



# Victorian Qualifications Authority

Annual Report 2005–06



October 2006

Lynne Kosky, MP  
Minister for Education and Training  
2 Treasury Place  
East Melbourne Victoria 3002

Dear Minister

I am pleased to submit to you the fifth annual report of the Victorian Qualifications Authority (VQA) in accordance with the *Financial Management Act 1994* and the *Victorian Qualifications Authority Act 2000*.

This annual report notes the operations of the VQA during the past year and reflects the achievements, commitment and vision of the Board and staff.

Yours sincerely



Gerald Burke  
CHAIR

*The VQA is the peak accreditation, certification and registration body for post-compulsory education and training (except higher education).*

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# Report of the Chair

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The recent legislative changes to education in Victoria will soon see the formation of a new regulatory authority, the Victorian Registration and Qualifications Authority (VRQA), which will take

over the current responsibilities of the VQA. It is fitting therefore to reflect upon the achievements of the VQA over the last five years.

Since its inception in 2001, the VQA Board has been mindful of both its regulatory and reform roles, and the need for maintaining a balance between these two roles. As part of its annual performance review the Board sought an independent analysis and assessment of the coverage of items dealt with at Board meetings since the VQA's inception. It was pleasing to be advised that in both roles the VQA was fulfilling its statutory requirements and contributing to strategic policy debate.

The VQA's regulatory and reform activities are designed to contribute to the achievement of the Victorian Government's strategic aims and to its education and training goals and targets as described in its three legislated objectives:

- to develop and monitor standards for education and training, normally undertaken in Year 10 or in the years after
- to ensure and support appropriate linkages between qualifications
- to make it easier for people to re-enter education and training and acquire qualifications throughout their lives.

In support of its regulatory role the VQA has undertaken a high-level review of quality assurance which has engaged the Board in lively discussion of a wide range of matters including accreditation of courses, registration and audit, the effectiveness of audit arrangements in enhancing standards of teaching and learning and proposals to promote continuous quality improvement.

In its reform role the VQA has continued major project work on the Victorian Certificate of Applied Learning (VCAL) and the Credit Matrix. An evaluation of the VCAL showed it to be contributing to better outcomes for students through improved pathways to employment, training and further education. The Credit Matrix is showing considerable potential to improve linkages between qualifications. It is currently being trialed at a number of pilot sites and has moved into the implementation stage.

The efficiency and effectiveness of the operation of the VQA has enabled the members of the VQA Board to contribute their expertise to ongoing work on quality assurance and reform. Board members have found this personally and professionally rewarding. On behalf of the Board, I would like to thank all those who have contributed to the work of the VQA over the past five years, in particular the steering committees, working groups and stakeholders who have been part of ongoing consultation processes. I would also like to thank the Director, Dr Dennis Gunning, and the staff of the VQA for their continued dedication and innovative and effective work towards the achievement of successful outcomes for all Victorian students.



Professor Gerald Burke  
CHAIR

# Report of the Director

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This report covers the fifth and last full year of the VQA's life. The activities in the VQA Board's annual plan have continued to focus on our contribution towards the Government's education and training

goals and targets. The VQA's corporate and business planning processes focused on the three areas of strategic activity identified by the VQA Board – building pathways and credit bridges, enhancing quality assurance, and demonstrating good governance and management.

As part of the Building Pathways and Credit Bridges strategy, the Credit Matrix has moved into the implementation phase, with significant progress made on the credit rating of the units that make up senior secondary and vocational qualifications and on the establishment of implementation projects involving a range of partners. We have moved forward on a diverse set of pathway projects – the piloting of an innovative approach to the recognition of informal learning, investigations into the use of short courses and skill sets in vocational education, and research into the demand for graded assessment in vocational courses. We have also undertaken work on the qualifications needs of rural and regional learners and refugees and on the need for a new organising framework for learners who wish, as adults, to complete a senior secondary certificate.

At senior secondary level, we commissioned an independent cost-benefit evaluation of the implementation of the VCAL. The evaluation found that the VCAL was an appropriate and effective measure to expand student pathways and facilitate education and employment transitions. We have also set up and managed further development work focused on the building

of strong links between the VCAL and pathways such as apprenticeships. Seven pathway pilots are running in 2006 involving innovative local partnerships across the state.

As part of our enhancing quality assurance strategy, we have ensured that Victoria remains compliant with the national standards for state registering and course accrediting bodies in the Australian Quality Training Framework. We have also maintained our commitment to continuous improvement through independent reviews of the registration and audit processes that apply to vocational providers, the accreditation process for vocational courses and the standards for registration of VCAL providers. In quality assurance of international activities, we carried out a survey of the level of Victorian providers' activity offshore, successfully managed a national project to develop new standards for the registration of Foundation programs for international students and were the first Australian jurisdiction to register the International Baccalaureate (Diploma) as a senior secondary certificate.

The outcome of the review of registration and audit processes has been the setting up of a series of projects aimed at developing a new regulatory and risk management framework for Victoria that aims to adjust the level of audit activity, fees and delegations to the degree of robustness of a provider's internal quality system.

The VQA Board continued to guide the direction of the Good Governance and Management strategy through discussion at its six meetings, including one in Ballarat devoted to stakeholder consultation and one devoted to corporate planning. We completed an independent review of the VQA's Communications strategy and a review of the VQA's governance model has begun. In late 2005, we organised the very successful VQA Kirby Lecture, at which Dr Patrick Werquin described the outcomes

of his international OECD project on the connections between national qualifications systems and lifelong learning. We have provided comment on the Department of Education & Training's Education and Training Reform Bill and support to the team charged with its implementation.

The VQA completed the vast majority of its planned program of work for 2005–06 within budget and with positive outcomes from internal and external audits and from the Department of Education & Training's survey of organisational climate.

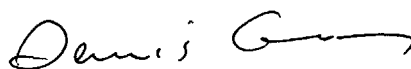
The Education and Training Reform Bill will lead to the newly established VRQA taking on most of the VQA's current responsibilities. Therefore, I want to record my special thanks to the many individuals and organisations who have worked with us between 2001 and 2006 on the quality assurance of courses and providers and on the enhancement of the Victorian qualifications system. My thanks go to:

- my colleagues on the staff of the VQA, for their energy, enthusiasm and dedication to making qualifications work for Victorians
- the VQA Board, Audit Committee, working groups and reference groups, for their support and commitment to our work

- the VQA's many stakeholder organisations
- our colleagues in the Department of Education & Training and fellow statutory authorities, for mutual support and encouragement.

The qualifications system needs to support the development of a knowledge and skills base for a vibrant Victorian economy and for a strong and sustainable Victorian community, culture and environment, and to provide recognition for individual learners for the knowledge and skills they have developed. The quality assurance system needs to ensure that providers across all sectors deliver good outcomes for students and other users of qualifications. And both the qualifications and quality assurance systems need to have strong stakeholder support, based on shared values and strong personal relationships.

We look forward to handing the qualifications and quality assurance batons on to the VRQA, with confidence that the work done by the VQA over the last five years and the excellent relationships built with our stakeholders will provide a strong platform from which the VRQA can move forward with confidence.



Dr Dennis Gunning  
DIRECTOR

# The VQA at a glance

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## Origins of the Victorian Qualifications Authority

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The Ministerial Review *Post-Compulsory Education and Training Pathways in Victoria*, conducted in October 2000, recommended the establishment of a Victorian Qualifications Authority. It recommended that the Authority incorporate the accreditation, registration, certification and quality assurance functions of the Victorian Board of Studies, the State Training Board and the Adult, Community and Further Education Board. The Authority would have responsibility for maintaining the quality and public integrity of qualifications and their associated assessment arrangements, and for the recognition of education and training outcomes.

The VQA was therefore established in March 2001 as part of the new and integrated structural arrangements introduced to support the Government's post-compulsory education and training reform agenda.

## Establishment

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The VQA was established as a body corporate under the *Victorian Qualifications Authority Act 2000* (the Act) on 1 March 2001. It is the peak accreditation, registration, certification and quality assurance body for qualifications that involve or have a comparable or higher status to courses normally undertaken in Years 11 and 12, the Victorian Certificate of Education (VCE), vocational education and training (VET) and further education (except higher education) and is responsible to the Minister for Education and Training.

The VQA's key purposes are to ensure that the course and qualifications needs of the Victorian community are met and that qualifications are of the highest standard.

The Act was passed by the Victorian Parliament in November 2000. The Act established the VQA and reconstituted the State Training Board of Victoria as the Victorian Learning and Employment Skills Commission.

The broad objectives of the Authority, set out in section 5 of the Act, are:

- to develop and monitor standards for education and training normally undertaken in, or designed to be undertaken in, the years after Year 10
- to ensure and support appropriate linkages between qualifications
- to facilitate procedures which make it easier for people to re-enter education and training and acquire qualifications.

The Act was amended twice during 2003–04, by the *Victorian Qualifications Authority (Amendment) Act 2003* and the *Victorian Qualifications Authority (National Registration) Act 2004*.

## Functions and responsibilities

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The functions of the VQA as set out in section 6 of the Act are to:

- develop policies, criteria and standards for the accreditation of courses, the recognition of qualifications, the quality assurance for qualifications issued in accordance with this Act and the registration of courses, qualifications and education and training organisations
- accredit courses and register accredited courses
- recognise qualifications (including qualifications developed outside Victoria and Australia) and provide for the registration of recognised qualifications



- approve providers of accredited courses and persons who can issue recognised qualifications and to register those providers and persons
- issue recognised qualifications and qualifications for accredited courses
- enter into arrangements with other agencies to develop and modify courses
- promote and develop linkages between accredited courses and recognised qualifications and support articulation between those courses and courses in other sectors of education
- monitor patterns of participation by students in accredited courses or other education or training that leads to the issue of a recognised qualification; and the outcomes of those courses, recognised qualifications and education and training
- develop and monitor standards for education and training after Year 10
- ensure and support appropriate linkages between qualifications
- facilitate procedures to make it easier for people to re-enter education and training and to acquire qualifications throughout their lives.

The VQA's operational responsibilities also include:

- the provision of support to the Board and any committees it might establish and the running of internal processes and procedures that comply with the Act and other appropriate legislation, and in accordance with the policy framework of the Department of Education & Training
- effective communication of its policies, qualifications and initiatives
- the accreditation and registration of new post-compulsory qualifications (except higher education qualifications), the approval and registration of providers and the issuing of certificates. For each of these duties, the VQA can choose to exercise its responsibilities directly or to delegate the function to others to carry out on its behalf. For example, the VQA carries out the accreditation function but delegates the responsibility for approval of new providers and the issuing of certificates.

The VQA also has statutory responsibility for the quality assurance of registered training organisations in Victoria's VET sector, in accordance with the nationally agreed Australian Quality Training Framework Standards. It has responsibility for approving providers who wish to deliver VET courses to students from overseas. The VQA has delegated the management of registration and approval processes to the Office of Training and Tertiary Education of the Department of Education & Training.

The VQA has responsibility for the accreditation of senior secondary, VET and further education courses (excluding higher education courses). It also contributes to Victoria's endorsement of national training package qualifications.

## Government goals and targets for education and training

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The work being undertaken by the VQA supports the following Government goals and targets for the post-compulsory education and training system outlined in *Growing Victoria Together: A Vision for Victoria to 2010 and Beyond*:

- increase the percentage of young people who successfully complete Year 12 or its equivalent
- make near-universal participation in post-school education and training the norm in our society – not just for the young but for all the community.

Projects being undertaken by the VQA are aimed at helping to achieve the following Government targets:

- to increase the level of participation in vocational education and training of adults aged 25–64 years
- by 2010, 90 per cent of young people in Victoria will complete Year 12 or its equivalent.



## Key relationships

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The VQA considers advice on courses and qualifications, and linkages between qualifications from the Victorian Curriculum and Assessment Authority, the Adult, Community and Further Education Board, and the Victorian Learning and Employment Skills Commission.

The VQA Board and staff also involve a range of stakeholders from all sectors of education and from industry in consultations and development work. Similarly, Victorian agencies such as the Department of Education & Training and the Local Learning and Employment Networks (LLENs), and national agencies such as the Australian Qualifications Framework Advisory Board and the Australasian Curriculum, Assessment and Certification Authorities are key stakeholders and partners in the VQA's work.

The VQA also has an ongoing relationship with the Commonwealth Department of Education, Science and Training particularly through the Ministerial Council on Vocational and Technical Education and the National Quality Council.

## Delegations

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According to section 16 of the *Victorian Qualifications Authority Act 2000*:

- (1) The Authority may, by instrument under its common seal, delegate any function or power of the Authority, other than this power of delegation, to any of the following:
  - (a) a member of the Authority
  - (b) a member or the members of a committee established under section 15
  - (c) the Director (of the VQA) or any person employed under section 14
  - (d) the Secretary or any other person employed in the Department of Education & Training
  - (e) the Victorian Learning and Employment Skills Commission
  - (f) the Adult, Community and Further Education Board
  - (g) the Victorian Curriculum and Assessment Authority.
- (2) The Authority may, by instrument under its common seal, delegate any power of the Authority to award or issue qualifications to any of the persons or bodies referred to in sub-section (1) or a registered education and training organisation.
- (3) The Authority, by instrument under its common seal, may delegate any of the following powers of the Authority to a registered education and training organisation that has been approved by the Authority for the purposes of this sub-section:
  - (a) the power under section 21 to investigate:
    - (i) a vocational education and training course or a sequence of vocational education and training
    - (ii) further education course leading to the issue of a higher education award
    - (iii) any part of a course referred to in sub-paragraph (i) or (ii) that the registered education and training organisation provides or proposes to provide to determine whether it should be registered as accredited or continue to be registered as accredited
  - (b) the power under section 23(1A) to authorise the registered education and training organisation to provide an accredited VET course or part of such a course or a further education course, other than a further education course leading to the issue of a higher education award
  - (c) the power under section 23(2A) to authorise the registered education and training organisation to award or issue a recognised vocational education and training qualification or a recognised further education qualification, other than a further education qualification that is a higher education award.

Delegations are the subject of regular reports at each Audit Committee meeting to ensure that statutory responsibilities are being met. Service agreements have been developed for delegations to ensure that expectations, accountabilities and reporting arrangements are clear and can be tracked. Current delegations are to the Office of Training and Tertiary Education of the Department of Education & Training for the registration of providers in further education and training, and to the Victorian Curriculum and Assessment Authority for the issuing of senior secondary certificates and statements of results.

## The VQA Board

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Ministerial appointments to the VQA Board reflect the diversity of the post-compulsory education and training community. The Minister ensures that the composition of the VQA Board is a fair and balanced reflection of the VQA's stakeholders and community diversity, and represents both metropolitan and country interests.

Ms Wendy Brabham was appointed on 24 January 2006 to fill the position previously held by Mr Paul Briggs who resigned from the Board on 2 August 2005. Meetings of the VQA Board are held on the first Friday of every second month. The VQA Audit Committee met on six occasions in 2005–06.

## Membership

The Secretary to the Department of Education & Training and the Chairs of the Victorian Curriculum and Assessment Authority, the Victorian Learning and Employment Skills Commission, and the Adult, Community and Further Education Board are ex-officio members of the VQA Board. The remaining 11 members, including the Chair, were appointed by the Governor-in-Council on the nomination of the Minister for Education and Training.



### **PROFESSOR GERALD BURKE**

CHAIR

Professor Gerald Burke is executive director of the Monash University – ACER Centre for the Economics of Education and Training and a staff member of the Faculty of Education at Monash University. He has undertaken research over a long period on the finance of education and training and on education and employment. He is a member of the Education and Training Statistics Advisory Committee of the Australian Bureau of Statistics and has consulted for a range of mainly government organisations in Australia and overseas.



### **MS WENDY BRABHAM**

(from 24 January 2006)

MEMBER

Ms Wendy Brabham is the Director of the Institute of Koorie Education at Deakin University and has over 26 years experience in Aboriginal education. She has served on the Victorian Aboriginal Education Association Incorporated for 15 years and is currently Treasurer of the Association. She also serves as a member on the Board of the Institute of Koorie Education and on the Deakin University Academic Board. She possesses significant knowledge and experience in educational matters that impact on Aboriginal communities.



**MR PAUL BRIGGS OAM**  
(to 2 August 2005)  
MEMBER

Mr Paul Briggs has a wealth of experience across various sectors in Aboriginal community development. He is an

adviser to the Victorian Aboriginal Community Controlled Health Organisation, a member of the Northern Victorian Aboriginal Partnerships Committee and a founding member of the Ganbina Koorie Economic Employment and Training Agency Committee. He is founding Chairman of First Nations Advantage Credit Union, the first credit union offering national access to financial services owned and operated by Indigenous people. He is also founding president of the Rumbalara Football/Netball Club in northern Victoria.



**MS CHERYL GLOWREY**  
MEMBER

Ms Cheryl Glowrey is currently Principal of South Gippsland Secondary College and has over 25 years experience in post-compulsory education

and training, having worked in schools in New South Wales, the Australian Capital Territory and most recently in Victoria. She is a member of the Blackwood Centre for Adolescent Development Committee of Management and Chair of the Education Centre Gippsland.



**MS LINDA HERON**  
MEMBER

Ms Linda Heron is the General Manager, Human Resources, Coles Myer Food, Liquor and Fuel. Her considerable experience in the retail

industry spans over 25 years and includes several senior Human Resources and Retail Management roles at Coles Myer. Prior to her current appointment she was responsible for the establishment of the Coles Myer Institute.



**MR PAUL HERRICK**  
MEMBER

Mr Paul Herrick is the foundation Principal of Marymede Catholic College, South Morang, a Prep–12 college which opened in 2006. Prior

to this appointment, he was responsible for Leadership and Accountability at the Catholic Education Office. He also has previous experience as a secondary school principal in both Victoria and Western Australia. Mr Herrick is a Director of the Education Board of St Columba's College Essendon and also serves as a member of the Champagnat Education Council.



**MR LEIGH HUBBARD**  
MEMBER

Mr Leigh Hubbard is the National Executive Officer of the United Firefighters Union of Australia. He has nearly 20 years experience in industrial relations as an

industrial officer, lawyer, policy officer and, from 1995 until April 2005, as Secretary of the Victorian Trades Hall Council. Mr Hubbard has extensive experience in vocational education and training, occupational health, and workers' compensation issues and policy. He is currently a member of the ACTU Executive and the Ethical Clothing Trades Council. From 2000 until March 2005, Mr Hubbard was a member of the State Training Board and then Victorian Learning and Employment Skills Commission. He has been a member of the Manufacturing Industry Consultative Council and the Victorian WorkCover Authority's Advisory Committee.



**MS JULIE MOSS**  
MEMBER

Ms Julie Moss is the Managing Director of the Photography Studies College in Melbourne. Ms Moss has been involved in vocational

education and training for 25 years and has served on numerous post-compulsory education and training reference groups at both state and national levels. She is Chair of the National Board of the Australian Council for Private Education and Training, as well as Chair of the State Executive Committee. She is also a member of the Victorian Higher Education Advisory Committee.



**MS VIRGINIA SIMMONS**  
MEMBER

Ms Virginia Simmons has been a TAFE Director in both the TAFE institute and dual sector university setting since 1986. She is currently CEO of Chisholm

Institute of TAFE. Her career in education spans more than 20 years, mostly in the TAFE sector. Since 1993, Ms Simmons has consulted widely internationally, particularly in the Asia-Pacific region. She serves on a number of economic and education boards. In 1995, she received the inaugural Prime Minister's Training Award for her contribution to women in vocational education and training.



**PROFESSOR BARBARA VAN ERNST AM**  
MEMBER

Professor Barbara van Ernst is the Deputy Vice-Chancellor of the Lilydale Campus of Swinburne University of

Technology. She is also Deputy Vice-Chancellor of Learning and Teaching and has more than 25 years experience in higher education. She was founder and inaugural president of the Association

of Music Education Lecturers, and Head of the School of Visual and Performing and Media Arts at Deakin University.



**MS ANNA VLASS**  
MEMBER

Ms Anna Vlass is the Principal at Box Hill Senior Secondary College and has more than 25 years experience in secondary education, mostly in the

post-compulsory years. She has been a member of various post-compulsory reference groups related to vocational education in the VCE and the development and implementation of the VCAL. She is currently a member of the Victorian Curriculum and Assessment Authority Vocational Education Reference Group.



**MRS ELIZABETH WARD**  
MEMBER

Mrs Elizabeth Ward was Principal of Presbyterian Ladies' College from 1998 to 2006. She was a member of the Ministerial Advisory Committee

for the Victorian Institute of Teaching. She has been Chair of the NSW Board of Studies HSC History Examination Committee, and supervisor of the HSC marking in History. In 1999, she was awarded a fellowship from the Australian College of Educators and in 2004 was awarded a fellowship from the Australian Council for Educational Leadership. Prior to her appointment at Presbyterian Ladies' College, she was Deputy Headmistress at Abbotsleigh and Head of History at Ravenswood School in Sydney.



**MR STUART HAMILTON  
AO**  
EX-OFFICIO MEMBER

Mr Stuart Hamilton is Chair of the Victorian Curriculum and Assessment Authority. He is Chief Executive of Open Universities

Australia, and was previously Secretary of the Department of Education & Training. He has been Executive Director of the Australian Vice-Chancellors Committee and Secretary to the Commonwealth departments of Health, Housing and Community Services and Environment. His other current or recent board appointments have included the Council for the Humanities, Arts and Social Sciences, the International Association of Universities, La Trobe University, the Australian Qualifications Framework Advisory Board, and the Australian Council for Educational Research.



**MR GRANT HEHIR**  
EX-OFFICIO MEMBER

Appointed as Secretary of the Department of Education & Training in May 2003, Mr Grant Hehir leads the Department in fulfilling its role to

provide, fund, purchase and regulate education and training services for Victorians of all ages. The scope of his responsibilities encompasses schools, TAFE institutes, registered training organisations, adult community education (ACE) providers, adult education institutions and higher education institutions. Mr Hehir joined the Department following a career in public sector policy development and budget management. His previous position was as Deputy Secretary, Strategic, Economic and Social Policy at the Department of Premier and Cabinet, advising the Premier on social and economic policy matters. He previously held the role of Deputy Secretary, Budget and Financial Management Division at the Department of Treasury and Finance, in which he provided advice to the Government on state budget strategy and management, and on emerging policy issues.



**MR PETER THOMAS AM**  
EX-OFFICIO MEMBER

Mr Peter Thomas is Chair of the Victorian Learning and Employment Skills Commission. Mr Thomas is an AI Group Emeritus National Councillor and

a Director of GUD Holdings Ltd, Pacifica Group Ltd and the Australian Retirement Fund. He was Deputy Chancellor of RMIT University, and Chair of the Victorian Manufacturing Industry Consultative Council and the Melbourne Port Corporation. He retired in July 2000 after 41 years with Holden Limited. His senior appointments included Managing Director of Holden's Engine Company and Executive Director of Planning and External Affairs.



**MS LYNNE WANNAN**  
EX-OFFICIO MEMBER

Ms Lynne Wannan was appointed as Chair of the Adult, Community and Further Education Board on 25 March 2003. She has worked with

community organisations and as an adviser to both State and Commonwealth governments. As a social policy analyst, she has experience in senior management positions in local government, the private sector and State Government. She has worked in the broad community and health services industry for over 20 years.

## Audit Committee membership

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### Members

Ms Julie Moss (Chair)

Mr Paul Herrick

Professor Gerald Burke

Mr Jonathan Thomas



## VQA staff

VQA staff provide advice and report to the VQA Board on:

- appropriate guidelines and standards relating to the accreditation of courses and registration of providers
- development and implementation of certification and registration procedures and processes
- management of the VQA's resources
- quality assurance services relating to the effectiveness and efficiency of the VQA's policies and standards
- the quality of implementation of the VQA's policies and guidelines by various institutions and agencies
- strategic planning and policy development and directions.

The VQA staff operate within the financial, asset, human resource and information technology policy frameworks of the Department of Education & Training. Further details of these arrangements are provided in Appendix 1 (see page 56).

## Director

The Director is responsible to the Chair of the VQA for the effective and efficient implementation of the VQA Board's decisions and to the Secretary of the Department of Education & Training for the running of the organisation and its effective interaction with the Department.

## Staff

Executive officer staff are Dennis Gunning (Director) and Rob Fearnside (Project Executive). VQA staffing is organised in two functional areas, each led by a member of the VQA management team:

- governance and qualifications development
- quality assurance and the Credit Matrix.

As at June 2006, the VQA had 24 staff members – 22 full-time and two part-time, of which 67 per cent were female and 23 per cent were male. Details of VQA staff are provided in the tables below. The total staffing is made up of a core establishment plus additional staffing appointed through secondments or short-term contracts to work on specific projects.

*Number and full-time equivalent of staff on pay by sex and classification as at June 2006*

Classification	Males		Females		Total	
	Number	Full-time equivalent	Number	Full-time equivalent	Number	Full-time equivalent
EO2	1	1	–	–	1	1
EO3	1	1	–	–	1	1
VPSG6	2	2	1	1	3	3
VPSG5	3	3	10	9.6	13	12.6
VPSG4	1	1	1	1	2	2
VPSG3	–	–	4	4	4	4
VPSG2	–	–	–	–	–	–
<b>Total</b>	<b>8</b>	<b>8</b>	<b>16</b>	<b>15.6</b>	<b>24</b>	<b>23.6</b>

Number of staff on pay by sex, classification and time fraction as at June 2006

Classification	Males		Females		Total	
	Full-time	Part-time	Full-time	Part-time	Full-time	Part-time
EO2	1	–	–	–	1	–
EO3	1	–	–	–	1	–
VPSG6	2	–	1	–	3	–
VPSG5	3	–	8	2	11	2
VPSG4	1	–	1	–	2	–
VPSG3	–	–	4	–	4	–
VPSG2	–	–	–	–	–	–
<b>Total</b>	<b>8</b>	<b>0</b>	<b>14</b>	<b>2</b>	<b>22</b>	<b>2</b>

The VQA team (from left)

Front Row: Berenice Chong, Janet Matheson, Frances Lamb, Ann Alexander, Felicity Dunn, Christine Croker

2nd Row: Gay Gallagher, Ruth De Sa, Dennis Gunning, Pat Kennedy, Frank Galati, Maryse Felicite

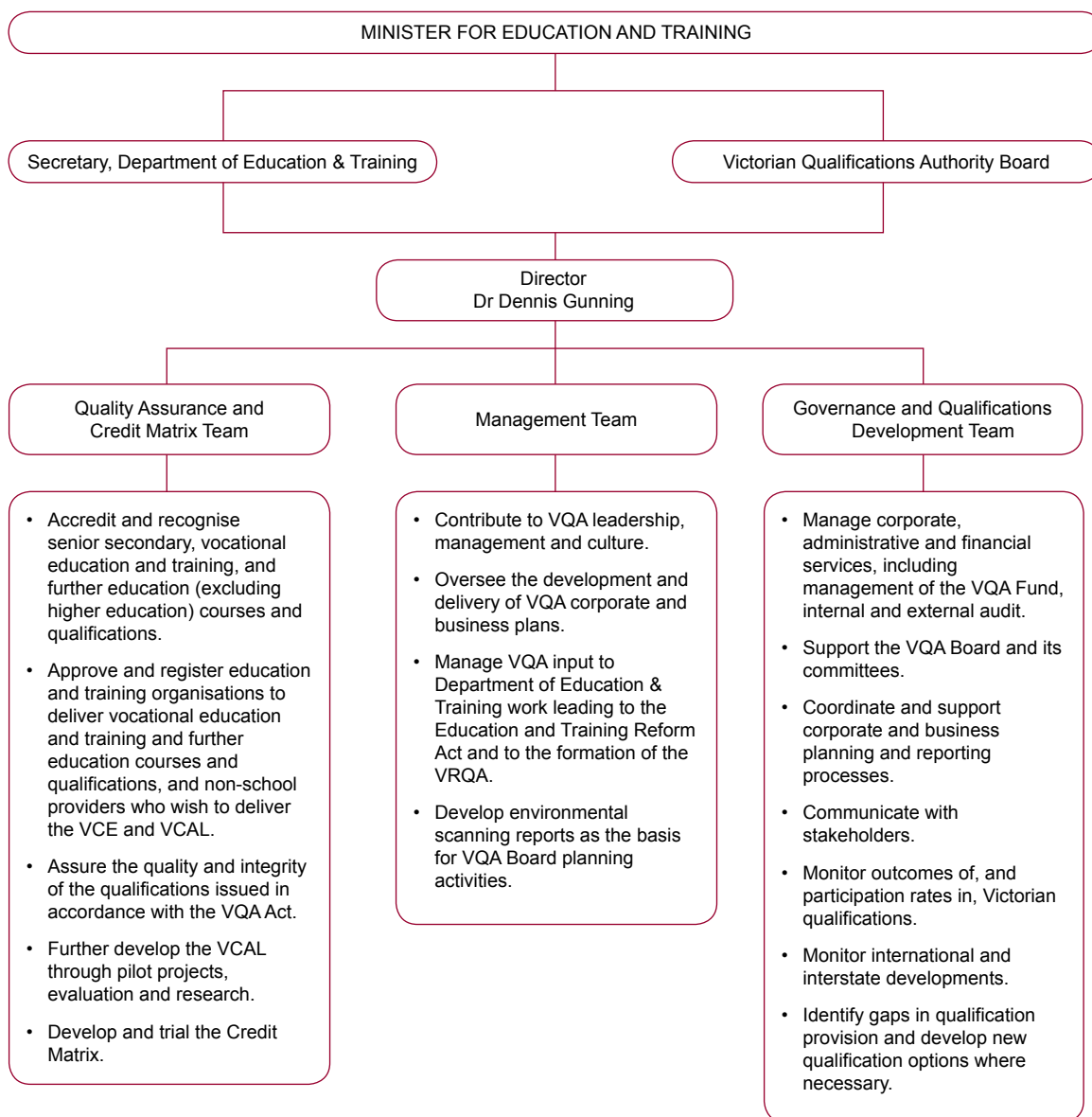
3rd Row: Judith Firkin, Fiona Blackburn, David Symonds, Greg Deakin, Tony Ayers, Stephen Moschner

Absent: Belinda Duffus, Rob Fearnside, Melinda Nulty, Kay Rodriguez, Alison Vickers, Sharon Waitzer, Annette Whiter





# Organisation chart



# Summary of financial results

The VQA ended the year with an operating deficit of \$184,317 resulting in equity falling from \$1,362,578 to \$1,178,261.

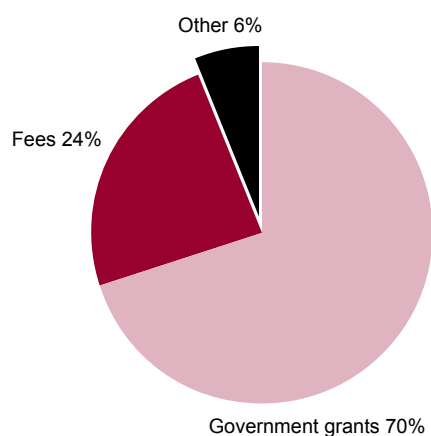
Revenue decreased by \$323,780 from \$5,329,876 for 2004–05 to \$5,006,096 for the year ended 30 June 2006. The major sources of revenue are government grants representing 70 per cent of the total and fees representing 24 per cent.

Expenses decreased by \$492,486 from \$5,682,899 to \$5,190,413.

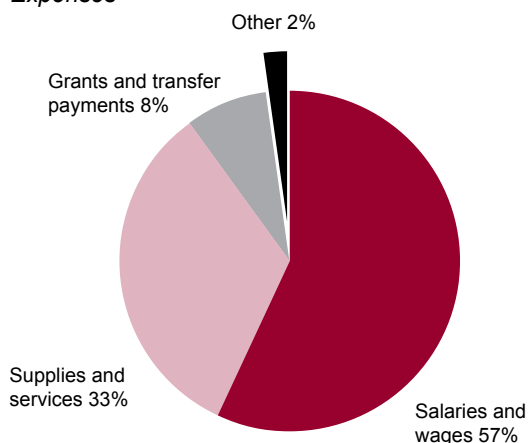
The majority of expenses relate to salaries and salary on costs, accounting for 57 per cent of the total; expenses for operating supplies and consumables accounted for 33 per cent; and grants and transfer payments accounted for 8 per cent.

	2006 \$	2005 \$
<b>Revenue</b>		
State Government Grants	3,489,570	4,052,166
Registration and course accreditation fees	1,223,574	1,106,447
Other	292,952	171,263
<b>Total revenue</b>	<b>5,006,096</b>	<b>5,329,876</b>
<b>Expenses</b>		
Salaries, wages and on costs	2,966,221	2,737,171
Grants and transfer payments	415,185	1,152,109
Depreciation and amortisation	46,968	29,322
Supplies and services	1,723,226	1,733,562
Other	38,813	30,735
<b>Total expenses</b>	<b>5,190,413</b>	<b>5,682,899</b>
<b>Operating result</b>	<b>(184,317)</b>	<b>(353,023)</b>
Equity	1,178,261	1,362,578

Revenue



Expenses



# Summary of achievements

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In 2005–06, the VQA made significant progress in the three crucial areas of its business identified by the Board as the key strategic areas of activity. These achievements are summarised below and covered in more detail in the sections that follow.

## Building pathways and credit bridges

### ***Improving senior secondary outcomes***

The VQA has been working with the Victorian Curriculum and Assessment Authority to review and enhance the VCE.

In its fourth year of implementation the VCAL was offered by 380 providers with over 10,000 student enrolments.

The Victorian Curriculum and Assessment Authority has operational responsibility for VCAL including VCAL unit reviews as part of a planned program of continuous improvement. The VQA undertook VCAL Vocational Pathway projects to focus on vocational learning and pathways to apprenticeships and to provide meaningful further training and employment pathways for students after leaving school.

The VQA has approved a submission from the Organisation du Baccalaureate International for accreditation of the International Baccalaureate (Diploma) as a senior secondary school program, extending the range of alternatives available to senior secondary students in Victoria.

### ***A flexible and responsive Victorian qualifications system***

The Credit Matrix is designed to enhance the operation of the Australian Qualifications Framework in Victoria through providing better support for students moving from one qualification to another.

The implementation of the Credit Matrix has progressed through the initial assignment of levels and points to VCE units, VCAL units and VET units in training packages, trials in the Gippsland Education Precinct and in the accreditation/reaccreditation of state-accredited courses, and via a prototype online searchable database of Victorian qualifications.

The VQA has continued its contribution to the building of Victoria's design capacity by supporting the Applied Design in Industry Framework with a set of guidelines, sample programs, resources and the establishment of the Applied Design in Industry Advisory Service.

The Recognition of Informal Learning (RIL) model was trialed with a range of learner groups in the ACE and VET sectors and senior secondary schools. The trial involved trained and qualified assessors conducting discussion-based assessments with candidates.

A prototype of an online resource to assist with Koorie education and training, the *Victorian Catalogue for Indigenous Studies*, was completed.

Rangefinder projects were undertaken to investigate potential qualification issues and developments in areas such as agricultural industries careers, short courses, skill sets, pathways, apprenticeship training and refugees in Victoria.

## Enhancing quality assurance

In 2005–06, the VQA and its delegate, the Higher Education and Regulation Division in the Department of Education & Training, were externally audited by the National Centre for Vocational Education Research to assess their compliance with the Australian Quality Training Framework Standards.

The VQA also commissioned a review of registration and audit functions with particular reference to their impact on teaching, learning and assessment. The review's recommendations were to develop a regulatory and risk framework, the enhancement of audit procedures and an outcomes-based audit dealing with tiered approaches to delegation. These three project areas constitute a significant and urgent reform agenda that will need to be carried forward.

A number of projects were established as part of the VQA's commitment to continuous improvement of the accreditation, registration and audit processes – an extended professional development program for course developers, an appraisal of standards for VCAL registration and the development of a national standard for foundation programs.

## Demonstrating good governance and management

Stakeholder consultation and communications continued to be a focus of demonstrating good governance through the distribution of publications, the improvement of the VQA's website content management system and direct visits by the Board to regional areas in order to seek stakeholder views on qualification needs and issues.

An independent survey to gather further data on stakeholder perceptions of VQA performance was conducted to seek feedback on the VQA's performance in the three strategic areas of the VQA Corporate Plan.

The VQA contributes to working and steering groups, providing input to projects initiated by the Department of Education & Training and colleague statutory authorities. The VQA participates in the CEO meetings of the Australasian Curriculum Assessment Certification Authorities, and the meetings of the Chairs of registration course accreditation bodies.

The Audit Committee has maintained its six meetings per annum as well as undertaking two workshops on the VQA's high-level risk strategy and an internal review of the VQA's governance model and governance arrangements.

# Achievements

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The VQA is the peak accreditation, certification and registration body for post-compulsory education and training (except higher education). The VQA Board is accountable to the Minister for Education and Training.

## Building pathways and credit bridges

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A major focus of the VQA's statutory responsibility is the monitoring of student outcomes and the building of linkages between qualifications to promote a culture of lifelong learning. This responsibility is met through a program of qualifications development activities built on stakeholder consultation and monitoring of student outcomes. The analysis of such feedback and data allows developments in policy interventions and qualifications to be soundly based, effectively targeted and clearly focused on the VQA's statutory objectives and the Government's priorities, goals and targets.

## Improving senior secondary outcomes

The improvement of student outcomes in the senior secondary years is reflected in the Government's target that, by 2010, 90 per cent of young people in Victoria should achieve successful completion of Year 12 or its equivalent. Students are encouraged to plan a pathway to further education, training or employment that is based on a secure level of achievement in the school years.

### **Accreditation**

The VQA is responsible for the accreditation and issuing of qualifications for senior secondary certificates in Victoria. In 2005, there were two certificates, the VCE and the VCAL. A third qualification was accredited by the VQA in 2005, the International Baccalaureate.

### **International Baccalaureate (Diploma)**

In 2005, the VQA received a submission from the Organisation du Baccalaureate International for accreditation of the International Baccalaureate (Diploma) as a senior secondary school program in Victoria. This program has been delivered in Australia by a number of non-government schools for some time. In accrediting the program, the VQA has extended the alternatives available to state senior secondary students in Victoria, especially for those students who seek a qualification which has wide recognition as a global qualification.

The VQA accredits proposals developed by the Victorian Curriculum and Assessment Authority for improvements in the design rules and component studies of the VCE and the VCAL. The VQA regularly reviews these studies as part of a planned program of continuous improvement.

### **Victorian Certificate of Education**

The VQA endorsed an amendment to the English requirement for the award of the VCE for implementation in 2006.

The following VCE studies were reaccredited following review:

- Chemistry
- Dance
- Accounting
- Systems Engineering
- Information Technology
- Drama
- Design and Technology
- Theatre Studies
- Foundation English
- English/ESL units 1 and 2
- English/ESL units 3 and 4.

Extensions of accreditation were approved for the following VCE studies:

- English Language
- Literature

- Art
- Economics
- Health and Human Development
- Studio Arts
- Visual Communication and Design
- English/ESL units 1 and 2
- English/ESL units 3 and 4.

The following VCE VET programs were accredited:

- VET Plastics
- VET Conservation and Land Management.

The following VCE VET studies were reaccredited following modifications to the VET programs:

- VET Automotive
- VET Sport and Recreation
- VET Desktop Publishing and Printing
- VET Laboratory Skills
- VET Financial Services.

### Victorian Certificate of Applied Learning

The following VCAL units were reaccredited:

- Intermediate Development Skills Units
- Senior Development Skills Units.

The following VCAL units were accredited:

- Foundation Literacy and Numeracy Units.

### Certification

#### Victorian Certificate of Education

The VQA delegates its responsibility for issuing VCE and VCAL certificates to the Victorian Curriculum and Assessment Authority. The table below shows the graduation statistics of the 2005 VCE assessment program. There were 49,273 students eligible to complete the VCE at the end of 2005, 53.6 per cent of whom were female.

#### VCE student participation and completion, 2005

	Number of students		
	Eligible to complete the VCE <sup>1</sup>	Satisfactorily completing VCE <sup>2</sup>	Percentage <sup>3</sup>
All students	49,273	47,566	96.5
Female students	26,413	25,621	97.0
Male students	22,860	21,945	96.0

<sup>1</sup> These figures are derived from information provided by the Victorian Curriculum and Assessment Authority in December 2005 and include students undertaking VCE offshore and in the TAFE and ACE sectors. Year 12 enrolments in Victorian schools in February 2005 were 52,535 and in August 2005 were 50,721.

<sup>2</sup> Students who have successfully achieved their VCE in previous years have been removed from both eligible and completing totals.

<sup>3</sup> This figure is not an indicator of attainment of the Premier's Year 12 completion target.

Overall, 47,566 students (96.5 per cent of those eligible) graduated.

Eligible students are those who had reached the end of the school year in 2005, had accumulated sufficient previous results and, if their current enrolments were completed satisfactorily, would meet the minimum requirements of the VCE.

These figures do not take account of those students who had withdrawn during the year.

### Victorian Certificate of Applied Learning

The VCAL is a qualification designed to provide additional pathways for Year 11 and 12 students interested in vocationally oriented career options or in moving straight into employment. It is designed to sit alongside the VCE as a senior secondary option with a distinctive 'hands-on' approach to learning and a vocational pathway.

The Victorian Curriculum and Assessment Authority has responsibility for reviewing the qualification design and component units of the VCAL and for putting forward proposals for the VQA's accreditation. VCAL units are regularly reviewed as part of a planned program of continuous improvement. The VQA has responsibility for the completion of the current VCAL Vocational Pathway projects.

In 2005, the VQA managed a value-for-money evaluation of the VCAL, which was completed in October. The findings from this evaluation formed the basis of the submission to the Expenditure Review Committee of Cabinet for the further funding of the VCAL.

### VCAL enrolments

In 2005, there were 10,692 student enrolments in the VCAL across three levels enrolled with 380 providers. Just less than three quarters (72 per cent) of all enrolments were in government schools; 31.4 per cent enrolled in Foundation level and 48.5 per cent in Intermediate level. Senior and Senior Extension levels together accounted for 20.1 per cent of enrolments.

### VCAL certificate completion

A student is eligible to complete a qualification in the year in which they can potentially meet all the requirements for that qualification. In 2005, 63.8 per cent of those eligible to complete a full VCAL certificate completed. While more than 60 per cent of those who completed a VCAL certificate at any level were males, a larger proportion of eligible females completed (65.4 per cent) than males (62.8 per cent).

The table below provides summary details of enrolments and completions for each certificate level of the VCAL for 2005.

### VCAL student destinations

The On Track 2006 survey collected responses from Year 12 VCAL students who had completed a VCAL Intermediate or Senior certificate in 2005. Eighty-seven per cent of the students surveyed agreed that their VCAL program was an important reason in their decision to stay on at school. Thirty-seven per cent succeeded in gaining an apprenticeship/traineeship in 2006 and 28 per cent were engaged in employment.

### VCAL Vocational Pathway projects

In 2006, the VQA is conducting VCAL Vocational Pathway projects. These projects focus on vocational learning and are designed to provide meaningful further training and employment pathways for students after leaving school.

There are seven projects being undertaken in regional and metropolitan Victoria, six in government schools and one in a TAFE institute. Each of the providers was given funding for planning and development during Terms 3 and 4, 2005 so that the projects could operate in the 2006 school year. Further funding was provided for coordination of the projects during 2006.

There are 170 students enrolled in the projects, many of whom are undertaking school-based new apprenticeships.

## A flexible and responsive Victorian qualifications system

### Credit Matrix

The Credit Matrix is designed to enhance the operation of the Australian Qualifications Framework in Victoria. It provides a common approach to describing and comparing learning based on levels (for complexity of learning outcomes) and points (for volume of learning). The development of the Credit Matrix directly supports the VQA's aims to:

- ensure and support appropriate linkages between qualifications
- make it easier for people to re-enter education and training and acquire qualifications throughout their lives.

The Credit Matrix makes the qualifications system easier to understand and use and support the development of pathways between qualifications. This is particularly important in the context of lifelong learning.

*Number of students enrolled in and completing VCAL certificates in 2005*

Certificate level	Enrolments	Eligible to complete	Satisfactorily completing	Percentage
Foundation	3,361	1,896	1,054	55.6
Intermediate	5,183	4,141	2,605	62.9
Senior and Senior extension	2,148	1,948	1,437	73.8
<b>Total</b>	<b>10,692</b>	<b>7,985</b>	<b>5,096</b>	<b>63.8</b>



The OECD's report *Moving Mountains: How Can Qualification Systems Promote Lifelong Learning?* identified that the most powerful connectors between qualification systems and lifelong learning are:

- providing credit transfer
- recognising non-formal and informal learning
- creating new routes to qualifications.

These connectors are all supported by the Credit Matrix.

### **Consultations and trials**

In 2003, the VQA consulted widely with stakeholders about the Credit Matrix concept. The response received was strongly positive.

In mid-2004, the VQA developed a Credit Matrix model comprising levels, level descriptors and a means of allocating points. It tested the assignment of a level and points to units drawn from a range of post-compulsory qualifications and conducted a further seven trialing projects to test the utility of the model.

The trialing projects were conducted in collaboration with the Gippsland Education Precinct, the IT Skills Hub, Transport and Distribution Training Victoria, Victorian Business Services, the Finance and Property Industry Training Board, the Engineering Skills Training Board, the Process Manufacturing Training Board, the New Zealand Qualifications Authority and Victoria University. The trialing projects established the utility of the model, and suggested improvements.

In late 2004, the VQA consulted with providers, employers, unions, qualification designers, selection officers, career advisers, learners and parents about the improved model for the Credit Matrix. Over 1000 people and organisations attended the 17 consultation forums or made written submissions.

These consultations reaffirmed the strong support shown in 2003. Stakeholders felt that the Credit Matrix would make the qualifications system easier to understand, allow for more flexible qualifications and provide a simple and uniform way of describing qualifications and

recording achievement. They also felt the Credit Matrix would make it easier to keep track of learning achieved and to plan ahead, and help ensure that learning already successfully achieved need not be repeated. Stakeholders also generally supported the level descriptors and the points system and contributed many useful suggestions for refining the Credit Matrix and implementing it.

### **Overseas experience**

The Credit Matrix is consistent with international developments in qualifications frameworks particularly in Europe, New Zealand, Northern Ireland, Scotland, South Africa and Wales, to develop credit-based systems that use learning outcome complexity and volume to describe qualifications.

### **Implementation**

In April 2005, the VQA Board agreed to a targeted and phased implementation strategy of the Credit Matrix in Victoria. Projects proposed under the strategy are demonstrating the efficacy of the matrix and its role in:

- developing pathways between qualifications
- developing new qualifications and redeveloping existing qualifications
- developing credit-transfer and articulation arrangements
- facilitating human resource development practices in industry.

The high level of support shown by stakeholders for the strategy clearly supports the move to the implementation phase. Major achievements to date include:

- initial assignment of levels and points to VCE and VCAL units
- initial assignment of levels and points to VET units from training packages
- use of the Credit Matrix in the Gippsland Education Precinct
- trialing the use of the Credit Matrix in the accreditation/reaccreditation of state-accredited courses
- the development of a prototype online searchable database of Victorian qualifications including their levels and points.

Implementation of the Credit Matrix is being managed by an Advisory Committee. Representation on the committee includes members of the VQA Board, the Department of Education & Training, the Commonwealth Department of Education, Science and Training, the Adult, Community and Further Education Board, the Australian Chamber of Commerce and Industry and the Association for Tertiary Education Management.

### **Pathways research**

#### **Qualifications Framework for Applied Design in Industry**

The VQA has continued its contribution to the building of Victoria's design capacity by supporting the Qualifications Framework for Applied Design in Industry with the completion of:

- a comprehensive set of guidelines which assist registered training organisations by providing advice on implementing the various components of the framework
- advice and sample programs on how training opportunities in applied design can best be taken up in a range of industries including amenity horticulture, automotive, aviation, beauty, chemical, hydrocarbons and oil refining, community and outdoor recreation, competitive manufacturing, electrotechnology, engineering, funeral, furnishing, manufactured mineral products, plastics, rubber and cable making, rural production, transport and distribution
- a suite of resources including posters, presentations, an image library, worksheets and assessment tasks suitable for providers to use and customise to their industry
- the establishment of the Applied Design in Industry Advisory Service which provides an information and advice service to public and private providers and individual trainers/teachers on qualifications, program development, ideas, tools, information and support materials.

Resources have been widely distributed, a website developed and networking opportunities fostered to enhance the sustainability of the Applied Design in Industry initiative.

### **Recognition of informal learning**

The VQA is working with the Adult, Community and Further Education Board to explore a new approach for recognition of informal learning based on 'learning gain'. The Recognition of Informal Learning project has developed a unit of competency using discussion-based assessment that describes the complexity and volume of learning stemming from informal learning.

In 2005, the new approach was trialed with learners in ACE and VET settings and senior secondary schools. Trained and qualified assessors conducted discussion-based assessments with candidates.

The trial showed that the model has the potential to help individuals to have a better understanding of their own learning and the confidence to undertake further learning. Outcomes from the trial and subsequent evaluation were presented to the VQA Board in February 2006. In response, the Board has supported further exploration and development that focuses on making the process meaningful and useful to learners, assessors and employers.

### **Making qualifications work for Koorie communities**

The VQA has developed the prototype of an online resource, the *Victorian Catalogue for Indigenous Studies*. This initiative evolved from a forum attended by various organisations and individuals involved with Koorie education and training. The catalogue is intended as a central, coherent and accessible resource to complement existing resources and strategies. It provides a composite point of reference that identifies qualifications, courses, units and related resource materials which can support programs particularly designed for Indigenous students and Indigenous studies.

Ongoing work on this project will include the promotion and addition of more materials to maintain the catalogue's currency.

## **Recognition of learning gained from employment**

A report which analysed key issues and outlined preferred options in senior secondary qualifications was provided to the June 2005 VQA Board meeting.

Further work on this project may be considered in the context of the RIL pilot project which recommended mapping the Australian Chamber of Commerce and Industry/Business Council of Australia Employability Skills Framework to the Credit Matrix descriptors. It is proposed that once the mapping is complete, a trial using the RIL model's methodology could be undertaken to evaluate its suitability as a strategy for recognising learning gained from employment.

## **Monitoring and research activities**

### **October scanning**

As part of its strategic planning, the Board is provided each year with a report on the major themes in qualifications and pathways development and thinking, both in Australia and overseas. This year's report was prepared by the Centre for Post-Compulsory Education and Lifelong Learning at Melbourne University. The report outlined significant trends as well as highlighting specific issues, policy implications and possible directions for the Board's consideration. Tensions were also identified within qualifications and pathways under four broad themes: participation and opportunities; standards and recognition; seamlessness, flexibility and knowledge; and pathways and provision. A copy of the report can be obtained through the VQA website.

### **The future landscape for qualifications**

A collection of six papers was commissioned to reflect on the major challenges likely to define the landscape of qualifications and pathways over the next decade. The authors had a range of practical experience of, and insight into, the post-compulsory system and a record of creative forward thinking. The resulting papers identified a number of pressing and emerging themes, including the need to resolve the tensions between:

- regulation and flexibility
- qualifications as system accountability measures and as personal learning targets
- qualifications as a selection instrument and as records of achievement
- descriptive qualifications frameworks and credit-promoting qualifications frameworks.

A CD-ROM of the papers was prepared and widely distributed, and is available through the VQA website.

## **Rangefinder projects**

Each year the VQA undertakes a program of small-scale Rangefinder projects to research and evaluate the potential of a topic for further development in enhancing student pathways, improving linkages between qualifications or to fill gaps in the Victorian qualifications landscape. In 2005–06, Rangefinder projects were conducted on the following topics.

### **Agricultural Industries Careers and Training Pathways project**

The VQA's investigation of the qualifications needs of rural and regional communities in late 2004 recommended that career and training pathways be described for each sector of agriculture. This was endorsed at an industry forum convened by the VQA in November 2005.

Primary Skills Victoria produced a description of possible pathways in the dairy, beef, grains, sheep and wool, and nursery production sectors. The primary target group for the project deliverables will be young people considering a career in agriculture. Stakeholders from each sector are contributing to the project, which will be completed in late 2006.

### **Short Courses project**

The VQA, in association with the Victorian TAFE Association, commissioned a project to investigate the role and popularity of short courses in TAFE institutes. The project examined a range of issues related to pathways and quality assurance, including the diversity of available short courses, bridging programs, unclassified courses, and accredited courses that are not matched to the Australian Qualifications Framework.

The project findings noted that state and national data collections are unable to provide an accurate overview of short course provision and pathways, and a number of quality assurance issues – internal quality assurance processes of approval of short courses, consistent terminology and ensuring that certification was occurring to institute standards for their own locally approved short courses.

The second phase of the Short Courses project addressed these outcomes with the development of a set of guidelines for consistent referencing of short course terminology and strengthening of quality assurance practices. The consultation for the guidelines included representatives from Australian Council for Private Education and Training, the Victorian TAFE Association and the CAE.

### **Skill sets project**

Recent national projects and the February 2006 Council of Australian Governments meeting have reinforced the national interest in skill sets. The VQA contributed to the Victorian response to a model proposed for the drafting of protocols for the development of skill sets within training packages.

The national projects focus on training packages and the VQA project complements and extends this national work by investigating state-based activity in this area. Centred on a series of case studies, this project contains a review of the Victorian skill set landscape, making reference to national and international practice in this area. The review recommended that the VQA continue research to further define and develop consistent use of skill sets.

### **Pathways Diploma**

The case for a Pathways Diploma was first put forward by the Victorian TAFE Association as a result of their research and consultation on expanding post-school education pathways. The VQA undertook further consultations with selected TAFE Specialist Centres to refine the essential features of a Pathways Diploma. The draft project brief was approved by the VQA Board working party in early 2006.

The Pathways Diploma project is intended to complement training package qualification provision and contribute to increasing the uptake of higher level VET qualifications. This aim was highlighted in the VET inquiry and in the 2006 publication *Maintaining the Advantage: Skilled Victorians*, a Victorian Government initiative.

The proposed Pathways Diploma will be designed as a post-senior secondary VET qualification at Australian Qualifications Framework 5. It will offer pathways into employment and higher education, and provides learning and training in selected vocational areas augmented by the inclusion of high-level applied and conceptual knowledge. The qualification will be flexible yet rigorous and designed to meet local and regional conditions.

An expression of interest process has been established to test the levels of interest in such a diploma. Discussions are continuing with stakeholders to ensure their support for the proposal.

### **Connect**

In response to the Dusseldorp Skills Forum report, *Setting the Pace*, which recommended further development of an integrated system of 'second chance' opportunities for early school leavers to achieve Year 12 or an apprenticeship, the VQA Board has commenced a project to assess the suitability of a new credit and recognition framework to provide better support to adults completing an existing Year 12 certificate.

The proposed Connect Framework draws on the Credit Matrix and is based on existing courses with improved credit relationships and pathways and accompanied by a range of clear recognition strategies. While still in the consultation stage, the positive responses to the proposal suggest that it has the potential to contribute to the Victorian Government commitment to improving pathways and making it easier for people to return to education and training as recently outlined in *Maintaining the Advantage: Skilled Victorians*.

## VET qualifications and pathways of refugees in Victoria

A study was conducted into whether refugee students in vocational education and training have any specific needs regarding qualifications and pathways. This was undertaken as part of the VQA Board's interest in making a difference for groups under-represented in qualifications achievement. Judith Miralles and Associates were engaged to manage the project which consisted of three main components: consultations with various organisations and providers working in the field, focus groups with three communities (the Sudanese, Iraqi and Balkan communities), and a roundtable discussion with key policy and program managers in refugee vocational training to confirm findings and explore proposed initiatives.

## Enhancing quality assurance

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Quality assurance is an approach to ensuring that the quality of a product or service is consistent with a set of standards. The VQA has four statutory quality assurance functions:

- accreditation of post-compulsory courses, including the VCE, the VCAL and VET courses
- registration and audit of post-compulsory providers
- certification of student learning outcomes (the awarding and issuing of qualifications)
- approval of providers of courses for overseas students.

In the VET sector, the registration and audit activities of the VQA have been delegated by the Board to the Office of Training and Tertiary Education. They must comply with the nationally agreed Australian Quality Training Framework Standards for State and Territory Registering/ Course Accrediting Bodies, which came into effect on 1 July 2002.

All States and Territories must advise the National Training Quality Council on their compliance with the national standards that cover the registration and audit of training organisations and related processes.

In 2005–06, the VQA and its delegate were externally audited by the National Centre for Vocational Education Research to assess their compliance with the Australian Quality Training Framework Standards.

In July 2005, the VQA commissioned consultants PhillipsKPA to review the VQA's registration and audit functions with particular reference to their impact on teaching, learning and assessment. The recommendations in the report presented to the VQA Board in December 2005 placed particular emphasis on:

- improving the consistency and rigour of registration and audit processes
- increasing the focus of audits on student outcomes and matters relating to the quality of teaching and learning
- developing incentives for providers to adopt an approach based on continuous quality improvement.

As a response to these recommendations a work program of three major projects was organised. The first project involved developing a regulatory and risk framework that will link providers' track records to the level of quality intervention, the level of fees charged and the extent of delegation offered. The second project concentrated on developing enhancements for audit procedures including ways of incorporating industry knowledge into the audit system. The third project focused on outcomes-based audits and on tiered approaches to delegation.

These three projects constitute a significant and urgent reform agenda that will need to be carried forward by the new VRQA.

A new initiative undertaken by the VQA in 2005–06 was the provision of professional development around TAA04, the Training and Assessment training package. Workshops were conducted for Australian Council for Private Education and Training members, training recognition consultants and auditors.

A further quality improvement initiative implemented in the first half of 2006 was the evaluation of the VQA's accreditation function.

Recommendations arising from this review have been used to streamline the accreditation process and improve advice and communication with course developers.

### **Accreditation**

The VQA is the responsible body for accrediting all post-compulsory qualifications delivered in Victoria, except higher education qualifications.

### **National training packages**

The VQA evaluates new and reviewed training packages in partnership with the Office of Training and Tertiary Education. Training packages are developed nationally by industry to ensure that they reflect workplace standards and a viable vocational outcome. Training package qualifications are endorsed by each State and Territory Minister with responsibility for vocational education.

### **Reviewed training packages**

The following training packages were reviewed during the reporting period:

- Beauty Therapy
- Civil Construction
- Electricity Supply Industry – Generation Section
- Electricity Supply Industry – Transmission Distribution and Rail Sector
- Electrotechnology
- General Construction
- General Construction and Plumbing
- Meat Industry
- Public Safety
- Textiles, Clothing and Footwear.

### **Accreditation of VET courses**

The VQA monitors quality assurance procedures as part of its commitment to continuous improvement of the course accreditation process. A critical evaluation of the VQA process for accrediting courses was completed in June 2006. Extensive consultation was a feature of the evaluation and the outcome will result in a number of recommendations being implemented to further streamline and enhance the quality assurance process for clients wishing to accredit courses.

Vocational Graduate Certificates and Vocational Graduate Diplomas have been added to the Australian Qualifications Framework and may be included as qualifications in training packages, and be accredited as courses through State and Territory accrediting bodies.

A national course-accrediting bodies network initiated by the VQA in 2004 met in October 2005 and April 2006 and continues to focus on increasing national consistency in course accreditation.

### *VET accreditation activities*

	2005–06	2004–05
New courses accredited	43	52
Courses reaccredited	38	36
Course accreditations extended (for maximum of 12 months)	149	54
Courses deleted (no new enrolments permitted)	138	203

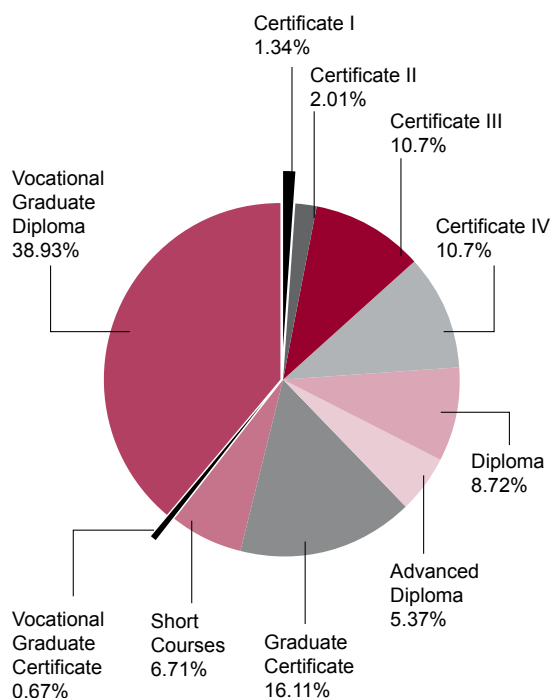
The level of accreditation activity reflects the ongoing demand in Victoria for vocational education courses outside the list of available national training packages. These courses extend the range available by providing flexibility and responsiveness to local employment and training needs.



*VET courses accredited and reaccredited, 2004–05 and 2005–06*



*VET course accreditations by qualification title, 2005–06*



**Registration of providers**

The VQA exercises its responsibility for the registration and audit of providers of vocational education and training and further education through delegation to the Higher Education and Regulation Division of the Department of Education & Training. The delegation is undertaken according to the requirements of the Australian Quality Training Framework Standards and in accordance with a service agreement.

*Number of providers as at 30 June 2006 and at 30 June 2005*

Category	30 June 2006	30 June 2005
Commercial training organisation	606	555
Community access centre	135	139
Enterprise-based organisation	78	94
Industry organisation	154	164
Private school	51	52
Government school	72	71
Adult education centre	100	97
Professional association	11	12
Adult migrant education	2	1
TAFE institutes	20	20
Local government	2	2
Other government	4	3
<b>Total</b>	<b>1235</b>	<b>1210</b>

*Number of new providers registered 1 July 2005 – 30 June 2006*

Category	1 July 2005 – 30 June 2006	1 July 2004 – 30 June 2005
Commercial training organisation	108	117
Community access centre	3	–
Enterprise-based organisation	5	12
Industry organisation	2	6
Private school	3	1
Government school	3	4
Adult education centre	4	3
Professional association	–	4
Local government	–	–
Other government	1	1
<b>Total</b>	<b>129</b>	<b>148</b>



### **Education services for overseas students**

The VQA has statutory responsibility for approving specified courses to overseas students in the VET sector. This function is managed by the Higher Education and Regulation Division within the Office of Training and Tertiary Education under delegation from the VQA. In the reporting period 2005–06, 16 new providers were approved to provide specified courses to overseas students. The total number of providers currently approved under the authority of the VQA to provide specified courses to overseas students is 134.

As part of the Education Services for Overseas Students Reforms Taskforce, formed by the Commonwealth Department of Education, Science and Training, an Australian Education Systems Officials Committee National Code Action Group was formed to develop a new national code. The VQA established an intra-Departmental working group to brief the Victoria representative on the action group on an ongoing basis in relation to the development of the new national code. The outcome was a public exposure draft of the revised national code for industry and public comment.

The VQA is a member of the national Education Services for Overseas Students Implementation Group and a member of the national steering committee for a project on the Quality Assurance of English Language Intensive Courses for Overseas Students (ELICOS). The VQA is also undertaking an ELICOS mapping project to analyse and compare the requirements and processes for provider and course approval of courses and ongoing audit arrangements.

### **Professional development for course developers**

The VQA extended its professional development program for course developers from a half-day introductory information session to a series of three workshops. The Course Developers Workshop series is designed to provide support to intending developers, many of whom have had no prior experience in developing accreditation submissions. Training was offered twice in 2005–06 and was well received, with a total of 154 attendees.

Workshop 1 provided an overview of the VQA accreditation process and included training on completion of the 'intention to accredit' as well as advice on available resources. The second workshop focused on the features of competency-based training and included an activity on writing a unit of competency. The final session provided workshop activities in developing an accreditation submission.

### **Information session for organisations prior to registration**

As part of the delegation of authority, the Higher Education and Regulation Division of the Office of Training and Tertiary Education presented information sessions each month from February to December to provide organisations with an overview of the Victorian requirements for registration under the Australian Quality Training Framework.

Participants were sent an information kit to assist them in deciding whether or not their organisation should apply for registration. These pre-registration information sessions were attended by 173 participants.

### **Registration of providers and audit functions of the VQA**

The VQA Board has continued its investigation of quality assurance issues affecting education and training provision in Victoria. The Board received and endorsed a report from PhillipsKPA, the *Impact of the VQA's Registration of Providers and Audit Functions on Teaching, Learning and Assessment*, which investigated the effectiveness of the VQA's registration and audit functions in addressing key standards of teaching, learning and assessment from a user perspective.

The report evaluated quality issues in relation to the delegation of the VQA's registration of providers and audit functions and investigated opportunities for quality improvement in outcomes and outputs. It concluded that, when compared with the Australian Quality Training Framework, other international provider registration and quality assurance systems have a stronger focus on learner outcomes and the quality of learning. The report made a number of recommendations for a

more rigorous approach to provider registration and audit, including a greater focus on learner experiences and outcomes and on ways to place more emphasis on continuous quality improvement.

### **Appraisal of standards for registration of VCAL providers and quality assurance of VCAL programs**

The VQA commissioned Deakin University Faculty of Education to conduct a review of VCAL registration standards. The purpose of the review was to obtain qualitative information on the implementation of the VCAL and current standards of delivery. The review involved a representative sample of VCAL providers, including a range of government and private schools, ACE and TAFE providers.

Key issues relating to the delivery of VCAL were identified and an appraisal made of current registration standards for VCAL providers as well as quality assurance procedures and processes governing VCAL programs. The University of Melbourne Faculty of Education conducted a parallel audit report on the VCAL for the VQA. This project also made a number of recommendations in relation to standards for registration of VCAL providers.

### **Development of national standards for Foundation programs**

Foundation programs are nationally recognised courses for international students designed to equip them with the skills and capabilities needed to succeed in higher education programs. The Foundation programs provide an academic entry pathway to first-year undergraduate study or its equivalent. Currently these programs may originate in the higher education, vocational education and/or senior secondary sectors. The VQA has been contributing to a working group sponsored by the Commonwealth Department of Education, Science and Training to consider quality assurance issues relating to Foundation programs.

The VQA subsequently managed a project, jointly funded by the Commonwealth and Victorian governments and drawing on the expertise of the

Australian Council for Educational Research, to develop standards for Foundation programs to support the key criteria developed by the working group. The draft standards were the subject of further discussion by the working group and the various State and Territory bodies responsible for approving Foundation programs for delivery to international students. Subject to approval by the Australian Education Systems Officials Committee and the Ministerial Council on Education, Employment, Training and Youth Affairs, it is anticipated that the nationally agreed standards will be introduced from 2007.

### **VQA State Register project**

Since its inception the VQA has maintained a register of accredited post-compulsory qualifications, excluding higher education, and their providers as part of the VQA Act. The State Register has developed to meet the information needs of the VQA, stakeholders and the public.

Recent work has included defining business requirements and preparing the register for integration with the Credit Matrix. The integration of the system will allow the Credit Matrix to use register data for its operations and reduce duplication of resources.

## **Demonstrating good governance and management**

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### **Supporting the VQA Board**

#### **Governance arrangements**

During 2005–06, an independent analysis was carried out by Fischer and Associates as part of the annual appraisal of the VQA Board's performance. The report indicated that since its inception the VQA has carried out its required statutory functions, and the focus and time spent on policy and strategic items has been in line with the VQA's statutory responsibilities. The Board discussed whether or not there should be more regular discussion of the VQA's regulatory

role, notwithstanding the fact that the Audit Committee had taken over regular monitoring of the operational delegations, and agreed that the balance of Board topics was appropriate.

A stakeholder consultation was held in Ballarat prior to the Board's regular meeting in August 2005 to seek views on qualifications needs and issues in the region. The consultation was assisted by the generous support of the Central Highlands LLEN and the Ballarat City Council. Matters discussed at this meeting included the contribution to flexibility and responsiveness in vocational pathways made by the VCAL, and the importance of vocational pathways and local partnerships to meet the skills needs of the future.

The consultation was followed by a visit to MaxiTRANS, Australia's largest semi-trailer manufacturer. This highlighted the need for a multi-layered approach to dealing with skills shortages, including the need for better liaison with schools, increased job diversity within the company, better career planning, and identification of training required to take on supervisor and team leader positions within the company.

An extended meeting of the VQA Board was held in October 2005 to begin drawing up a corporate plan and business plan for 2006–07. This meeting was supported by a number of strategy papers on key issues. A draft corporate plan was developed and refined over successive meetings of the Board.

PricewaterhouseCoopers conducted two workshops on the VQA's high-level risk strategy with the VQA Audit Committee and management team during June and July 2005. The workshops identified the major risks confronting the organisation and determined appropriate control and mitigation strategies.

## VQA's organisational practice

### Communication and relationship building

In 2005–06, the VQA continued to publish information for stakeholders, including three editions of *VQA Update* and information on specific projects such as accreditation and the Credit Matrix. The VQA's website content management system was upgraded, improving the currency and accessibility of information.

Stakeholder relations have been strengthened through the VQA's communication strategy, corporate planning meetings, joint project activity and consultation meetings. The Director of the VQA is a member of the Department of Education & Training Portfolio Board under the Departmental governance arrangements and VQA staff have participated in a range of Departmental portfolio executive committees. Joint steering or reference groups overseeing VQA projects have appropriate Department of Education & Training, statutory authority and stakeholder membership. VQA staff continue to contribute to working and steering groups, providing input to projects initiated by the Department of Education & Training and colleague statutory authorities.

The third annual VQA lecture *Moving Mountains: How Can Qualification Systems Promote Lifelong Learning?* was presented by Patrick Werquin of the OECD Directorate of Education. Dr Werquin reported on a recently completed international study of the ways in which qualification systems can support and promote lifelong learning. The lecture marked the fifth anniversary of the Kirby review of post-compulsory education and training pathways.

The VQA has contributed to Victoria's high standing in education and training through the publication of articles and papers, participation in programs for overseas visitors to Victoria, presentations to conferences in Australia and beyond, and consolidation of links with other qualifications authorities around the world. The VQA continues to participate in the CEO meetings of the Australasian Curriculum Assessment Certification Authorities and meetings of the Chairs of registration course accreditation bodies.

### Good governance and management links

An independent survey on stakeholder perceptions of VQA performance was conducted during May 2006 and will be reported to the VQA Board in August as part of its stocktake activities. The survey was sent to a range of internal and external stakeholders seeking feedback on their perceptions of VQA performance in all three strategic areas of the VQA Corporate Plan: building pathways and credit bridges, enhancing quality assurance and demonstrating good governance and management.

An internal review of the VQA's governance model has proceeded, working with the Victorian Learning and Employment Skills secretariat as applicable. The VQA Audit Committee has provided guidance and the review was completed in June. An internal audit of the VQA's governance arrangements will be undertaken through the Department of Education & Training and reported to the VQA Board in August.

VQA staff and Department of Education & Training staff worked together to develop a more rigorous and consistent approach to project management across the Department. Materials from the Department's Project Management Framework were trialed in several VQA projects

and improvements were made to project management processes and templates as a result. Improvements to project monitoring and evaluation processes have been a particular focus for the VQA during 2006.

VQA staff worked with the Victorian Curriculum and Assessment Authority and the Department of Education & Training to improve processes for preparing timely and informative quantitative monitoring reports on post-compulsory qualifications for the VQA Board. A particular focus during 2006 has been the establishment of processes to ensure effective monitoring of student participation in and outcomes of the International Baccalaureate (Diploma).

# Financial Report

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# Operating statement

## for the financial year ended 30 June 2006

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	Notes	2006 \$	2005 \$
<b>Revenue from ordinary activities</b>			
Revenue	2(a)(b)	4,914,776	5,329,876
Resources received free of charge or for nominal consideration	5	91,320	–
<b>Total income</b>		<b>5,006,096</b>	5,329,876
<b>Expenses</b>			
Employee benefit expense	2(c)	2,966,221	2,737,171
Depreciation and amortisation expense	2(d)	46,968	29,322
Grants and other payments	2(e)	415,185	1,152,109
Supplies and services	2(f)	1,723,226	1,733,562
Other expenses		38,813	30,735
<b>Total expenses</b>		<b>5,190,413</b>	5,682,899
<b>Net result from continuing operations</b>		<b>(184,317)</b>	(353,023)
<b>Net result for the period</b>		<b>(184,317)</b>	(353,023)

Notes to the financial statements are included on pages 39–53

## Balance sheet as at 30 June 2006

	Notes	2006 \$	2005 \$
<b>Current assets</b>			
Cash and cash equivalents	3, 9	4,207,845	2,737,705
Receivables	4	12,497	4,651
<b>Total current assets</b>		<b>4,220,342</b>	<b>2,742,356</b>
<b>Non-current assets</b>			
Property, plant and equipment	6	88,496	115,446
<b>Total non-current assets</b>		<b>88,496</b>	<b>115,446</b>
<b>Total assets</b>		<b>4,308,838</b>	<b>2,857,802</b>
<b>Current liabilities</b>			
Payables	7	2,439,898	914,766
Unearned income		2,628	–
Provisions	10	633,804	541,191
<b>Total current liabilities</b>		<b>3,076,330</b>	<b>1,455,957</b>
<b>Non-current liabilities</b>			
Provisions	10	54,247	39,267
<b>Total non-current liabilities</b>		<b>54,247</b>	<b>39,267</b>
<b>Total liabilities</b>		<b>3,130,577</b>	<b>1,495,224</b>
<b>Net assets</b>		<b>1,178,261</b>	<b>1,362,578</b>
<b>Equity</b>			
Accumulated surplus	8	1,178,261	1,362,578
<b>Total equity</b>		<b>1,178,261</b>	<b>1,362,578</b>

Notes to the financial statements are included on pages 39–53



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

	Notes	2006 \$	2005 \$
Gain/(loss) on property revaluation		-	-
Share of increments in reserves attributable to associates		-	-
Share of increments in reserves attributable to jointly controlled entities		-	-
Available-for-sale investments		-	-
Gain/(loss) taken to equity		-	-
Transferred to profit or loss for the period		-	-
Other		-	-
<b>Net income recognised directly in equity</b>		-	-
Net result for the period	2	(184,317)	(353,023)
<b>Total recognised income and expense for the period</b>		(184,317)	(353,023)
Effects of changes in accounting policy		-	-
Effects of correction of errors		-	-
		-	-

Notes to the financial statements are included on pages 39–53

## Cash flow statement for the financial year ended 30 June 2006

	Notes	2006 \$	2005 \$
<b>Cash flows from operating activities</b>			
Receipts from Government		3,489,570	4,052,166
Receipts from other entities		1,239,780	1,159,605
Payments to suppliers and employees		(3,632,628)	(5,301,549)
Goods and services tax recovered from the ATO		228,116	170,435
Interest received		185,233	171,263
<b>Net cash provided by/(used in) operating activities</b>	15	<b>1,510,071</b>	<b>251,920</b>
<b>Cash flows from investing activities</b>			
Payments for property, plant and equipment		(39,931)	(91,120)
<b>Net cash provided by/(used in) investing activities</b>		<b>(39,931)</b>	<b>(91,120)</b>
<b>Net increase/(decrease) in cash held</b>		<b>1,470,140</b>	<b>160,800</b>
<b>Cash and cash equivalents at the beginning of the financial year</b>		<b>2,737,705</b>	<b>2,576,905</b>
<b>Cash and cash equivalents at the end of the financial year</b>		<b>4,207,845</b>	<b>2,737,705</b>

Notes to the financial statements are included on pages 39–53

# Notes to the financial statements for the financial year ended 30 June 2006

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## NOTE 1 Summary of accounting policies

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### Statement of compliance

This 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. Australian Standards include Australian equivalents to International Financial Reporting Standards (A-IFRS).

The financial statements were authorised for issue by R. Cooper-Thomas (Chief Finance and Accounting Officer – Victorian Qualifications Authority) on 13 September 2006.

### Basis of preparation

The financial report has been prepared on the basis of historical cost, 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. Revisions 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 VQA 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 the Australian Equivalents to International Financial Reporting Standards', with 1 July 2004 as the date of transition.

The VQA 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 VQA's date of transition, except for the accounting policies in respect of financial instruments. The VQA has not restated comparative information for financial instruments, including derivatives, 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 change in these accounting policies are discussed further in note 1(p).

#### **a) Reporting entity**

The *Victorian Qualifications Authority Act 2000* established the VQA as an independent state-owned public authority. As an independent public authority the VQA is a separate legal entity and accountable for resources under its control. Section 17 of the Act requires that a separate VQA Fund is created to account for all money received

by the Authority. The Act was proclaimed to have effect from 1 March 2001.

### **b) Objectives and funding**

The VQA's objectives are to:

- develop and monitor standards for education and training normally undertaken in, or designed to be undertaken in the years after Year 10;
- ensure and support appropriate linkages between qualifications;
- facilitate procedures which make it easier for people to re-enter education and training and acquire qualifications throughout their lives.

The VQA is predominantly funded by grants from the Department of Education & Training. The VQA charges fees for the registration of providers. The fees charged are determined on a cost recovery basis.

### **c) Goods and services tax**

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.

### **d) Cash and cash equivalents**

Cash and cash equivalents comprise cash on hand and cash in banks and investment in money market instruments, net of outstanding bank overdrafts. Bank overdrafts are shown within interest-bearing liabilities in current liabilities in the balance sheet.

### **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) Depreciation**

Depreciation is calculated on a straight-line basis so as to write off the net cost or other revalued amount of each asset over its estimated useful life to its estimated residual value. Leasehold improvements are depreciated over the period of the lease or estimated useful life, whichever is the shorter, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each annual reporting period.

The following estimated useful lives are used in the calculation of depreciation.

	Useful life years
Computer equipment	3
Office equipment and furniture	5-10

### **g) Impairment of assets**

Assets are assessed annually for indications of impairment. 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 change 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.

The recoverable amount for most assets is measured at the higher of depreciated replacement cost and fair value less costs to sell. It is deemed that, in the event of the loss of an asset, the future economic benefits arising from the use of the asset will be replaced unless a specific decision to the contrary has been made.

## **h) 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.

All annual leave and unconditional vested long service leave representing 7+ years of continuous service is:

- (i) disclosed in accordance with AASB 101 as a current liability even where the VQA does not expect to settle the liability within 12 months as it will not have the unconditional right to defer the settlement of the entitlement should an employee take leave within 12 months
- (ii) measured at:
  - nominal value under AASB 119 where a component of this current liability is expected to fall due within 12 months after the end of the period
  - present value under AASB 119 where the entity does not expect to settle a component of this current liability within 12 months.

Long service leave representing less than 7 years of continuous service is:

- (i) disclosed in accordance with AASB 101 as a non-current liability
- (ii) measured at present value under AASB 119 as the VQA does not expect to settle this non-current liability within 12 months.

## **Superannuation**

### *Defined contributions plan*

Contributions to defined contribution superannuation plans are expensed when incurred.

### *Defined benefit plans*

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

The VQA does not recognise any defined benefit surplus and/or liability in respect of the superannuation plan because the VQA 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 and surplus in its financial report.

## **i) Revenue recognition**

Amounts disclosed as revenue are, where applicable, net of returns, allowances and duties, and taxes. Revenue is recognised for each of the major activities as follows:

### **Grants**

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

### **Fees**

Fees are recognised in the period received.

### **Interest revenue**

Interest revenue is recognised on a time proportionate basis that takes into account the effective yield on the financial asset.

## **j) 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.

## **k) Payables**

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

## **l) 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.

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. Revaluations are assessed annually and supplemented by independent assessments, at least every three years.

Revaluations are conducted in accordance with the Victorian Government Policy – Revaluation of Non-Current Physical Assets.

Revaluation increments are credited directly to the asset revaluation reserve, except that, to the extent that an increment reverses a revaluation decrement in respect of that class of asset previously recognised as an expense in net result, the increment is recognised immediately as revenue in the net result.

Revaluation decrements are recognised immediately as expenses in the net result, except that, to the extent that a credit balance exists in the asset revaluation reserve in respect of the same class of assets, they are debited directly to the asset revaluation reserve.

Revaluation increments and decrements are offset against one another within a class of non-current assets.

**m) 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.

The VQA shares accommodation with the Department of Education & Training the cost of which is not charged to the VQA. The value is recognised in the operating statement as an expense offset by an increase to revenue as resources received free of charge.

While payroll and accounts payable services are provided from centralised functions controlled by the Department of Education & Training, no estimate of the cost of these services is included in these accounts since these amounts are not readily quantifiable.

**n) Functional and presentation currency**

The functional currency of the Authority is the Australian dollar, which has also been identified as the presentation currency.

**o) Rounding of amounts**

Amounts in the financial report have been rounded to the nearest dollar.

**p) Comparative information – financial instruments**

The VQA 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(k) and 1(j). The following accounting policies were applied to accounting for financial instruments in the comparative financial year:

**(i) Payables**

Payables represent liabilities for goods and services provided to the VQA 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.

**(ii) 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 uncollectible are written off. A provision for doubtful debts is raised when some doubt as to collection exists.

There is no impact from the changes in accounting policies for financial instruments on the balance sheet.



## NOTE 2 Net result from operations

	2006 \$	2005 \$
<b>(a) Revenue from Government</b>		
State Government grants	3,489,570	4,052,166
Resources received free of charge or for nominal consideration	91,320	–
	<b>3,580,890</b>	<b>4,052,166</b>
<b>(b) Revenue from other parties</b>		
Registration and accreditation fees	1,223,574	1,106,447
Interest	185,233	171,263
Other revenue	16,399	–
	<b>1,425,206</b>	<b>1,277,710</b>
<b>Net loss</b>		
Carrying amount of assets disposed	19,913	12,335
<b>Loss on disposal of assets</b>	<b>19,913</b>	<b>12,335</b>
<b>Expenses</b>		
<b>(c) Employee benefits</b>		
Salary and wages	2,245,894	2,019,857
Superannuation	261,295	243,944
Annual leave and long service leave expense	273,998	302,365
Other oncosts (fringe benefits tax, payroll tax and WorkCover levy)	185,034	171,005
<b>Total employee benefits</b>	<b>2,966,221</b>	<b>2,737,171</b>
<b>(d) Depreciation</b>		
Computers and peripheral equipment	36,341	26,663
Office equipment and furniture	4,931	1,917
<b>Amortisation</b>		
Leasehold Improvements	5,696	742
<b>Total depreciation and amortisation</b>	<b>46,968</b>	<b>29,322</b>
<b>(e) Grants and other payments</b>		
Transfer payments to the Department of Education & Training	43,526	23,944
Grants to the Victorian Curriculum and Assessment Authority	–	396,000
Grants to TAFE colleges	12,136	341,858
Grants to non-government schools	–	11,000
Grants to government schools	302,250	322,393
Grants to external organisations	57,273	56,914
<b>Total grants and other payments</b>	<b>415,185</b>	<b>1,152,109</b>
<b>(f) Supplies and services</b>		
Travel	82,640	59,296
Printing	83,567	133,768
Contractors/Consultants/Board members	1,175,334	1,176,844
Accommodation	91,320	–
Administration & other expenses	290,365	363,654
<b>Total supplies and services</b>	<b>1,723,226</b>	<b>1,733,562</b>

## NOTE 3 Cash and cash equivalents

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	2006 \$	2005 \$
Cash at bank and on hand	4,207,845	2,737,705

The above figures are reconciled to cash at the end of the financial year as shown in the statement of cash flows.

## NOTE 4 Receivables

---

	2006 \$	2005 \$
<b>Current</b>		
Debtors	975	782
GST receivable	11,522	3,869
<b>Total current receivables</b>	<b>12,497</b>	<b>4,651</b>

## NOTE 5 Resources received free of charge

---

	2006 \$	2005 \$
Accommodation	91,320	-
<b>Total</b>	<b>91,320</b>	<b>-</b>

The amounts relate to the premises occupied by the VQA at level 2, 33 St Andrews Place, East Melbourne. Property rentals and outgoings were paid by the Department of Education & Training. The amounts are recognised in the operating statement as an expense and offset to revenue as resources received free of charge.

## NOTE 6 Property, plant and equipment

	2006 \$	2005 \$
Plant and equipment		
At cost	73,578	121,687
Less: Accumulated depreciation	(55,337)	(95,061)
	18,241	26,626
Leasehold improvements		
At cost	75,951	88,820
Less: Accumulated amortisation	(5,696)	–
	70,255	88,820
Total property, plant and equipment including work in progress	88,496	115,446

### 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.

	Computers and peripheral equipment \$	Office equipment and furniture \$	Leasehold improvements \$	Total \$
Carrying amount at start of year	24,075	2,551	88,820	115,446
Additions	37,929	2,002	–	39,931
Transfers	–	12,869	(12,869)	–
Disposals	(19,635)	(278)	–	(19,913)
Depreciation/amortisation (note 3)	(33,196)	(8,076)	(5,696)	(46,968)
Carrying amount at end of year	9,173	9,068	70,255	88,496

## NOTE 7 Payables

	2006 \$	2005 \$
Trade creditors	140,379	829,675
Accrued expenses	2,245,396	42,782
Accrued salaries, wages and oncosts	54,123	42,309
	2,439,898	914,766

## NOTE 8 Equity and movements in equity

	2006 \$	2005 \$
<b>Accumulated surplus</b>		
Accumulated surplus as at beginning of reporting period	1,362,578	1,715,601
Net result for the reporting period	(184,317)	(353,023)
Accumulated surplus as at end of reporting period	1,178,261	1,362,578
Total equity at the end of financial year	1,178,261	1,362,578

## NOTE 9 Financial instruments

### (a) Interest rate risk exposures

The VQA's exposure to interest rate risk and the effective weighted average interest rate by maturity periods is set out in the following table.

	Weighted average interest rate	Floating interest rate \$	Fixed interest maturing in:			Non-interest bearing \$	Total \$
			1 year or less \$	Over 1 to 5 years \$	More than 5 years \$		
<b>2006</b>							
<b>Financial assets</b>							
Cash and cash equivalents	5.34%	4,207,845	-	-	-	-	4,207,845
Receivables		-	-	-	-	12,497	12,497
<b>Total</b>		4,207,845				12,497	4,220,342
<b>Financial liabilities</b>							
Payables		-	-	-	-	2,439,898	2,439,898
Other						2,628	2,628
<b>Total</b>		-	-	-	-	2,442,526	2,442,526
<b>Net financial assets (liabilities)</b>		4,207,845	-	-	-	(2,430,029)	1,777,816

2005	Weighted average interest rate	Floating interest rate \$	Fixed interest maturing in:			Non-interest bearing \$	Total \$
			1 year or less \$	Over 1 to 5 years \$	More than 5 years \$		
<b>Financial assets</b>							
Cash and cash equivalents	5.20%	2,737,705	–	–	–	–	2,737,705
Receivables		–	–	–	–	4,651	4,651
<b>Total</b>		2,737,705				4,651	2,742,356
<b>Financial liabilities</b>							
Payables		–	–	–	–	914,766	914,766
<b>Total</b>		–	–	–	–	914,766	914,766
<b>Net financial assets (liabilities)</b>		2,737,705	–	–	–	(910,115)	1,827,590

**(b) Net fair value of financial assets and liabilities**

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.

## NOTE 10 Employee benefits

	2006 \$	2005 \$
<b>(a) Provision for employee benefits</b>		
<b>Current</b>		
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	602,256	498,021
– Other long-term employee benefits that do not fall due within 12 months after the end of the period measured at present value	31,548	43,170
	<b>633,804</b>	541,191
<b>Non-current</b>		
Long service leave representing less than 7 years of continuous service measured at present value		
	54,247	39,267
Aggregate employee benefit liability	<b>688,051</b>	580,458

The following assumptions were adopted in measuring present values:

	2006 \$	2005 \$
<b>(b) Long service leave</b>		
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>(c) Superannuation</b>		
Name of scheme:		
State Superannuation Fund – Revised Scheme	17.0%	17.0%
State Superannuation Fund – New Scheme – 0% contributor	7.5%	7.5%
State Superannuation Fund – New Scheme – 3% contributor	8.8%	8.8%
State Superannuation Fund – New Scheme – 5% contributor	9.7%	9.7%
State Superannuation Fund – New Scheme – 7% contributor	10.5%	10.5%
VicSuper*	9.0%	9.0%
State Employees Retirement Benefits 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.

No liability is recognised in the balance sheet for the VQA's share of the State's unfunded superannuation liability. The State's unfunded superannuation liability or surplus 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 operating statement of the VQA.

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

	Contribution for the year 2006 \$	Contribution for the year 2005 \$
<b>Government Employees' Superannuation Fund</b>		
State Superannuation Fund (defined benefit scheme)	156,815	147,354
VicSuper (accumulation scheme)	98,220	92,392
State Employees Retirement Benefits Scheme (defined benefit scheme)	2,910	2,979
Various other schemes	3,350	1,219
Total	261,295	243,944

The bases for contributions are determined by the various schemes.

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

	2006	2005
Number of employees at end of year	24	25
<b>Total</b>	<b>24</b>	<b>25</b>

## NOTE 11 Responsible persons

---

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

### **Names**

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

<b>Minister for Education and Training</b>	Ms Lynne Kosky, MP	
<b>Accountable Officer</b>	Dr Dennis Gunning	
<b>Board members</b>	Professor Gerald Burke (Chair)	
	Ms Wendy Brabham	from 24 January 2006
	Mr Paul Briggs	to 2 August 2005
	Ms Cheryl Glowrey	
	Mr Stuart Hamilton	
	Mr Grant Hehir	
	Ms Linda Heron	
	Mr Paul Herrick	
	Mr Leigh Hubbard	
	Ms Julie Moss	
	Ms Virginia Simmons	
	Mr Peter Thomas	
	Professor Barbara van Ernst	
	Ms Anna Vlass	
	Ms Lynne Wannan	
	Mrs Elizabeth Ward	

### **Remuneration**

The number of Executive Officers (including the Accountable Officer) whose remuneration exceeded \$100,000 during the reporting period are shown below in their relevant income bands. Total remuneration includes long service leave payments and bonuses paid at the end of contracts. Base remuneration is exclusive of these payments.



Income band	Total remuneration		Base remuneration	
	2006	2005	2006	2005
\$130,000–139,999			1	
\$140,000–149,999	1			
\$180,000–189,999				1
\$200,000–209,999		1	1	
\$210,000–219,999	1			
<b>Total</b>	<b>2</b>	<b>1</b>	<b>2</b>	<b>1</b>

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

The number of members of the Board whose emolument/remuneration fell within the following bands were:

Income band	2006	2005
\$0–\$9,999	15	16
\$30,000–\$39,999	1	1
<b>Total</b>	<b>16</b>	<b>17</b>
Total remuneration received, or due and receivable by board members amounts to		
	<b>\$45,814</b>	\$41,208

### **Other transactions**

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

## NOTE 12 Remuneration of auditors

	2006 \$	2005 \$
Audit or Review of the financial report	18,900	18,400
Other non-audit services	–	–
<b>Total audit fees</b>	<b>18,900</b>	<b>18,400</b>

## NOTE 13 Contingent liabilities and contingent assets

There are no contingent liabilities and contingent assets to be disclosed in the financial period.  
(2005 – nil.)

## NOTE 14 Commitments for expenditure

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There are no commitments for expenditure to be disclosed in the financial period. (2005 – nil.)

## NOTE 15 Reconciliation of net result for the reporting period to net cash inflow from operating activities

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	2006 \$	2005 \$
Net result for the reporting period	(184,317)	(353,023)
Depreciation and amortisation	46,968	29,322
Net (gain)/loss on sale of non-current assets	19,913	12,335
Resources received free of charge for nominal consideration	(91,320)	
Value of accommodation expenses	91,320	
Change in operating assets and liabilities, net of effects from restructuring		
Decrease (increase) in receivables	(7,846)	53,158
Increase (decrease) in payables	1,527,760	434,524
Increase (decrease) in employee entitlements	107,593	75,604
<b>Net cash inflow from operating activities</b>	<b>1,510,071</b>	<b>251,920</b>

## NOTE 16 Events occurring after reporting date

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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 Authority in subsequent financial years.

## NOTE 17 Impacts of the adoption of Australian equivalents to International Financial Reporting Standards

The VQA 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 Equivalent to International Financial Reporting Standards', with 1 July 2004 as the date

of transition. The VQA changed its accounting policies for financial instruments effective from 1 July 2005 (refer note 1).

The transition from superseded policies to A-IFRS has had no material impact on the VQA's financial performance and cash flows.

### **Effect of A-IFRS on the Balance sheet as at 30 June 2005**

	Note	Superseded policies 2005 \$	Effect of transition to A-IFRS	A-IFRS 2005 \$
<b>Current assets</b>				
Cash and cash equivalents		2,737,705		2,737,705
Receivables		4,651		4,651
<b>Total current assets</b>		<b>2,742,356</b>		<b>2,742,356</b>
<b>Non-current assets</b>				
Property, plant and equipment		115,446		115,446
<b>Total non-current assets</b>		<b>115,446</b>		<b>115,446</b>
<b>Total assets</b>		<b>2,857,802</b>		<b>2,857,802</b>
<b>Current liabilities</b>				
Payables		914,766		914,766
Provisions	(a)	217,515	323,676	541,191
<b>Total current liabilities</b>		<b>1,132,281</b>		<b>1,455,957</b>
<b>Non-current liabilities</b>				
Provisions	(a)	362,943	(323,676)	39,267
<b>Total non-current liabilities</b>		<b>362,943</b>		<b>39,267</b>
<b>Total liabilities</b>		<b>1,495,224</b>		<b>1,495,224</b>
<b>Net assets</b>		<b>1,362,578</b>		<b>1,362,578</b>
<b>Equity</b>				
Accumulated surplus		1,362,578		1,362,578
<b>Total equity</b>		<b>1,362,578</b>		<b>1,362,578</b>

### **Notes to the reconciliation of income and equity**

(a) represents change in employee entitlements from non-current to current liabilities

### **Accountable officer's and chief finance and accounting officer's declaration**

We certify that the attached financial statements for the Victorian Qualifications Authority 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 Victorian Qualifications Authority as 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.



Mr Ron Cooper-Thomas  
Chief Finance and Accounting Officer  
Victorian Qualifications Authority

Melbourne  
13 September 2006



Dr Dennis Gunning  
Accountable Officer  
Victorian Qualifications Authority

Melbourne  
13 September 2006



Prof Gerald Burke  
Chair  
Victorian Qualifications Authority

Melbourne  
13 September 2006



AUDITOR GENERAL  
VICTORIA

**INDEPENDENT AUDIT REPORT**

**Victorian Qualifications Authority**

**To the Members of the Parliament of Victoria and Members of the Board of the Authority**

**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 Victorian Qualifications Authority included on its web site. The Board of the Victorian Qualifications Authority 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 Victorian Qualifications Authority 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.

*Members' Responsibility*

The Members of the Board of the Victorian Qualifications Authority are 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 members
- obtaining written confirmation regarding the material representations made in conjunction with the audit
- reviewing the overall presentation of information in the financial report.

Victorian Auditor-General's Office Level 34, 140 William Street, Melbourne Victoria 3000  
Telephone (03) 8601 7000 Facsimile (03) 8601 7010 Email [comments@audit.vic.gov.au](mailto:comments@audit.vic.gov.au) Website [www.audit.vic.gov.au](http://www.audit.vic.gov.au)

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Auditing in the Public Interest



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 Authority'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 Victorian Qualifications Authority as at 30 June 2006 and its financial performance and cash flows for the year then ended.

MELBOURNE  
19 September 2006

  
JW CAMERON  
Auditor-General

# Appendices

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## APPENDIX 1

### Wider policy frameworks

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The VQA operates within the financial, asset, human resource and information technology policy frameworks of the Department of Education & Training.

#### Staffing guidelines

The staffing guidelines were issued by the Department of Education & Training in March 2001. They are used by managers and staff to support effective human resource practices.

Policies set out in the guidelines provide for:

- establishment and maintenance of a workforce plan that provides sufficient flexibility to meet changing work demands
- alignment of the staffing profile to the work priorities of the work unit
- application of the principles of merit, fairness and diversity in all human resource practices
- recruitment of the best possible available staff from inside or outside the organisation
- merit-based selection processes for all advertised positions
- staff development that enhances career potential and supports continuous skills development of the workforce.

The VQA and its managers are committed to these principles.

#### People Principles

All VQA staff are committed to the *DE&T People Principles*:

- Deliver quality results
- Work collaboratively
- Behave ethically
- Respect and value others
- Develop self and others

The behaviours are an integral part of VQA staff performance plans.

#### Freedom of Information

This section is published to conform with the requirements of section 7 of the *Freedom of Information Act 1982* (FOI Act).

There were no applications received under the FOI Act during the reporting period.

Queries about the availability of and charges for other material prepared under part II of the FOI Act should be directed to the authorised officer. The authorised officer for the Department of Education & Training is:

Neil Morrow  
Manager, Freedom of Information  
Department of Education & Training  
PO Box 4367  
Melbourne Victoria 3001  
Telephone (03) 9637 2000



The following are the general categories of documents maintained by the VQA and the Department of Education & Training on behalf of the VQA:

- correspondence, administrative and policy documents
- paper records maintained on registered files
- minutes, agenda and papers.

Paper records of agenda, papers and confirmed minutes of meetings are maintained in registered files. A register of outcomes is also maintained.

## 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. Paper records are also kept as registered files.

## ***Building Act 1993***

As part of its service provision mandate, the Department of Education & Training is committed to providing safe and secure buildings for all Department-owned and operated facilities. A critical part of this commitment is the development of a Building Compliance Assessment strategy for all facilities for which the Department has a responsibility.

The VQA is committed to providing a safe and secure building for staff and visitors, and full compliance with the provisions of the *Building Act 1993* has been maintained.

## Occupational health and safety

The VQA operates within the infrastructure of the Department of Education & Training and is committed to abiding by the Department's policies and procedures in relation to occupational health and safety. (See the Department of Education & Training's annual report 2005–06 for more information.)

## National competition policy

The legislative review of fees and charges conducted in 2000–01 indicated that the VQA did not add any greater restrictions on competition between providers of accredited courses.

## Fees and charges

Amendments under section 35A to the *Victorian Qualifications Authority Act 2000* enabled the Minister to fix fees and charges. New fees came into effect from 1 January 2005 and were increased by 2.1 per cent in line with the Consumer Price Index. Further details of fees and charges are available on the VQA website at <<http://www.vqa.vic.gov.au>>.

## Major consultancies and contracts

There were no major consultancies and contracts (over \$100,000) let by the VQA for the period July 2005 – June 2006.

The VQA engaged 10 consultancies at a cost of less than \$100,000 each during 2005–06 at a total cost of \$321,971. The total approved expenditure excludes GST.

As there were no contracts over \$1,000,000 in regional Victoria and \$3,000,000 in metropolitan Victoria, Victorian Participation policy disclosures are not identified.

## APPENDIX 2

### *Whistleblowers Protection Act 2001*

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#### Disclosure

The VQA has nominated the Department of Education & Training as its agent to accept and investigate any disclosures made under the *Whistleblowers Protection Act 2001* concerning members and/or employees of the VQA and the VQA Board. The *Whistleblowers Protection Act 2001* Department of Education & Training Guidelines have been adopted as the appropriate procedures for managing disclosures made under the Act concerning members and/or employees of the VQA and the VQA Board.

The Department had not received any disclosures made under the Act in relation to the VQA or the VQA Board nor did the Ombudsman refer any disclosures made under the Act to the Department for investigation during 2005–06.

#### 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 pages 67–68.

### 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 of Education & Training 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"> <li>• Regional Director</li> </ul>	Complaints, Unsatisfactory Performance and Serious Misconduct <ul style="list-style-type: none"> <li>• Principal Class Handbook</li> <li>• Teacher Class Handbook</li> <li>• SSO Handbook</li> </ul>
Workplace conflict or grievance	Principal or Manager	<ul style="list-style-type: none"> <li>• the Department of Education &amp; Training's Complaints and Investigations Unit</li> <li>• Merit Protection Boards</li> </ul>	Complaints, Unsatisfactory Performance and Serious Misconduct <ul style="list-style-type: none"> <li>• Principal Class Handbook</li> <li>• Teacher Class Handbook</li> <li>• SSO Handbook Personal Grievances</li> <li>• Employment Conditions Guidelines for VPS Staff</li> </ul>
Equal Opportunity concern	Principal or Manager	<ul style="list-style-type: none"> <li>• the Department of Education &amp; Training's Complaints and Investigations Unit</li> <li>• the Department of Education &amp; Training's Diversity and Equity Unit</li> <li>• Merit Protection Boards</li> <li>• Equal Opportunity Commission</li> </ul>	Merit and Equity Policy
Occupational Health and Safety issue	Principal or Manager	<ul style="list-style-type: none"> <li>• Workplace OHS representative</li> </ul>	OHS Guidelines
Ethical or other misconduct concern	Principal or Manager	<ul style="list-style-type: none"> <li>• the Department of Education &amp; Training's Complaints and Investigations Unit</li> <li>• Office of Public Employment</li> </ul>	VPS Code of Conduct
Complaints regarding administrative action by government bodies	The public body concerned	<ul style="list-style-type: none"> <li>• the Ombudsman</li> </ul>	<i>Ombudsman Act 1973</i>
Improper conduct or detrimental conduct	Department of Education & Training's protected disclosure officer	<ul style="list-style-type: none"> <li>• the Department of Education &amp; Training's protected disclosure coordinator</li> <li>• The Ombudsman</li> </ul>	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

### **Barwon South Western Region**

PO Box 420  
North Geelong Victoria 3215  
Telephone: (03) 5272 8300

### **Grampians Region**

Level 1  
1220 Sturt Street  
Ballarat Victoria 3350  
Telephone: (03) 5337 8444

### **Eastern Metropolitan Region**

29 Lakeside Drive  
Burwood East Victoria 3151  
Telephone: (03) 9881 0200

**Gippsland Region**

PO Box 381  
Moe Victoria 3825  
Telephone: (03) 5127 0400

**Hume Region**

PO Box 403  
Benalla Victoria 3672  
Telephone: (03) 5761 2100

**Loddon Mallee Region**

PO Box 442  
Bendigo Victoria 3550  
Telephone: (03) 5440 3111

**Northern Metropolitan Region**

Locked Bag 88  
Fairfield Victoria 3078  
Telephone: (03) 9488 9488

**Southern Metropolitan Region**

PO Box 5  
Dandenong 3175  
Telephone: (03) 9794 3555

**Western Metropolitan Region**

PO Box 57  
Carlton South Victoria 3053  
Telephone: (03) 9291 6500

**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](http://www.ombudsman.vic.gov.au)  
Email: [ombudvic@ombudsman.vic.gov.au](mailto:ombudvic@ombudsman.vic.gov.au)  
Telephone: (03) 9613 6222  
Freecall: 1800 806 314

## APPENDIX 3

### Disclosure index

The annual report of the VQA is prepared in accordance with the *Financial Management Act 1994* and the Financial Reporting Directions of the

Minister for Finance. This index lists the relevant page references to facilitate the identification of compliance with these directions.

#### Ministerial Directions

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FRD 22A Significant changes in financial position during the year	17
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### **Additional information available on request**

Consistent with the requirements of the *Financial Management Act 1994*, material has been prepared on the following topics not addressed in this report:

- publications produced by the VQA
- shares held beneficially by senior officers as nominees of a statutory authority or subsidiary
- declarations of pecuniary interests
- changes in prices, fees, charges, rates and levies
- major external reviews
- research and development activities undertaken

- overseas visits undertaken
- major promotional, public relations and marketing activities
- occupational health and safety assessments and measures
- industrial relations issues
- workforce data and equity matters
- major committees.

Enquiries regarding details of this information should be made to:

Annette Whiter  
 Victorian Qualifications Authority  
 Level 2, 33 St Andrews Place  
 East Melbourne Victoria 3002



## Acronyms and abbreviations

ACE	Adult community education
ELICOS	English Language Intensive Courses for Overseas Students
LLEN(s)	Local Learning and Employment Network(s)
RIL	Recognition of Informal Learning
TAFE	Training and further education
VCAL	Victorian Certificate of Applied Learning
VCE	Victorian Certificate of Education
VET	Vocational education and training
VQA	Victorian Qualifications Authority
VRQA	Victorian Registration and Qualifications Authority



## Victorian Qualifications Authority

Level 2

33 St Andrews Place

East Melbourne Victoria 3002

PO Box 266D

Melbourne Victoria 3001

Telephone (03) 9637 2086

Facsimile (03) 9637 2422

Email [vqa@edumail.vic.gov.au](mailto:vqa@edumail.vic.gov.au)

Website [www.vqa.vic.gov.au](http://www.vqa.vic.gov.au)