash
General Manager, Curriculum

Ms Elaine Wenn
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 2005–06, as indicated in the table below. The Department works in conjunction with statutory authorities to achieve the Government’s 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
Disciplinary Appeals Boards	Education Services	See page 140
Merit Protection Boards	Education Services	See page 140
Registered Schools Board	Education and Training	See page 29
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 134–139. Some of the authorities produce annual reports in their own right: the ACFE Board, the VCAA, the VLESC, the VQA and the VIT. These reports can be accessed from the Department’s website at <www.education.vic.gov.au>.

Summaries of the Registered Schools Board, Merit Protection Boards and the Disciplinary Appeals Boards reports are included in this report on pages 29, 140 and 144.

Contact details for the remaining 45 statutory authorities and other bodies are presented on pages 145–147.

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 V) 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.

The Senior Chairperson establishes public sector boards to hear and determine grievances from school services officers (SSOs) and members of the Victorian Public Service. 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.

Members of the Merit Protection Boards

Mr Ian Adams was reappointed Senior Chairperson for a three-year term in June 2004. All other members were appointed for a three-year term in September 2004. With the exception of the Senior Chairperson and one full-time Secretary's nominee, all members are called upon on a sessional basis.

Chairpersons

Mr Ian Adams
Senior Chairperson

Ms Leonie Fitzgerald
Principal, Dandenong South Primary School

Mr Gavan Schwartz
Principal, Booroondara Park Primary School
(to February 2006)

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 Gavan Schwartz
(full-time from February 2006)

Mr Ray Wilkinson (full-time, retired October 2005)

Secretary's nominees

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

Minister's 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 Minister's nominees

Ms Penny Geoghegan
Sunbury Secondary College

Ms Gail Shaw
Sunshine North Primary School

Ms Valda Grimston
Footscray North Primary School

Ms Claire Hanmer
Karringal 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.

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 and procedures are being reviewed.

In response to requests the Senior Chairperson and the full-time Secretary's nominee have addressed groups of principal class officers, field officers of the principals' associations and the Australian Education Union, and senior regional personnel.

The Merit Protection Boards' website provides information about the appeal and grievance process as well as its accreditation programs. Employees are able to lodge grievance applications online. The Boards' website address is <www.mpb.vic.gov.au>.

The Merit Protection Boards, together with the Police Appeals Board and the State Services Authority, hosted the National Public Sector Appeals Conference in Melbourne in October 2005.

Appeals and grievances

Teaching service

During the year to 30 June 2006 the Merit Protection Boards for the teaching service received a total of 163 appeals and grievances comprising 41 promotion grievances, one incapacity appeal and 121 personal grievances. Of the 57 grievances heard, 30 (53 per cent) were upheld.

There was a marked increase in the number of promotion grievances received this year (41 compared with 27) with 50 per cent of grievances heard being upheld, indicating a decline in the number upheld. Approximately the same number of personal grievances was received this year with 53 per cent of those heard upheld, an increase over last year. The majority of the grievances that were upheld were where the correct process was not followed in relation to the referral of excess teachers and applications from teachers with compassionate transfer status.

Public sector

There were 84 grievances received from public servants and SSOs in 2005–06 compared with 80 for the previous year. These comprise 71 from SSOs and 13 from public servants. SSOs lodged nine selection grievances, the same number as in the previous year, and 62 personal grievances which is a dramatic increase compared with 27 grievances lodged last year. Most of these grievances may be accounted for as a consequence of the opportunity for re-classification without advertisement arising from the Victorian Government Schools – School Services Officers Agreement 2004, and the number of SSOs seeking range reviews. Public servants lodged three promotion and 10 personal grievances which is the same number and type of grievances as received last year. Thirty-nine of the 84 grievances were heard and 17 (43 per cent) were upheld.

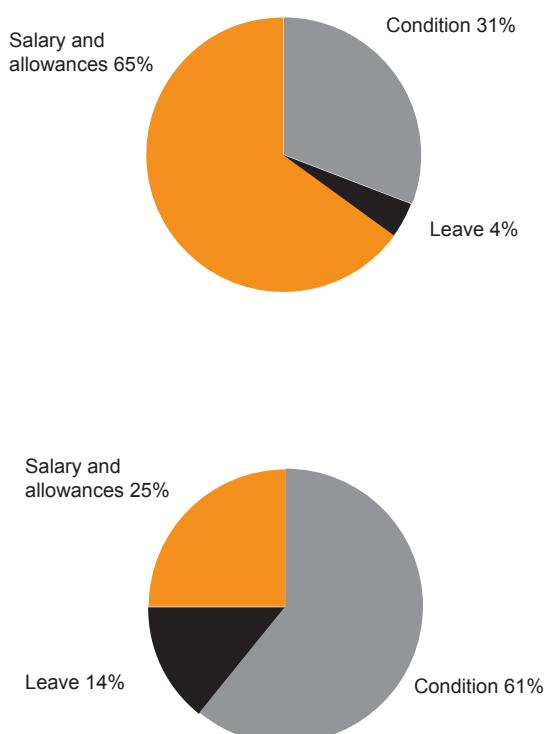
Teaching service – appeals and grievances, 2005–06

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	23	18	4	3	3	4	5	2	–	1	11	8	–	–	41
Incapacitated officer	–	1	–	–	–	–	–	–	–	1	–	–	–	–	1
Personal	52	69	6	17	13	7	15	20	4	9	12	6	2	10	121
Total	75	88	10	20	16	11	20	22	4	11	23	14	2	10	163

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	–	3	2	–	–	–	–	2	1	1	–	–	9
Discipline	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Personal	9	53	2	10	–	16	5	6	1	6	1	8	1	6	62
Total SSO	12	59	2	13	2	16	5	6	1	8	2	9	1	6	71
VPS staff															
Promotion	1	2	–	–	1	1	–	–	–	–	–	1	–	–	3
Discipline	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Personal	3	7	1	1	–	2	–	2	–	–	1	–	1	2	10
Total VPS	4	9	1	1	1	3	–	2	–	–	1	1	1	2	13
Total VPS and SSO	16	68	3	14	3	19	5	8	1	8	3	10	2	8	84

Comparison of personal grievances in the public sector 2004–05 and 2005–06



Merit Protection accreditation

The Department requires all panels to include a merit-accredited employee as a member of a selection panel. To facilitate this requirement the Merit Protection Boards continue to provide training in the principles of merit and equity for principal class officers, teachers, SSOs and members of the public service. This year the Board has run 22 seminars in which 1063 employees have been trained including 55 who needed to be upgraded or sought to enhance their existing knowledge and understanding of the principals of merit and equity. Since the inception of these training programs, 27,257 employees have been trained.

Principal class officers

Over the last 12 months 104 members of the principal class have been accredited in seminars conducted by the Boards in metropolitan and country centres. Accredited principal class officers are available to serve on principal class officer selection panels. Since the inception of training programs, 3255 members of the principal class have been trained.

Teachers

This year 749 members of the teacher class have been accredited in merit protection in seminars conducted by the Boards in metropolitan and country centres. Of these, 36 teachers have

Number of employees trained July 2005 – June 2006 by region (includes reaccreditation)

Region	Teachers	Principal class	SSO	VPS	Total
Barwon South Western				57	57
Central – Corporate	144	26	11	2	183
Grampians	41	1	2		44
Eastern	23	1	6		30
Gippsland	64	24	9	3	100
Hume	47	16	9	4	76
Loddon Mallee	158	5	35	16	214
Northern	148	16	20		184
Southern	123	15	32	4	174
Western	748	104	124	87	1,063
Total	786	99	169	173	1,227

been reaccredited. The total number of members of the teacher class accredited since the inception of these programs is 19,943. 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 the reporting period, 124 SSOs and 87 VPS employees have been accredited. The total number of SSOs and VPS employees trained to date is 4059. Accredited SSOs and VPS employees are available to assist on panels in decision making concerning selection.

Disciplinary Appeals Boards

The 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 function of the Disciplinary Appeals Boards is to hear and determine appeals in relation to decisions of the Secretary made under section 67 of the *Teaching Service Act 1981*.

The Senior Chairperson of the Disciplinary Appeals Boards is Mr Ian Adams.

Members were appointed in May 2005 for an initial five-year period after advertisement calling for expressions of interest. Members are called upon on a sessional basis.

The following chairpersons, who are lawyers of at least five years standing nominated by the Secretary of the Department, were appointed under sections 75D(2)(a) and 75E of the *Teaching Service Act 1981*.

Judith Benson	Rohan Millar
Ian Freckleton	Damian Murphy
Geoffrey Gibson	Peter Rose
Peter Harris	Elspeth Strong
Clare Lethlean	Peter Willis

The following Minister's nominees, who are officers in the teaching service, were appointed under sections 75D(2)(b) and 75E of the *Teaching Service Act 1981*.

Ross Adamson
Moira Findlay
David Finnerty
Wayne Hill
Angeliki Kavourni
Denise Leggett
Brian O'Dea
Mary-Anne Pontikis
Paul Rose
Steven Silestean
Anne Longmire (resigned October 2005)

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*.

Brian Burgess	Russell Isaac
James Davidson	Eric Keenan
Leonie Fitzgerald	David List
Gregory Gibbs	Ian Martin
Avis Grahame	Bronwyn Valente
Dale Hendrick	

Other statutory authorities and bodies

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 12 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>
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.acfevr.vic.edu.au>
Grampians Regional Council of ACFE	Level 1, 1220 Sturt Street, Ballarat Victoria 3350	(03) 5332 3989 <www.acfevr.vic.edu.au>
Hume Regional Council of ACFE	13 Lowry Place, Benalla Victoria 3672	(03) 5762 4655 <www.acfehume.net>
Loddon 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>
Southern Metropolitan Western Port Regional Council of ACFE	133 Nepean Highway, Seaford Victoria 3198	(03) 9786 9466 <http://home.vicnet.net.au/~swpacfe/index.htm>
Western Metropolitan Regional Council of ACFE	29 Cobden Street, North Melbourne Victoria 3051	(03) 9326 7647 <www.acfecwm.vic.edu.au>

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>

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 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.verve.org.au>
Electrotechnology, Printing, Information and Communications Training Board	29 Drummond Street, Carlton Victoria 3053	(03) 9654 1299 <www.epicitb.com>
Engineering Skills Training Board ¹	1378A Toorak Road, Burwood Victoria 3125	(03) 9889 0966 <www.mesab.com.au>
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 ²	1 Grattan Street, Carlton South Victoria 3053	(03) 9348 1640 <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 ¹	1378A Toorak Road, Burwood Victoria 3125	(03) 9889 0233 <www.mesab.com.au>
Service Skills Victoria	Level 5, 315 Flinders Lane, Melbourne Victoria 3000	(03) 9621 1777 <www.serviceskillsvictoria.org.au>
Transport and Distribution Industry Training Board	Level 3, 33 Walsh Street, West Melbourne Victoria 3003	(03) 9326 7211 <www.careersintransport.org>

¹ The Engineering Skills Training Board and the Process Manufacturing Industry Training Board are undergoing a merger to become the Manufacturing and Engineering Skills Advisory Body Victoria.

² The Furnishing Industry Training Board was not offered a funding agreement in 2006.

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

- In 2005, 237 full-time equivalent multicultural education aide positions were funded across 243 schools.
- In 2005, the Languages and Multicultural Education Resource Centre library supported 4500 registered teachers to borrow over 21,000 items promoting linguistic and cultural diversity in teaching and learning.

- Transition coordinators were provided to all English language schools and centres to assist students with their transition from intensive ESL programs into mainstream schools.
- \$825,000 was provided for interpreting and translation services to enable parents and guardians who do not speak English to access information in government schools.

Performance measures

The Department's key performance measures on cultural diversity relate to the provision of both intensive ESL support for new-arrival students in regular schools and ESL support for eligible students in regular schools.

- In 2005, 2265 new-arrival primary and secondary school students received intensive ESL support.
- In 2005, 91.1 per cent of eligible primary students in regular schools received ESL support, and 89.3 per cent of eligible secondary students in regular schools received ESL support.

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 growing number of partnerships between TAFE institutes, industry and VET in schools programs have increased employment and training opportunities for women in non-traditional and emerging industries.
- The Department extended family friendly work practices to provide a carers' room for central office employees with caring responsibilities.

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 87.9 per cent in August 2005 compared with 81.6 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.
- Women represented 47.4 per cent of the total 483,959 persons participating in vocational education and training in Victoria in 2005.

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 page 14. Further information on achievements relating to youth are contained in pages 31–49.

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 2005–06.

- Four Victorian Colleges of Koorie Education campuses offered culturally inclusive curriculum for P–12 students improving educational outcomes for Koorie students across Victoria.
- 16 Koorie Education Development Officers, 56 Koorie Educators and eight Koorie Home School Liaison Officers continued to support Koorie students. As a result literacy and numeracy levels amongst Koorie students rose, as did retention rates for Koorie students in Years 10–12.

- Increased funding for vocational education and training providers further supported Koorie participation. As a result 4469 Koorie students were enrolled in vocational educational training courses in 2005.

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 2005, there were 6938.4 FTE Indigenous students enrolled in government schools in Victoria, representing 1.3 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. In 2005–06, the Department has continued to improve its data collection and reporting procedures.

Rates per employee are based on 1026.4 FTE at end June 2006 in the central office of the Department.

Aspect	Annual quantitative measures
Energy use	<ul style="list-style-type: none"> • 4778 gigajoules total energy usage¹ • 4665 megajoules used per employee • 252.75 megajoules used per m² of office space • 1916.45 tonnes CO₂ equivalent (total greenhouse gas emissions) • 10.5 per cent electricity was purchased as green power costing \$6402
Waste production	<ul style="list-style-type: none"> • 147.39 kilograms waste produced per employee • 110,628 kilograms of waste is recycled
Paper use	<ul style="list-style-type: none"> • 28 reams of paper used per employee • 28,681 reams of paper used
Water consumption	<ul style="list-style-type: none"> • 13,042 litres of water consumed per employee • 13,386,609 litres of water total
Transportation	<ul style="list-style-type: none"> • 7460 gigajoules total passenger vehicle² fuel consumption • 7.27 gigajoules per employee passenger vehicle fuel consumption • 555 tonnes total CO₂ equivalent emissions from passenger vehicle use • 0.54 tonnes per employee CO₂ equivalent emissions from passenger vehicle use • 2,112,024 kilometres total passenger vehicle trips associated with central office operations • 2058 kilometres per employee passenger vehicle trips associated with central office operations • 83 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 on the Department website.

¹Total energy use – electricity only. Gas was included in the 2004–05 annual report, resulting in double reporting as Department of Treasury and Finance reports gas usage for the Department's Treasury Reserve buildings.

²Passenger vehicle data is based on central office use of VicFleet and the Department's central office operation and executive fleet vehicles.

Outcomes for 2005–06

Energy use

There was a decrease in electricity consumption of 7.5 per cent this year, contributing towards the Department's achievement for the Government's 15 per cent energy reduction target. The percentage of electricity purchased as green power meets the Government's green power target.

Waste production

The Department's targets of a 10 per cent reduction in total waste generated per full-time employee and a 60 per cent diversion of waste from landfill have been achieved.

Paper use

The target of a 5 per cent reduction in consumption of paper per full-time employee was met.

Water consumption

No target was set due to unreliability of data.

Transportation

The increase in business travel was due to delivery of a training program to implement changes to the financial management system in schools. This is not an annual requirement.

Fifty per cent of the Department's operational fleet are LPG vehicles, which has resulted in a 16 per cent reduction in greenhouse gas emissions per kilometre travelled.

Some executives have expressed interest in smaller and more environmentally friendly options but the current Government purchasing restrictions are constraining.

The Department provides teleconferencing facilities and promotes their use.

Central office staff commuting to and from work who regularly use public transport, cycle, or walk to and from work continue to exceed the Government target of 75 per cent.

Purchasing

The Department continues to identify opportunities to incorporate environmental performance requirements in its procurement arrangements.

APPENDIX 8

Freedom of Information

During 2005–06, 175 requests were received for documents under the *Freedom of Information Act 1982* (the Act). Full access was granted for 46 requests and partial access for a further 73. Access was denied for 9 requests and documents could not be located or did not exist for 20 requests. Five requests were withdrawn. 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).

Fifteen applicants sought an internal review. The original decisions of 12 were fully upheld while three original decisions were varied. There were 11 appeals to the Victorian Civil and Administrative Tribunal for review of decisions made under the Act. Two were withdrawn before hearings were scheduled. The Tribunal granted partial access in one appeal and upheld the original decision in two instances. Six were yet to be determined by the Tribunal as at 30 June 2006.

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 154).

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

An application fee 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. Details of the fee and access charges can be found at <www.foi.vic.gov.au>.

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 164.

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.

The Department 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.

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 (Victoria College) Act 1991

Deakin University (Warrnambool) Act 1990

Deakin University Act 1974

Education (Special Developmental Schools) Act 1976

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.

Educational Grants Act 1973

La Trobe University (Bendigo and Wodonga) Act 1990

La Trobe University Act 1964

Marcus Oldham College Act 1995

Melbourne College of Advanced Education (Amalgamation) Act 1988

Melbourne College of Divinity Act 1910

Melbourne University (Hawthorn) Act 1991

Melbourne University (VCAH) Act 1992

Melbourne University (VCAH) Act 1997

Melbourne University Act 1958

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:

- Division 3 Part IV
- Division 2 Part V
- 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 Division 3 of Part IV 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 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 (Amendment) Act 1994

Vocational Education and Training Act 1990

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:

- Division 3 Part IV
- Division 2 Part V
- 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 Division 3 of Part IV and section 78(2)(e) (which are jointly 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 2005-06	Future commitments as at 30 June 2006
Schneider Australia Consulting	The increasing demographic diversity of modern democracies, changes in the global economic profile, changes in the nature of demand in the labour market and increasing demands on schools to respond to these and other societal directions are placing significant pressure on schools and school systems to change more rapidly and in directions about which there is no clear agreement. The project will address these issues and develop a vision across the government school system of what school education might look like in 2015. The project will examine national and international trends in school education to inform future arrangements for Victorian schools.	\$311,355	\$0
The Allen Consulting Group Pty Ltd	To engage a consultant to develop a set of policy options on reform of the national VET system.	\$0	\$287,572
Total		\$311,355	\$287,572

Consultancies less than \$100,000

Number engaged	13
Total cost	\$802,860

Disclosure of major contracts

The Department has disclosed all contracts greater than \$10 million in value that it entered into in 2005–06. The disclosed contracts can be viewed on <www.tenders.vic.gov.au>.

Compliance with the Victorian Industry Participation policy

During 2005–06, the Department commenced 22 contracts to which the Victorian Industry Participation policy applied, totalling \$99,108,200 in value. The contracts included eight metropolitan contracts totalling \$43,450,000, 13 regional contracts totalling \$38,058,200, and one state-wide contract totalling \$17,600,000.

The commitments under the policy included:

- an average level of local content of 78 per cent of the total value of the contracts
- 408 FTE jobs
- benefits to the Victorian economy through development and implementation of technology in schools, professional development for staff, and skills development through work on infrastructure projects and participation in related training in various trade areas and OHS.

The Department completed 21 contracts to which the Victorian Industry Participation policy applied, totalling \$37,900,000 in value. The contracts included seven metropolitan contracts totalling \$21,300,000 and 14 regional contracts totalling \$16,600,000.

The outcomes reported under the policy included:

- an average level of local content of 89 per cent of the total value of the contracts
- 296 FTE jobs
- benefits to the Victorian economy through development of new technologies, technical training, new construction techniques and OHS 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* (the Act) 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 2005–06.

Competitive neutrality

The Department was not involved in any complaints for the year 2005–06.

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)
DIMIA	Department of Immigration and Multicultural Affairs
ESL	English as a second language
FTE	Full-time equivalent
ICT	Information and communications technology
LLEN(s)	Local Learning and Employment Network(s)
LOTE	Languages other than English
MCEETYA	Ministerial Council on Education, Employment, Training and Youth Affairs
MIPs	Managed Individual Pathways
OHS	Occupational health and safety
RMIT	Royal Melbourne Institute of Technology
SSO	School services officer
U3A	University of the Third Age
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
VRQA	Victorian Registration and Qualifications Authority



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