



Victorian Curriculum and Assessment Authority

ANNUAL REPORT
2006–07

October 2007

The Hon. Bronwyn Pike, MP
Minister for Education
2 Treasury Place
East Melbourne Victoria 3002

Dear Minister

I have pleasure in submitting the annual report of the Victorian Curriculum and Assessment Authority (VCAA). All reporting is conducted in accordance with the *Financial Management Act 1994*.

Yours sincerely

A handwritten signature in black ink that reads "Peter McPhee". The signature is written in a cursive style with a large initial 'P'.

Professor Peter McPhee
CHAIR



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Report of the Chair

The VCAA has continued to deliver successfully its essential activity of developing high-quality curriculum and assessment services for Victorian schools and students. This activity is at the core of Victoria's strong school system.

There are many achievements of which we can be proud. In the compulsory years of schooling the Victorian Essential Learning Standards (VELS) curriculum and assessment framework has been well received by schools throughout Victoria. The VCAA will continue to provide support materials for teachers to assist them in their curriculum planning and assessment of student progress and achievement. The Victorian Certificate of Education (VCE) continues to offer strong and diverse educational programs and there are increased opportunities and pathways for meeting student needs with the expanding access to VCE vocational education and training (VET) programs and the Victorian Certificate of Applied Learning (VCAL). Significant work is also underway to identify the links between the VELS Level 6 and the Employability Skills Framework and to expand the range of pre-apprenticeship offerings for VET in Schools. Evidence from the On Track destination data published each year show the successful transitions students make from school to work, further education and training.

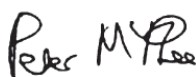
During the year the VCAA has been involved in major discussions with States, Territories and the Commonwealth Government about national consistency in curriculum and assessment, and national testing for Years 3, 5, 7 and 9 in literacy and numeracy. The Victorian Year 9 tests were used in South Australia and the Northern Territory in May 2007, marking a significant development in interstate collaboration. Significant preparatory work is being undertaken for the introduction of the national Literacy and

Numeracy tests for Years 3, 5, 7 and 9 to be introduced in May 2008. I anticipate that these discussions will intensify over the next year and it is important that the advances in Victoria's curriculum and assessment processes are at the forefront as examples of what can be achieved in the national arena.

As Chair I have been greatly assisted by the commitment and effort of the VCAA staff and the members of the VCAA Board and its Committees, Professor Peter Dawkins, Secretary of the Department of Education, and the Chief Executive Officer, Mr John Firth. I also thank the outgoing Chair, Stuart Hamilton for his leadership of the Board and his support during my first months as Chair.

During the reporting period I welcomed Ms Polly Flanagan as a new member of the Board and Ms Cathy Pianta who was reappointed for a second term. I wish to pay particular tribute to Professor Robert Pargetter who completed his second term as a member during this year. Robert was the epitome of a Board member in his commitment, energy, wise counsel and enthusiasm for our vital work. Robert passed away on 6 August 2007 and will be greatly missed by the Board and the education community.

In this my first year as Chair, I have attended many events associated with the VCAA's Season of Excellence which continues to be an impressive showcase for young Victorians' talents and skills. This series of exhibitions and performances demonstrates the exemplary standards of the Victorian curriculum and the excellence achieved by Victorian students and is a significant indication of the success of the VCAA's programs for Victorian young people.



Professor Peter McPhee

Report of the Chief Executive Officer

The year 2006–07 has been one of consolidating recent major developments in curriculum and assessment and enhanced support to schools in their delivery of learning programs. For the staff, a major project has been the successful move of the Camberwell Assessment Centre to our new purpose-renovated facility at Coburg, followed by further relocation of most of our Assessment staff from East Melbourne to Coburg. These moves bring all of our assessment operations together on the one site and provide the opportunity for us to take a P–12 view of all of our assessment programs. When the revised Assessment Processing System is complete in 2008 we will have a substantially improved capacity to operate across all of the years of schooling in a coordinated manner.

Years 3, 5, 7 and 9 testing

In May 2007, full cohort testing of all Year 9 students took place. This year for the first time, South Australia and the Northern Territory collaborated with Victoria and used the Victorian Achievement Improvement Monitor (AIM) tests for their Year 9 students. These arrangements were mutually beneficial and we learnt a great deal about interstate cooperation which will be invaluable as we move towards national testing in 2008.

The Years 3, 5, 7 and 9 AIM tests proceeded as usual in August 2006. The benefits of the revised security and test administration procedures were clearly adopted by schools with no difficulties or irregularities reported. Schools and parents continue to value the information they receive at both individual and school level from our testing program. As we move towards a national testing program in 2008, the VCAA will strive to ensure that the quality of information derived from the tests is monitored and improved over time.

Victorian Essential Learning Standards

As schools move into the implementation phase for the VELs, the VCAA has concentrated on developing a broader range of support material to assist schools with their planning.

The development of progression points which spell out typical student performance and annotated student work samples which illustrate the standards and progression points have been the major priority in the reporting period. Schools continue to report strong endorsement of the VELs as a structure for developing high-quality comprehensive programs. The VCAA is working closely with the school sector authorities to provide the most useful forms of support as schools continue to develop their reporting of student achievement.

Victorian Certificate of Education

The VCE continues to be a highly valued end of school certificate which is accepted internationally as the basis for selection into university study. The VCE was taken by students in China working in partnership with Victorian Schools, and in Vanuatu. Australian students who find themselves around the globe during examination time on school, sport or artistic-related programs take VCE examinations in Australian embassies, consular offices and schools that are willing to provide appropriate facilities. This annual report notes the vast number of examinations taken by VCE students in all of the subjects we offer.

The security and integrity of VCE examinations is crucial to the VCAA. The examinations were conducted and marked successfully and in a timely manner. Mistakes in the calculation of VCE study scores for four subjects in

2006 were detected after the initial results were released. They were corrected with revised scores available to the Victorian Tertiary Admissions Centre (VTAC) in time for adjusted Equivalent National Tertiary Entrance Ranks (ENTER) to be calculated and used in the first round offer process. I would like to record my appreciation to VTAC for their cooperation which ensured that no student was disadvantaged by the original calculation error. Management has implemented a number of changes to documentation and sign-off procedures to prevent a recurrence of this or a similar error. Seven students were found by Review Committees to be guilty of breaches of rules in the 2006 end-of-year examinations. Their penalties ranged from reprimand to loss of grade on VCE results.

Victorian Certificate of Applied Learning

The report contains details of the continued growth of VCAL enrolments throughout the state. One of the most pleasing aspects of this growth is that the destination data show that the large majority of VCAL students make a successful transition to further training and/or substantial employment. It is crucial that these transitions continue as the numbers increase. Monitoring the quality of students' learning has often been a challenge for innovative programs. The sound structure of the VCAL will help to sustain these results but will require continued commitment, from both the VCAA and the schools or providers who implement the VCAL, in order for students to gain the full benefits that can be achieved. We are looking to enhance pathways from the VCAL to higher level training and further support students to gain access to apprenticeships and to continued training in their subsequent employment.

National developments

There has been much discussion during the reporting period about approaches to increased national consistency in curriculum

and assessment. As noted above, the VCAA has been involved in the negotiations related to the move to national literacy and numeracy testing in 2008. The VCAA will be responsible for the administration of the common national tests in Victorian schools. The Ministerial Council on Education, Employment, Training and Youth Affairs (MCEETYA) decided at its meeting of April 2007 to '... develop nationally consistent curricula that will set core content and achievement standards that are expected of students at the end of their schooling and at key junctures during their schooling, starting with English, Mathematics and Science'.

The VCAA is playing a leading role in the working party managing this work. There are major implications for curriculum development for all jurisdictions as we move towards greater national consistency. Much of the key conceptual work required to make this decision work most effectively will take place in the next 12 months. The VCAA looks forward to making a major contribution to these important developments.

New legislation

During 2006–07, the Education and Training Reform Act was passed. It was proclaimed on 1 July 2007 and the new Victorian Registration and Qualifications Authority (VRQA) came into being on this date. The previous Chair of the VCAA, Mr Stuart Hamilton AO, was asked by the Minister to become the Chair of the new Authority. As a result, Stuart resigned from his position as Chair of the VCAA on 27 October 2006. I would like to thank Stuart for his great leadership. He was not only an extremely effective Chair of the Board ensuring that it met its statutory obligations and provided advice to the Minister, he was a direct and important contributor to much of the VCAA's policy development in his time as Chair. The VELS owes several important features to Stuart's contribution and he was always an informed and creative contributor to reviews

and revision of VCE curriculum. I look forward to working with him as Chair of the VRQA.

The Minister appointed Professor Peter McPhee, Deputy Vice-Chancellor (Academic) of the University of Melbourne, to become the new Chair. Peter has already made a telling contribution in this capacity. The VCAA will be well served by his leadership as we embark on the challenges of the next years as the educational landscape is renewed.

The late Professor Robert Pargetter completed his second three-year term as a Board member in May. Prior to the establishment of the VCAA, Robert had also served two terms as Board member on the Victorian Board of Studies. He was committed to the goals and progress of the Authority and he supported the work of the staff while providing constructive criticism where it was warranted. Above all he was committed to the best possible learning for young Victorians. Robert provided me with great professional and personal support, and his contribution to Victorian education will be long remembered.

I wish to thank Peter McPhee and all Board and Committee members for their commitment and direction, and to the staff who provide high-quality curriculum and assessment services to the students of Victoria.



John Firth

Strategic directions

The VCAA's strategic plan articulates the goals and targets set by the Government for education and training and outlines the VCAA's contribution towards fulfilling the Government's education agenda.

VCAA strategic plan 2004–2007

VCAA's goal				
Our goal is to create a school curriculum and assessment framework which supports high-quality education and the recognition of student achievement and which engages students and helps them to move on to work and further study.				
	P–10 curriculum and assessment	Post-compulsory curriculum and assessment	Research measurement and reporting	Organisational capability
AIMS	To develop a curriculum and assessment framework that provides students with a solid foundation of knowledge, skills and personal attributes; and supports high-quality teaching and learning practices.	To provide senior secondary students with study choices and assessments of their learning to promote successful transition to work or further study.	To provide accurate and comprehensive information to students, parents, schools, government and the community on education outcomes against state and national standards.	To build infrastructure and capability for innovation and deliver improved services to clients.
PERFORMANCE INDICATORS	<ul style="list-style-type: none"> • Proportion of students proceeding to senior secondary years • Teacher satisfaction with curriculum framework • Parent satisfaction with VCAA student reports • Student achievement at Years 3, 5 and 7 against national benchmarks 	<ul style="list-style-type: none"> • Proportion of students completing Year 12 or equivalent • Student satisfaction with VCE, VCAL and VET • Proportion of successful transitions post-Year 10 	<ul style="list-style-type: none"> • School satisfaction with AIM and VCE data service 	<ul style="list-style-type: none"> • Services delivered on time and within budget > 90% • Client satisfaction with the provision of timely and accurate reports on student achievement
STRATEGIC PRIORITIES	Develop a new compulsory years curriculum of 'essential learnings' that enables smooth transition to senior secondary pathways	Improve senior secondary completion rates through the broadening of study options and more flexible graduation requirements	Improve assessment techniques and data analysis to provide better reporting of student performance and system effectiveness	Review and develop enhanced infrastructure for the provision of improved products and services
MAJOR PROJECTS	<ul style="list-style-type: none"> • Framework of 'essential learnings' and defined performance standards • Assessment processes to support new framework • Nationally consistent curriculum outcomes • Online statewide testing • Online on-demand testing • New models of reporting to parents 	<ul style="list-style-type: none"> • Flexibility in design and delivery of senior secondary curriculum and assessment • Formal recognition of generic skills • Improved VCE studies in critical areas • Shape Years 11 and 12 qualifications consistent with Victorian Qualifications Authority directions • Oversight development and delivery of VCAL • ICT-based delivery and assessment of VCE studies 	<ul style="list-style-type: none"> • Research publications program • Common scale for literacy and numeracy P–10 • VCE Data Service • AIM Online reporting • Tracking educational growth of students • Improved comparability of national data 	<ul style="list-style-type: none"> • Redevelopment of APS database • Improvement of project management capacity • Electronic records management • Implement electronic procurement and financial management system • Extend VCAA education services nationally and internationally

Performance highlights

In addition to the core business of delivering high-quality, accurate and timely assessments for the VCE and statewide AIM tests, the VCAA has embarked on a number of strategic initiatives endorsed by the Board. This section provides an overview of these activities and major achievements during the reporting period.

P–10 curriculum and assessment

A new curriculum and assessment framework – the Victorian Essential Learning Standards (VELS) which provides students with a foundation of knowledge, skills and personal attributes to enable them to prosper as citizens – has been widely welcomed by schools. The VCAA continues to engage in regular discussions with schools and key stakeholders about VELS implementation and, in partnership with the school sector authorities, organises professional development activities for teachers to support the full implementation of the VELS by 2008.

The VCAA has been involved in planning for the administration and implementation of common national literacy and numeracy testing in all Victorian schools in 2008.

Achievements

- Progression points and assessment maps in all domains were developed to assist schools with their planning of comprehensive curriculum and assessment programs.
- The on-line testing service was expanded and take-up by schools increased significantly.
- Planning for the replacement of AIM with national literacy and numeracy testing at Years 3, 5, 7 and 9 in 2008 in collaboration

with the Curriculum Corporation and the States, Territories and the Commonwealth progressed satisfactorily.

- Common Year 9 tests with common standards were successfully delivered in collaboration with South Australia and the Northern Territory.
- A matrix was produced that identifies the links between the VELS Level 6 in the compulsory years of schooling and the Employability Skills Framework for the post-compulsory years.
- A process for developing standards for Indigenous languages commenced and curriculum advice in relation to Indigenous content across VELS domains was published online.

Post-compulsory curriculum and assessment

The VCAA continues to provide senior secondary students with study choices and assessments of their learning to promote successful transition to work and further study, and to equip them as citizens in a globally connected community. The VCAA is investigating the feasibility of formal recognition of employability skills within senior secondary certification. The VCAA has developed strategic alliances with interstate partners to enhance the quality and quality assurance of programs in the post-compulsory years of schooling and to engage in the conceptual work towards greater national consistency in curriculum and assessment. All curriculum development work is benchmarked internationally and the VCAA is seeking to establish ongoing relationships with international partners.

Achievements

- Assessment operations were consolidated onto one site through a successful relocation from Camberwell to Coburg of the Exams Processing Unit and other functions.
- Quality Assurance matrices of processes were developed through the Australasian Curriculum Assessment Certification Authorities (ACACA) for special provision and exam processing for Year 12 senior secondary students.
- Collaborative projects were established with interstate agencies to share the General Achievement Test (GAT).
- Continued contribution was made to ACACA senior secondary projects and Year 12 Standards and Credit Transfer Principles and Protocols.
- The VCAA actively participated on the ACACA VET in Schools subgroup.
- The VCAA assumed responsibility for the coordination of the Collaborative Curriculum and Assessment Framework for Languages (CCAFL), which covers 19 languages, for the period 2007–08.
- The VCAA worked with the Office of Training and Tertiary Education and industry training bodies to expand the range of pre-apprenticeship offerings for VET in Schools.
- More detailed feedback, reporting and professional development was provided to schools for school-assessed coursework and tasks to assist schools to improve their assessment practices.
- Monitoring reports were provided through the VCAA Board to the Department and Minister on the take-up of VCE VET, the VCAL and school-based apprenticeships and traineeships (linked to On Track destination data) to inform policy and planning to meet Victoria's goals and targets for achievement at Year 12 or equivalent level.
- Ongoing promotion of the expansion, quality assurance and delivery of the VCAL was provided to VCAL Liaison Teachers and community providers.
- The trial of the assessment and reporting of employability skills in non-school settings was completed. The next phase, consultation via employer focus groups, is in process. The report and recommendations of the trial were presented at the June 2007 meeting of the VCAA Post-Compulsory Curriculum and Assessment Committee for referral to the Victorian Learning and Employment Skills Commission.
- Planning with the Victorian Qualifications Authority for the implementation of the Credit Matrix proceeded successfully. Victorian Assessment Software System (VASS) and APS functions are under development for credit arrangements in post-compulsory provision.
- Statewide briefings for English/English as a second language (ESL) Units 3–4 were conducted to support the phased implementation of the reaccredited English/ESL study design for Units 1 and 2 in 2007 and Units 3 and 4 in 2008.
- In addition to the development of examination support materials for statewide dissemination, strengthened quality assurance procedures and communication strategies were implemented for examinations including the Principals' Declaration, Frequently Asked Questions for web publication and publication of the Assessment Handbooks.

Research, measurement and reporting

The VCAA supports schools and the profession by providing accurate and comprehensive information to students, parents, schools, government and the community on education outcomes against state and national standards. The revised Assessment Processing System (APS-R), due to be completed in 2008, will enable the VCAA to take a longitudinal P–12 view of student learning and achievement at individual school, like-school, state and national levels. In addition, the automated

IT-enabled reporting should provide improved analysis and reporting capacity for internal and external clients.

Achievements

- Reports were provided to the VCAA Board and the Department on the senior secondary years; the first on finalised enrolments for 2006 and the second on historical and preliminary 2007 data.
- Specifications for the APS-R project revising the APS were finalised.
- The investigation to match student outcomes across Years 3, 5, 7 and 9 commenced.
- Analyses and reports on the performance and achievement of Indigenous students in AIM tests and the VCE were provided to the Koorie Education Strategy Unit, Department of Education in order to inform advice on planning and intervention strategies.

Organisational capability

During the reporting period, the VCAA enhanced its corporate governance practices, technical infrastructure and capability for innovation so as to better deliver improved services to its internal and external clients.

Achievements

- APS project planning was completed, detailed requirements gathering and analysis were finalised and detailed design processes commenced. Key hardware and software to support the development of the revised APS were procured.
- Implementation of the replacement financial system commenced. The Department's financial and e-procurement systems are being used following endorsement of the business case by the Project Board in June 2007.
- Recommendations of the Corporate Governance Audit report are being implemented including the process to appoint a new member to the VCAA Audit Committee, a balanced scorecard framework for planning and reporting and a service-level agreement with the Department.
- All Units and Branches of the VCAA have developed plans to improve performance as a result of the analysis of the 'Your Job Your Say' staff survey.

Diversity

The VCAA ensures that the diverse nature of Australian society is reflected in all aspects of its operations. It has an ongoing commitment to the principles set out in the Victorian Government's *Valuing Cultural Diversity* policy statement. The policy focuses on valuing, respecting and meeting the needs of our culturally and linguistically diverse communities and the needs of women, youth and Indigenous people.

Cultural and linguistic diversity

The delivery of culturally responsive programs developed by the VCAA ensures that respect and appreciation for cultural and linguistic diversity are a normal part of all curriculum and assessment policies, programs and procedures. The VCAA aims to reflect the Government's multicultural policy for Victorian schools, both in its interaction with schools and within its own administrative structures and procedures.

In 2006–07, the VCAA:

- offered 46 languages at VCE level for Victorian students
- developed a revised version of the VCE Chinese Second Language/Chinese Second Language Advanced Study in order to ensure maximum fairness for all students
- held a wide range of seminars and workshops on the implications of the VELS for the teaching of Languages other than English (LOTE) at P–10 levels, including strategies for devising multi-domain tasks and activities to assist teachers in assessing and reporting on the standards
- developed LOTE progression points for four categories of languages and an assessment map to support teachers in their assessment of students' work at P–10 levels

- provided a professional development program on VCE LOTE course writing for teachers and principals from approximately 80 community-based single-study providers
- conducted regular liaison meetings with the leadership team of the Victorian School of Languages (the biggest LOTE provider in Victoria)
- conducted workshops for teachers of VCE Auslan and participated in ongoing activities to support the work of Deaf Children Australia, including participation in the Auslan Steering Group
- participated in the Department of Education, Science and Training national gathering on languages education, the Department of Education languages forum and the Modern Language Teachers' Association of Victoria annual conference.

Indigenous affairs

In 2006–07, the VCAA continued to offer extensive support to schools teaching, and planning to teach, the VCE Indigenous languages study – Indigenous Languages of Victoria: Revival and Reclamation.

The VCAA Indigenous Languages Implementation Group continued to meet regularly to provide support for teachers of Indigenous languages through planning professional development activities and the development of implementation support materials. The VCAA collaborated on a successful submission by Monash University to develop a web portal to facilitate access to digital resources to support the teaching of Indigenous Languages in Victorian schools.

The VCAA employed two part-time Indigenous languages project officers who supported the implementation group, consulted with Indigenous communities, planned professional development activities and designed both P–10 and VCE materials for use in schools.

Women

The VCAA is committed to the promotion of equality for women, both in its communication with schools and within its own workforce. In developing educational programs that remain fair and accessible to all, the VCAA assures a commitment to equity and diversity at all times.

Girls continued to perform strongly in all VCE subjects. Girls' performance is generally reported as higher than boys in AIM tasks and the majority of VCE subjects.

Youth

The VCAA provides advice and support for young people to help them make informed choices about pathways that will direct them into work and further study. This support includes a wide range of study options in the post-compulsory years of schooling.

Recognising achievement

The VCAA celebrates and promotes young people's achievements through:

- the VCE's Season of Excellence which provides opportunities for students and teachers to view some of the best work in technology, visual and performing arts from the previous year's VCE students

- the VCE Achiever Awards, coordinated by the VCAA, which recognise the efforts of VCE students in promoting community involvement in their local school and wider community
- the VCAL Achievement Awards which recognise the outstanding achievements of young people who participate in the VCAL, and the contribution and achievement of VCAL teachers and partner organisations in the development and delivery of innovative VCAL programs
- the Plain English Speaking Award, organised and conducted by the VCAA, which provides an excellent opportunity for students to build self-confidence and extend their skills in oral communication, speech writing and research.

Since 2005, the VCAA has also coordinated a scholarship on behalf of the trustees of the Margaret Schofield Memorial Trust. The scholarship is awarded to a government school student of VCE Music Performance who has been accepted into a tertiary course and is committed to a career in music performance. The selection panel consists of music specialists and personnel from the VCAA and the Department.

Summary of financial results

The 2006–07 financial year was the fifth full operating year for the VCAA.

The main source of funding for the Authority's operations is the Department of Education. The balance of funding is derived from a number of external sources including overseas student fees, publication sales, student services and royalties.

The 2006–07 revenue totalled \$39.9 million, compared with \$39.6 million in the previous year. This was due to an increase in royalty revenue for the period.

Expenditure totalled \$40.4 million, compared to \$40.5 million in the previous year. This equated to a \$0.5 million deficit being reported for the 2006–07 financial year, compared to a deficit of \$0.8 million in the previous year.

During the 2006–07 financial year period, the balance sheet net assets have decreased by \$0.5 million, represented by a \$0.7 million increase in total assets, offset by an increase of \$1.2 million in total liabilities.

Total assets over the 2006–07 financial year increased by \$0.7 million mainly as a result of the APS-R project and the Coburg fit-out.

Liabilities increased by \$1.2 million mainly as a result of an increase to the provision for employee benefits due to the model used to estimate the provision and the decreased recognition of revenue received in advance for overseas students.

There are presently no known events that could adversely affect the operation of the VCAA during the next reporting year.

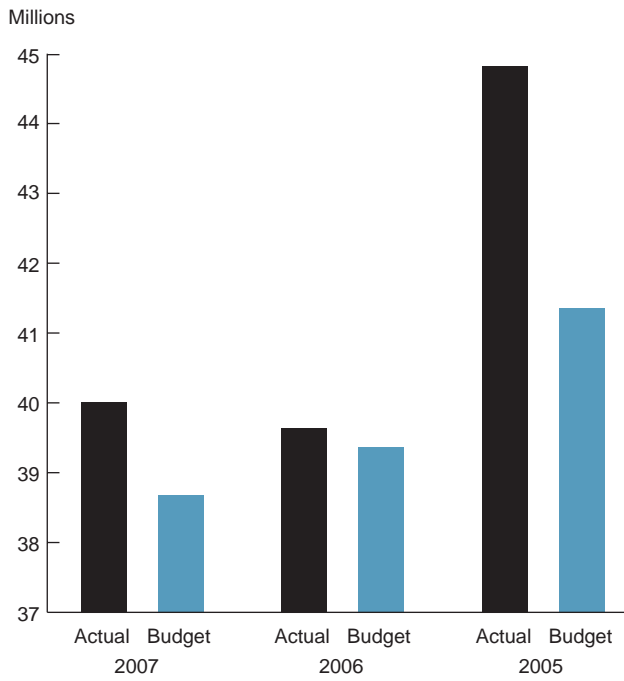
Summary of financial position

	Surplus/(Deficit)	Revenue	Expenses	Assets	Liabilities
30 June 2007	(509,283)	39,932,858	40,442,141	13,861,233	9,471,835
30 June 2006	(840,842)	39,630,302	40,471,144	13,158,475	8,259,794
30 June 2005	5,642,360	44,902,952	39,260,592	13,324,571	7,585,048

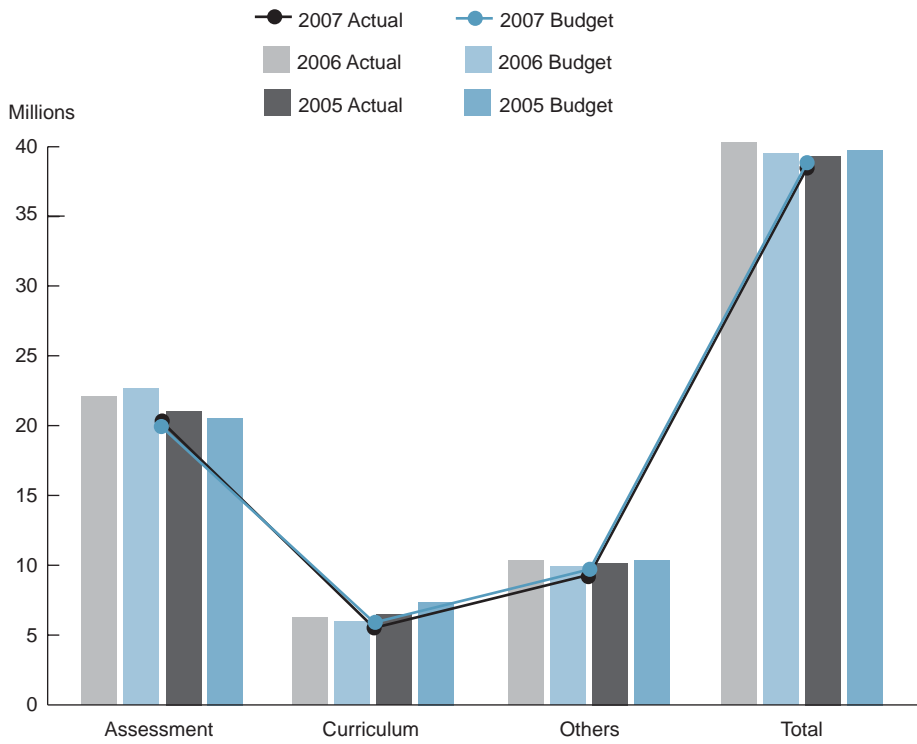
Performance against budgetary objectives as at 30 June 2007

	Actual \$			Budget \$		
	2007	2006	2005	2007	2006	2005
Revenue	39,932,858	39,630,302	44,902,952	38,667,748	39,460,285	41,395,086
Expenditure						
Assessment	23,942,312	23,727,112	22,449,530	23,091,763	23,652,777	21,908,693
Curriculum	5,635,421	6,187,333	6,594,539	6,036,460	5,999,820	7,365,774
Other	10,864,408	10,556,699	10,216,523	9,986,786	9,923,128	10,623,094
Total	40,442,141	40,471,144	39,260,592	39,115,009	39,575,725	39,897,561
Operating result	(509,283)	(840,842)	5,642,360	(447,261)	(115,440)	1,497,525

VCAA revenue



VCAA expenditure



Overview of the Victorian Curriculum and Assessment Authority

Governance

Establishment

The VCAA came into operation on 1 March 2001 and was the successor to the Board of Studies. The VCAA is accountable to the Minister for Education.

Objectives

The *Victorian Curriculum and Assessment Authority Act 2000* sets out the following objectives for the VCAA:

- to develop high-quality courses and curriculum and assessment products and services
- to develop courses normally undertaken in, or designed to be undertaken in, Years 11 and 12, including courses leading to the issue of the VCE, that will prepare students for successful transition to employment, tertiary education, vocational education and training and further education
- to provide linkages that will facilitate movement between the VCAA's courses and other courses.

VCAA Board

Board membership

The members of the VCAA Board are drawn from educationalists and community representatives.

During 2006–07, Mr Stuart Hamilton resigned his position as Board Chair to take up the new position of Chair of the Victorian Registration and Qualifications Authority. Professor Peter McPhee was appointed Chair for a three-year term, his membership commencing in October

2006. Ms Polly Flanagan was appointed for a three-year term on 19 June 2007 and Ms Cathy Pianta was reappointed for a further three years. The late Robert Pargetter completed his second term on 30 April 2007.

Members



PROFESSOR PETER MCPHEE, CHAIR

BA (Hons), Dip Ed, MA (Hons), PhD

Professor Peter McPhee has been Deputy Vice-Chancellor (Academic) of the University

of Melbourne since 2003, with particular responsibilities for the quality of teaching and learning at undergraduate and postgraduate levels. Professor McPhee taught at La Trobe University from 1975 to 1979 and the Victoria University of Wellington from 1980 to 1986 before returning to the University of Melbourne, where he has held a Personal Chair in History since 1993. He was Deputy Dean and Acting Dean of the School of Graduate Studies from 1994 to 1996, then Head of the Department of History from 1996 to 1999. He was elected a Fellow of the Australian Academy of the Humanities in 1997. In the same year Professor McPhee became an inaugural 'Universitas 21' Teaching Fellow. In 2003, he was elected a Fellow of the Academy of Social Sciences. He was an officer of the Academic Board from 1999 to 2003 and its president in 2002–03. Professor McPhee has published widely on the history of modern France, notably *A Social History of France 1780–1880* (1992) and *Revolution and Environment in Southern France, 1780–1830* (1999). In 1999, he also published a biography of the former Chancellor Roy Douglas ('Pansy') Wright. His most recent book is *The French Revolution 1789–1799* (2002).



**MR STUART HAMILTON
AO**

(resigned October 2006)
BA (Hons), BEc

Mr Stuart Hamilton resigned the Chair in 2006 to take up the position as Chair of the Victorian

Registration and Qualifications Authority. He is currently Chief Executive, Open Universities Australia and Secretary of the Board of the Council for the Humanities, Arts and Social Sciences. He was Secretary of the Department of Education & Training and CEO of the Victorian Innovation Economy Advisory Board. He was also Deputy Chair of the Australian Council for Educational Research and a member of the National Inquiry into Teaching and Teacher Education. A former Executive Director of the Australian Vice-Chancellors' Committee, he worked for many years for the Australian Public Service, including as Secretary to the Health and Environment Departments. He has been a member of several other boards, including the Council of La Trobe University and the Academic Senate of Melbourne University Private, the International Association of Universities, the Australian Heritage Commission, the Australian Sports Commission and the Health Insurance Commission.



**MS ESMERELDA
BAMBLETT**

DipT, GradDipArts, MEd

Ms Esmerelda Bamblett is a member of the Bangerang and Wiradjuri Aboriginal nations and has had a long-

standing career in Aboriginal education and development. She was an inaugural member of the Council for Aboriginal Reconciliation from 1991 to 1994 and a member of the Australian Council of Women from 1993 to 1996. She has been Vice-President of the Aboriginal Advancement League since

1998. Ms Bamblett commenced her career in education working as a primary school teacher, eventually taking up a lecturing position in Indigenous Studies at the University of Melbourne in 1998. Ms Bamblett was a Koorie Education Development Officer for the Department of Education & Training from 1989 to 2003, Research Manager for the Institute of Koorie Education at Deakin University from 2000 to 2002 and acting manager of the Koorie Education Strategy Team for the Department of Education & Training in 2003. Currently Ms Bamblett is the Director of Neenan Multimedia and Consultancy.



**PROFESSOR GERALD
BURKE**

BCom, DipEd, PhD

During the reporting period Professor Gerald Burke was the Chair of the Victorian Qualifications Authority, Executive

Director of the Monash University ACER Centre for the Economics of Education and Training, and a 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.



**PROFESSOR PETER
DAWKINS**

BSc (Hons)
(Loughborough),
MSc (Econ) (London),
PhD (Loughborough)

Professor Peter Dawkins was appointed as

Secretary of the Department of Education on 10 July 2006. Prior to this, he was Deputy Secretary of the Victorian Treasury and has continued to work on Victoria's national

reform initiative for the Council of Australian Governments, focusing on human capital reform incorporating education, health and work incentives. From 1996 to 2006 Professor Dawkins was Ronald Henderson Professor and Director of the Melbourne Institute of Applied Economic and Social Research at the University of Melbourne. At Melbourne he was also Dean of the Faculty of Economics and Commerce and from 1990 to 1995 was Professor of Economics at Curtin University of Technology. He has published many books and articles with his research focused on labour, social and industrial economics. Professor Dawkins is also a Fellow of the Institute of Public Administration (Victoria) and Fellow of the Academy of Social Sciences in Australia. As a prominent public policy analyst and adviser, Professor Dawkins has served on several federal government committees such as the reference group that produced the McClure Report on Welfare Reform, the Prime Minister's Science Engineering and Innovation Council and the Australian Statistics Advisory Council. He has also served on state government committees including a reference group on Commonwealth State Relations and the Victorian Workforce Participation Taskforce.



MS POLLY FLANAGAN
MEd, PostGradDipEd
(Admin), DipEd

Ms Polly Flanagan is an experienced teacher and administrator with more than 20 years' experience in a variety of educational

settings. She has taught in government, Catholic and Independent schools including Yeshivah College, Sacred Heart Girls' College, Presbyterian Ladies' College and Melbourne Grammar School. Ms Flanagan has extensive experience teaching Legal Studies and Political Studies to VCE students, and has also held the positions of Head of Faculty, Year Level Coordinator, Director of Staff and

Deputy Principal. She is currently the Director of Leadership at Melbourne Grammar School and is a tribunal member for disciplinary hearings conducted by the Victorian Institute of Teaching. Ms Flanagan has also been a member of VCAA-appointed panels to revise and rewrite Study Designs in Political Studies, the Chief Assessor of Political Studies and is a member of the National Politics exam setting panel.



MR GRANT HEHIR
(resigned July 2006)

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

to provide, fund, purchase and regulate education and training services for Victorians of all ages. His responsibilities encompassed schools, TAFE institutes, registered training organisations, adult community education (ACE) providers, adult education institutions and higher education institutions. Prior to his role as Secretary of the Department of Education & Training, and following a career in public sector policy development and budget management, Mr Hehir was Deputy Secretary, Strategic, Economic and Social Policy at the Department of Premier and Cabinet, advising the Premier on social and economic policy matters. His previous role was as Deputy Secretary, Budget and Financial Management Division at the Department of Treasury and Finance. In this role, he provided advice to Government on State Budget strategy and management, and advised on emerging policy issues. Mr Hehir became Secretary of the Department of Treasury and Finance in July 2006.



MR JOHN MADDOCK

GradDipBus,
GradDipEd, FAICD,
FAITD, MASTD

Mr John Maddock is the Chief Executive Officer of Box Hill Institute of TAFE. His

involvement in the vocational education and training sector has included membership and chairing of committees at both state and national levels. Mr Maddock is a member of the Deakin University Council, Victorian Tertiary Admissions Centre Board of Trustees and Management Committee, Innovation and Business Industry Skills Council Board, the Centre for Economics of Education and Training, VET Advisory Committee, and is an executive member of the Post-Secondary International Network for Presidents and Chief Executive Officers.



MR PETER MCMULLIN

LLB, BCom, FAIM

Mr Peter McMullin is a legal practitioner specialising in commercial law and mediation. He served as Mayor of Geelong

for 2005–06, is a Board member of the Geelong Regional Library Corporation and a Board member of the Geelong Art Gallery. Mr McMullin is Deputy President of the Museums Board of Victoria, a Director of Turning Point, Chairman of the Melbourne International Comedy Festival, Chair of Regional Cities Victoria and Deputy President of the Victorian Chamber of Commerce and Industry. Mr McMullin previously served on the Melbourne City Council as Deputy Lord Mayor from 1996 to 1999.



PROFESSOR ROBERT PARGETTER

BSc, DipEd, MA, PhD

The late Professor Robert Pargetter was Professor Emeritus at Monash University, Principal of Haileybury

College and a Board member of the Australian Institute of Management. Prior to holding these positions, he was Deputy Vice-Chancellor (Academic), Dean of Arts and Head of the Department of Philosophy at Monash University. In addition, Professor Pargetter had also been Academic Director of the Open Learning Agency Australia, President of the Australasian Association of Philosophy and was for four years Chair of the Management Committee of the Victorian Tertiary Admissions Centre. Professor Pargetter completed his second term on the VCAA Board on 20 April 2007.

MR GLEN PEARSALL

BEd

Mr Glen Pearsall is a Leading Teacher at Eltham High School. Mr Pearsall began his career at Eltham High School as a graduate in 1999 and has been Head of English from 2002 to the present. He has been involved in the development of a grief counselling program in conjunction with the University of Melbourne. Mr Pearsall has been a seminar leader in the Faculty of Education at the University of Melbourne on the role of Graduate and pre-Service Teachers and has presented at a wide array of seminars and workshops for the Victorian Association of the Teachers of English and the Australian Education Union.

**MS CATHERINE PIANTA**

BA, BLitt (Hons),
GradDipEd

Ms Catherine Pianta is currently Principal of Benalla College. Prior to this, she held a variety of roles with the Department

of Education, including curriculum consultant, teacher and principal at primary and secondary schools. Ms Pianta acts as a facilitator and mentor for several leadership development programs. She is a member of the Australian Principals' Federation and the Victorian Association of Secondary School Principals. She is also a Fellow of the Williamson Community Leadership Program of Victoria and is involved in a number of SkillsBank programs for Leadership Victoria. Ms Pianta serves on the P–10 and Post-Compulsory Curriculum Assessment Committees, the Board's Audit Committee and a number of Review Committees established to examine student breaches of examination rules.

**MS DEBRA PUNTON**

DipT, BEd, MEd Studies

Ms Debra Punton is a trained teacher and worked in government schools before taking up a teaching appointment in the Catholic education

system. She is currently the Assistant School Director of the Catholic Education Office. Ms Punton completed a Masters of Educational Studies at Monash University in 1991 with a major in psychology and a focus on the psychology of educational leadership. She was involved in the establishment of the Monash Education Centre in 1987. During 2001–05 Ms Punton was a member of the Victorian Catholic Schools Association and a member of the Council of the Victorian Institute of Teaching and Chairperson for the Accreditation Committee Victorian Institute of Teaching in 2003–05.

**MS JOANNE ROBERTS**

CertAEd, DipEd,
GradDipCompEd

Ms Joanne Roberts has worked in the primary, secondary and tertiary sectors, and is Principal of Ascot Vale Primary

School. Ms Roberts worked with the Australian National Schools Network and the Department of Education & Training in planning and facilitating professional development of other educators at school-based, regional and national conferences. She has undertaken curriculum research within the State and in national projects to improve student learning in the middle years of schooling. Her research work continues in middle years' curriculum review and reform.

**MS HELEN STAINDL**

MEd, MA
(TheologyStudies),
GradDipEdAdmin, BEd,
DipT (Primary)

Ms Helen Staindl has 10 years' experience as a primary principal in the

Catholic sector and 10 years' experience as an assistant principal in a number of regional and rural primary schools. She was Assistant Principal at Morwell East, Cranbourne and Orbost from 1985 to 1995 and is currently Principal of St Joan of Arc School in Brighton, where she has redeveloped all curricula policies and programs, implemented Parent Education programs and fostered an active parent body in the school. Ms Staindl was Principal of St Patrick's School, Stratford, for four years where she rebuilt a sense of community by renewing the school vision and mission statements and devising and implementing pastoral care, discipline and anti-bullying policies.



PROFESSOR SUE WILLIS

BSc, DipEd, PhD

Professor Sue Willis is the Dean of the Faculty of Education at Monash University. Her area of expertise is in

mathematics education relating to children's development of key mathematical ideas and the development of informed numeracy in children and adults. She has written state and national curriculum frameworks for mathematics, developing cross-curriculum policies and practices in outcomes-based education and in enhancing teacher judgement and professional accountability. Professor Willis is a member of the Australian Association of Mathematics Teachers, the Australian Association for Research in Evaluation, the Australian Council of Adult Literacy and the Australian Curriculum Studies Association.

VCAA Board Committees

Executive Committee

In 2006–07, the Executive Committee consisted of the VCAA Chair, Professor Peter McPhee, its Chief Executive Officer, Mr John Firth, Professor Peter Dawkins and the late Professor Robert Pargetter. The committee, established under Section 12 of the *Victorian Curriculum and Assessment Authority Act 2000*, provides recommendations to the Board and acts under the delegation of the Authority's power in matters of urgency and matters related to the following areas:

- overseas programs
- Review Committee decisions
- issues with sectoral implications
- approval for use of common seal for contracts over \$100,000
- legislative compliance
- confidential and sensitive matters.

Audit Committee

In 2006–07, the VCAA Audit Committee comprised three Board members: Mr John Maddock, Committee Chair, Ms Catherine Pianta and Mr Peter McMullin, and one coopted external member, Mr Stuart Alford. The Audit Committee is responsible for governance, risk management and business assurance of the VCAA.

The prime functions of the Committee are to:

- have oversight of the financial management of the VCAA
- maintain a register of assets held and managed by the VCAA
- ensure that internal control structures and processes are appropriate for the VCAA's activities
- ensure that risk management strategies are adequate and appropriate.

P–10 Curriculum and Assessment Committee

The P–10 Curriculum and Assessment Committee consisted of VCAA Board members and two coopted members, Ms Michelle Green and Mr Tony Mackay.

The Committee provides expert advice and makes recommendations to the Board on:

- policies, standards and criteria for the development of curriculum and assessment programs for students in Years P–10
- implementation of the AIM program
- the redevelopment of the curriculum framework and the VELS
- the monitoring and reporting of student participation in P–10 assessment programs
- the relationship between P–10 curriculum and post-compulsory pathways in education and training, including the VCE
- the provision of related research and professional development activities.

Post-Compulsory Curriculum and Assessment Committee

The Post-Compulsory Curriculum and Assessment Committee consists of VCAA Board members plus four coopted members: Mr Robert Fearnside, Mr Tony Mackay, Professor Jillian Blackmore and Professor Peter Stacey.

The Committee provides expert advice and makes recommendations to the VCAA Board on:

- the development, evaluation and approval of curriculum and assessment in the post-compulsory years
- policy and procedures for the design, delivery and evaluation of assessments and assessment products and services for the VCE, VCAL and other post-compulsory qualifications available to students
- patterns of participation and quality of outcomes relating to courses of study in the post-compulsory years, including related professional development and research.

Review Committee

The Review Committee consists of three persons who are either members of the VCAA Board or staff of the VCAA. A Board member chairs Review Committee hearings. The Review Committee acts on the VCAA Board's behalf and is responsible for:

- investigating suspected contravention of examination rules or any allegation that a student's assessment by the VCAA was obtained by fraudulent, illegal or unfair means
- hearing appeals against penalties imposed by schools on students for breaches of rules relating to school-assessed tasks and school-assessed coursework assessments
- hearing charges alleging serious breaches of rules relating to examinations and to impose penalties
- when necessary, cancelling or altering student results.

Appeals Committee

A student affected by a decision of the Review Committee may apply for a review of the decision by the Appeals Committee on the grounds that the decision was unreasonable and/or the penalty imposed was too harsh.

The Appeals Committee is an independent body with panel members appointed by the Minister for Education. Members must not be a member of the VCAA Board or staff.

VCE Review Committees and Study Reference Groups

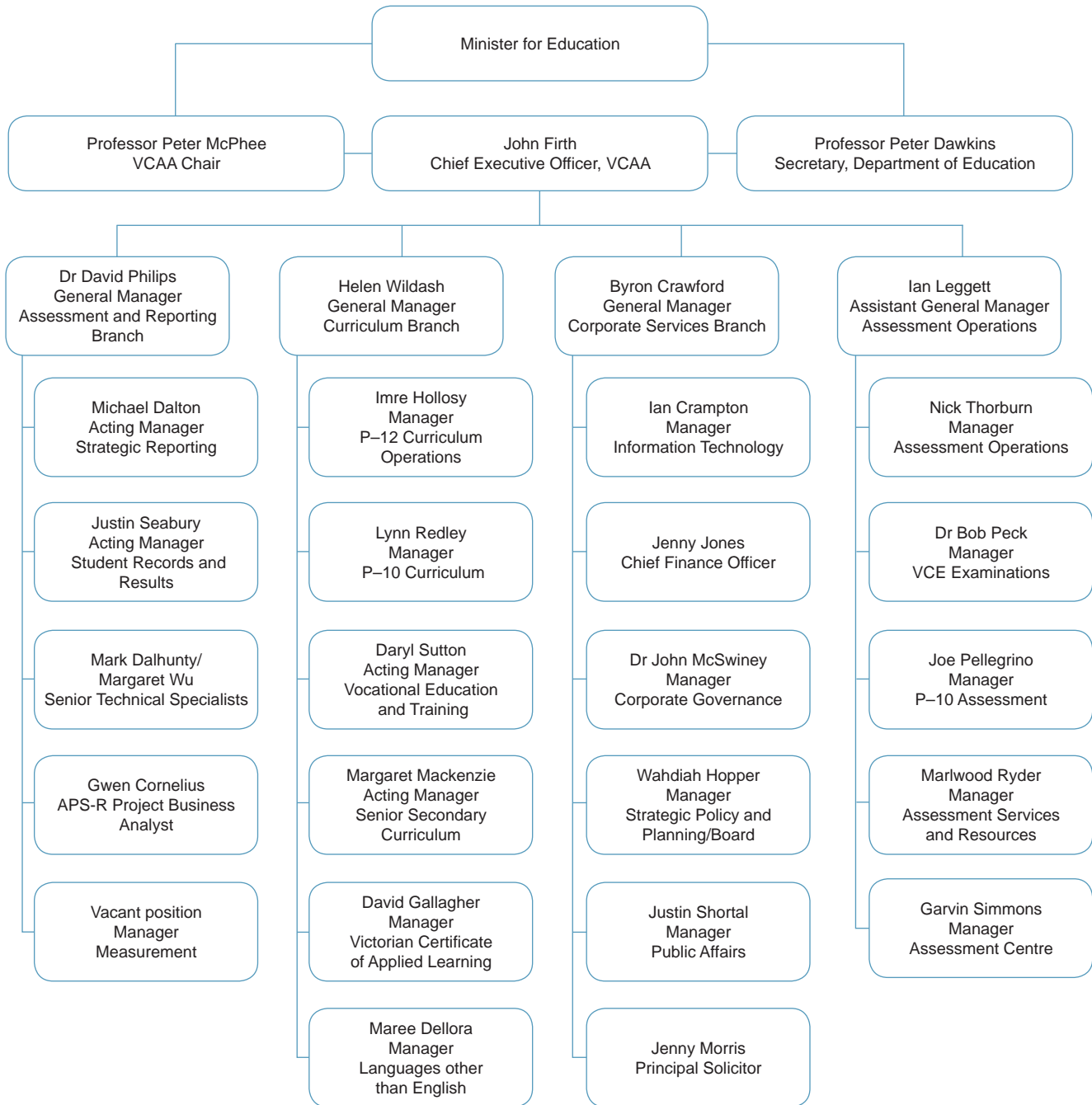
VCE Review Committees are established to review and evaluate VCE studies and to prepare proposals for new and revised studies for the approval of the VCAA Board. These committees include practising VCE teachers from each sector, academic and curriculum experts, and business and training sector representatives (see Appendix 1).

VCAA Study Reference Groups oversee the development of new VCE studies.

Board working parties

Specific-purpose working parties are commonly established for policy development to support Board business. They operate for specific periods, with clear terms of reference and reporting mechanisms. During the reporting period the International Working Party oversaw the approval of proposals offering VCE overseas and reported its deliberations to the Board.

Organisational chart



Senior officers and branch outlines



CHIEF EXECUTIVE OFFICER

MR JOHN FIRTH
BCom, DipEd

John Firth has been Chief Executive Officer of the VCAA since August 2005.

Previously he worked in a

number of senior executive roles at the VCAA and its predecessor bodies. He is a member of the Department of Education's Portfolio Board. He also meets regularly with other CEOs of each of the State and Territory curriculum and assessment boards as the ACACA to share advice and information and to oversee projects of mutual interest.

John has a long-standing interest in national consistency in curriculum and assessment and, on behalf of the VCAA, actively contributes to national forums and the development of advice to the Victorian Government on these issues.



GENERAL MANAGER ASSESSMENT AND REPORTING

DR DAVID PHILIPS
MA, PhD

Dr David Philips leads the Assessment and Reporting Branch. He

is responsible for policies and procedures associated with assessment, certification, analysis and reporting of student achievement. The Branch also collects and processes students' enrolment and assessment data and conducts measurement activities. Dr Philips was formerly the Manager, Research and Knowledge Services of the New Zealand Qualifications Authority, and a member of the senior management team responsible for the implementation of secondary examinations

and certification in New Zealand. Prior to this he held a variety of senior policy and research positions in the New Zealand Ministry of Education, managed contracts for assessment research and development projects, and held other posts with the Education Review Office and the New Zealand Council for Educational Research where he had a particular interest in the evaluation of students' written language. He is also a trained secondary English teacher.



ASSISTANT GENERAL MANAGER ASSESSMENT OPERATIONS

MR IAN LEGGETT
BSc, DipEd, GradDip
(Educational Policy and Administration)

Mr Ian Leggett leads the assessment operations within the Assessment and Reporting Branch located at the VCAA Assessment Centre at Coburg including the Assessment Centre, Assessment Operations, Assessment Services and Resources, P-10 Assessment and VCE examinations. The primary task of staff at the Assessment Centre is to develop and implement operational processes associated with the security, setting, assessment and processing of VCE written examinations, VCE Arts Performance and LOTE oral examinations, Years 3, 5, 7 and 9 AIM tests, school-assessed coursework and visitation review, and appointment of all sessional assessment staff. Mr Leggett has worked at the VCAA since 1997 in the areas of school assessment, examinations and assessment operations.



GENERAL MANAGER CURRICULUM

MS HELEN WILDASH
MEd (Hons),
GradDipTeaching, BEd

Ms Helen Wildash
is responsible for
the operations of the

Curriculum Branch which includes leadership of project teams, VCE Review Committees, VELS Working Groups, the Vocational Education Reference Group and the Curriculum and Assessment committees of the VCAA Board. These committees and groups provide advice and recommendations to the VCAA on the development, implementation and monitoring of the VCE and VCAL, including VET programs, and the P-10 VELS. Prior to joining the VCAA in June 2006, Ms Wildash was an executive in the South Australian Department of Education and Children's Services including as Director Curriculum, and Director Learning Improvement and Wellbeing. From 1999 to 2002 Helen led the development and implementation of South Australia's Birth to Year 12 Curriculum, Standards and Accountability Framework.



GENERAL MANAGER CORPORATE SERVICES

MR BYRON CRAWFORD
BCom, BSocSc(InfoMgt),
MAF, CPA

Mr Byron Crawford is
responsible for managing

the operational units that support the conduct of the VCAA's business: Strategic Policy and Planning, Corporate Governance, Finance, Human Resources and Administration, Information Technology, Public Affairs and Legal Services. Mr Crawford was appointed as an executive officer in the Department of Education & Training in 2001 and has held executive roles across a number of functional areas including facilities and infrastructure, finance and resources management, social policy development and program management.

VCAA staff establishment

As at June 2007, the VCAA operated with an establishment of 181.7 full-time equivalent positions. During the year the VCAA also employed approximately 320 casual employees and just over 3470 sessional employees. Sessional employees were mainly engaged in the following employment categories:

- assessing written examinations and the GAT
- reviewing school-based assessment (visitation, coursework audit)
- VCE examination-setting and vetting panels
- LOTE oral assessment
- arts performance assessment
- AIM marking (pen and paper, online)
- AIM test development (item writers, study content experts and writers)
- VCAL quality assurance panels
- VET state reviewers
- specialist advisory panels.

More detail is provided in the workforce statistics section (see Appendix 3).

Coburg relocation

The VCAA has established offices at a site in Coburg following a funding announcement in the 2005 State Budget.

The VCAA worked closely with the Department of Education facilities and building services teams to achieve a beneficial end result, an office space that is purpose built to the needs of the Assessment and Reporting Branch staff and which is located at Coburg.

The VCAA is co-located with the Department's Northern Metropolitan Region office and the School Sport Association.

During the year, building refurbishment was completed and approximately 80 full-time staff from the Assessment and Reporting Branch and the Corporate Services Branch relocated to the new office.

While continuing to have a strong Curriculum and Corporate Services presence at the Treasury precinct, the VCAA offices at Coburg provide a central focus to operational teams primarily drawn from the Assessment and Reporting Branch.

Staff relocation was facilitated using full staff consultation and included the opportunities for internal job swaps between locations, and a number of other supporting human resources strategies which contributed to the effective relocation of staff.

Strategic Aim 1

P–10 curriculum and assessment

To develop a curriculum and assessment framework that provides students with a solid foundation of knowledge, skills and personal attributes, and supports high-quality teaching and learning practices.

P–10 curriculum

The VCAA develops quality curriculum for the compulsory years of schooling (P–10), and a range of curriculum and assessment support materials to assist teachers in the implementation of their teaching, learning and assessment programs.

Victorian Essential Learning Standards

The VELs were released in 2005 as a key element of the *Blueprint for Government Schools* and are a major contribution to the Government's ongoing commitment to improve the learning outcomes of Victorian students. The VELs provide a new approach to organising the curriculum in schools by identifying what is essential for Victorian students to achieve at different stages of their schooling, setting standards for those achievements and providing a clear framework for reporting to parents and for school planning of curriculum delivery. They form the basis for curriculum and assessment in Victorian schools with schools progressively implementing and reporting to parents against the standards.

Achievements

Major achievements in the reporting period focused on development and publication of a range of resources to support teachers in their

implementation of the VELs and assessment of student achievement against the standards. These included:

- publication of sets of examples in all 16 domains to accompany the progression points used in the Government's new Student Report Card to assist teachers to make consistent, on-balance judgements about student achievement when progressing towards the standards
- publication of assessment maps containing annotated student work samples in each domain at each standard and progression point, developed as a tool to help teachers assess student work using the standards
- publication of advice on how values education, Indigenous perspectives and sustainability issues are reflected in standards across the VELs
- publication of advice focusing on incorporating Computer Algebra System (CAS) technology in Mathematics programs at Years 9 and 10
- publication of a resource commemorating the 40th anniversary of the 1967 Referendum which was a significant milestone in the progress towards equal rights for Indigenous Australians
- development of advice focusing on teaching and learning approaches to assist teachers with their understanding and application of each of the domains
- development of a range of sample assessment tasks designed to assess standards across more than one domain
- development of a matrix linking Level 6 of the VELs to the Employability Skills Framework
- comprehensive mapping of the National Statements of Learning in English, Mathematics, Science, Civics

and Citizenship, and Information and Communications Technology against the VELS

- delivery of professional development activities and briefings to teachers in consultation with stakeholders such as professional teaching associations, cluster educators, the Department of Education and Catholic Education Offices.

P–10 assessment

Achievement Improvement Monitor

The AIM is an integrated set of assessment and monitoring programs for measuring student progress and achievement. The VCAA delivered statewide AIM assessments at Years 3, 5 and 7 in August 2006 and subsequently delivered AIM results to all participating schools.

In May 2007, the Year 9 AIM English and Mathematics tests were conducted for the first time across all schools. This followed a successful pilot of Year 9 AIM in April 2006 in which 472 Victorian schools (81 per cent) volunteered to conduct the tests with approximately 55,000 students participating. In 2007, 582 schools and over 60,000 students participated in the tests.

Parents of children who completed the AIM tests were issued with reports showing their child's achievement levels in Reading, Writing, Spelling and Mathematics. Results are referenced to the expected level of achievement, the statewide average, the middle 80 per cent of all students completing the test and national benchmarks. National benchmarks have not yet been established for Year 9.

The parent reports also provide interpretive text describing what the results say about a student's level of performance and suggesting further action at the school level where

necessary. Parents of students who achieved results well above or below the expected level are advised to discuss these results with their child's school.

It is anticipated that AIM tests will be replaced by national literacy and numeracy tests in 2008.

Achievements

During the reporting period:

- the development, trialling and production of the 2006 and 2007 AIM tests was completed within budget and scheduled timelines
- AIM tests in 2006 were delivered to over 60,000 students in Year 3, over 62,000 students in Year 5 and over 61,000 students in Year 7
- AIM tests were delivered internationally to Years 3, 5 and 7 students at the Saudi Arabian International School, Riyadh
- online marking of the AIM tests was continued in 2006 with higher proportions of markers working from home and from non-metropolitan Victoria
- results were delivered to schools through the online AIM Data Service. This service was supported with professional development for nearly 2000 teachers, principals and curriculum leaders at multiple locations across Victoria
- the system used to deliver AIM Online tests in previous years continued to be used for online On Demand Testing
- there were 202 new school registrations in 2006–07 to use On Demand tests. This increased the total to 836 schools registered for On Demand Testing. Over 12,000 online tests were downloaded by schools from July 2006 to June 2007
- twenty-nine professional development sessions to support implementation of On Demand Testing were conducted in 2006–07 and 268 teachers from 190 schools attended the sessions.

Strategic Aim 2

Post-compulsory curriculum and assessment

To provide senior secondary students with study choices and assessments of their learning to promote successful transition to work or further study.

- The VCAA develops the curriculum and manages the assessment of the VCE which enables VCE students to acquire skills and knowledge in a wide range of studies. It is also responsible for ensuring the quality of the school-assessed component of the VCE and the external examinations in June and November.
- The VCAL is a practical alternative to the VCE for Years 11 and 12 students which develops work-related experience, literacy and numeracy skills, and the opportunity to build personal skills.
- The VCAA is also responsible for developing and maintaining the recognition arrangements for vocational education and training within the VCE and VCAL.

Post-compulsory curriculum

Victorian Certificate of Education

The VCAA supports the delivery of the VCE curriculum through the provision of advice and resources to teachers. This includes access to a wide range of VCAA curriculum materials and resources on the VCAA website. Statewide professional development sessions were conducted to accompany the introduction of revised VCE studies.

The VCE curriculum is subject to rigorous quality assurance processes through annual monitoring activities and cyclical evaluation and reaccreditation. This ensures that the highest quality curriculum is available to all Victorian students.

The VCE covers a broad range of studies. Over 130 options are available at Year 12 level, including 46 LOTE, 28 VCE VET programs and 13 school-based apprenticeships and traineeships. The VCAA provides curriculum implementation support for revised VCE studies. VCE VET programs are fully integrated within the VCE and provide students with credit in the VCE and credit for national training credentials issued within the Australian Qualifications Framework.

Victorian Certificate of Applied Learning

There are three VCAL levels: Foundation, Intermediate and Senior. Students start and complete the VCAL at the level that matches their needs and abilities. A VCAL student's learning program must comprise four compulsory curriculum strands. These are:

- literacy and numeracy skills
- work-related skills
- industry-specific skills
- personal development skills.

Some students who have completed the Senior VCAL or the VCE are able to enrol in Senior Extension VCAL, a program operating in three government secondary schools.

Vocational education and training in schools

VET in Schools programs allow students to combine general and vocational studies with senior secondary education. Students are also provided with pathways into training, further education and employment and direct experience in business and industry.

Students undertaking VET in Schools through either the VCE or the VCAL are able to include nationally recognised vocational education and training in their study program. In Victoria, the term VCE VET has been adopted to clearly describe the formalised arrangements where VET certificates have been incorporated in the VCE. Most students undertaking vocational education and training as part of their VCE or VCAL are enrolled in VCE VET programs.

The VCAA develops VCE VET programs from national training package VET qualifications or nationally recognised curriculum which can contribute directly as VCE studies. Students are able to select from a suite of vocational certificates approved by the VCAA and accredited by the Victorian Qualifications Authority for inclusion in the VCE.

Students may enrol in a VET certificate in a school-based apprenticeship or traineeship program in a range of industry areas promoted by industry stakeholders.

Students undertaking other VET training at Certificate II level or above are eligible for block credit recognition. This provides broader pathways for VCE students because they are given access to a greater range of VET programs and the opportunity to tailor their studies to local employment circumstances. It enables greater student uptake of school-based apprenticeships and traineeships in a wider range of industries.

Through both the industry and the work-related skills strands of the VCAL, students are able to gain credit for vocational education and training undertaken in any industry or training setting.

VET in Schools enrolments

In 2006, 38,237 students were enrolled in VET in Schools with 576 providers. This resulted in 57,576 certificate enrolments across a range of industry areas. These enrolments include 6161 enrolments in school-based apprenticeships and traineeships.

Achievements

During 2006, VCE Philosophy was reviewed. Consequently, teacher professional development programs were conducted and resources were created for the reaccredited study during the first half of 2007. The reaccredited VCE Philosophy Study Design will be implemented in 2008.

During 2007, a minor review of VCE Physics was begun. The reaccredited VCE Physics Study Design will be implemented in 2009.

Statewide professional development briefings for the new Chemistry study were conducted. Two sets of statewide briefings for the new English/English as a Second Language study were conducted. These briefings included sample delivery and assessment strategies.

In addition, the VCAA provided:

- statewide briefings on new developments in VCE VET programs and VCAL to over 700 VET coordinators, VCAL coordinators and teachers in 13 locations during November 2006
- activity workshops in 12 scored VCE VET programs over five days in February – April 2007 for 260 assessors from private providers, ACE providers, TAFE institutes and schools
- professional development seminars in December 2006 in six locations to prepare teachers for the revised VCE VET Information Technology program and in June 2007 for the VCE VET Dance program.

The VCAA also developed high-quality materials to support the implementation of training packages in VCE VET programs and achieved:

- successful outcomes for the 2006 Trial for Assessment and Reporting of Students Achievement of Employability Skills project to develop a process for formal recognition of employability skills. Extensive consultation was undertaken with employers and employer groups in relation to the construct and methodology of the project
- an increase in the number of enrolments in VET in Schools through increased flexibility in the choice of VET certificates, achieved in part through the expansion of block credit recognition arrangements.

Post-compulsory assessment

The VCAA has responsibility for both senior secondary qualifications: the VCE and the VCAL. The VCAA develops high-quality curriculum and assessments, teacher support materials and related professional development activities to support the delivery of the two certificates.

The VCAA also develops programs that lead to VET qualifications, a popular choice within both senior secondary qualifications.

Victorian Certificate of Education

During the November 2006 examination period, 118 written examinations – including those provided by CCAFL – were conducted over 16 days. All student examinations were processed, assessed and examination scores finalised over a period of 38 days.

Outcomes of graded assessment 2006

Students undertaking Units 3 and 4 sequences may participate in graded assessment. The median grade was a B, with 59.5 per cent of grades attaining a B or higher.

VCE VET programs

In 2006–07, 14 VCE VET programs provided students with the option of undertaking scored assessment of the designated Units 3 and 4 sequences.

VCE high grades 2002–06

	2002	2003	2004	2005	2006
Total number of grades	795,201	790,462	787,625	777,182	779,045
Number of A+ grades	110,172	108,428	108,559	107,972	107,819
Percentage of A+ grades	13.9	13.7	13.8	13.9	13.8
Number of A grades	126,681	125,087	126,364	124,998	125,035
Percentage of A grades	15.9	15.8	16.0	16.1	16.0

Note: Total number of grades excludes the number NA (not assessed).

VCE study scores 2002–06

	2002	2003	2004	2005	2006
Number of study scores	262,055	263,653	263,009	255,024	256,297
Students with at least one study score	74,240	75,543	76,050	74,781	74,406
Students with at least one study score of 40+	14,410	14,652	14,435	14,567	14,458
Students with at least one study score of 50	610	625	606	614	631
Number of study scores of 50	677	696	692	684	701

Scored assessment is available in the following VCE VET programs: Business Administration, Community Services, Dance, Electronics, Engineering Studies, Equine Industry, Financial Services, Furnishing, Hospitality (Operations), Information Technology, Laboratory Skills, Multimedia, Music Industry and Sport and Recreation.

The study score for a VCE VET program is calculated through assessments on a set of coursework tasks and an examination at the end of the year. The score allows students to use their VCE VET programs for direct contribution to their ENTER.

Victorian Certificate of Applied Learning

The VCAL is available for students in Years 11 and 12. It provides a statewide credential through which participating students can receive recognition for their achievements in programs that have traditionally not provided credit within a formal qualification. This can include recognition of learning that occurs in structured workplace learning, locally developed programs, community projects and youth development programs.

In 2006, 401 providers comprising government schools, Catholic schools, TAFE institutes and ACE organisations had 12,326 VCAL certificate enrolments. In each of these locations, VCAL learning programs have been developed by providers in partnership with TAFE institutes, schools, further education providers, employers, community organisations and Local Learning and Employment Networks.

The 2006 On Track destination data for Intermediate and Senior VCAL students indicated that 22.5 per cent of the 2005 VCAL students continued with further education or training and 65.4 per cent commenced an apprenticeship, traineeship or employment.

This means that 87.9 per cent of VCAL students had a pathway to further education, training or work.

Achievements

During the reporting period the VCAA:

- awarded:

– VCE certificates	46,932
– VCAL certificates	6,051
- delivered to students' homes:

– VCE statements of results	77,406
– GAT statements	74,755
– VCAL statements of results	2,551
– VET statements of results	13,699
- recorded successful completions of university extension studies 512
- delivered to students through their school:

– VCE statements of results	62,281
– VCAL statements of results	8,881
– VET statements of results	21,680
- provided the VCAA and the VTAC joint information service for students who accessed results:

– by telephone	5,741
– by SMS	12,837
– by Internet	49,586
- maintained and strengthened security arrangements in regard to the administration, dispatch, collection and processing of VCE examinations, with no breaches of security reported
- continued second three-year cycle of VCE examination security visits in 2007
- recorded an increase in the number of students undertaking school-based apprenticeships and traineeships
- recorded an overall increase in scored assessed program enrolments from the previous year.

Strategic Aim 3

Research, measurement and reporting

To provide accurate and comprehensive information to students, parents, schools, government and the community on education outcomes against state and national standards.

Educational measurement

During 2006–07, the Measurement Unit provided expertise to support the operations of assessment in the VCE and the AIM.

Achievements

During 2006–07, the Measurement Unit provided advice and support on a range of issues, including:

- professional development and training in the use of the AIM and VCE Data Service to more than 300 teachers and principals statewide
- the construction of derived examination scores for the VCE
- the equivalence of assessments conducted in different circumstances and using different modes (online versus paper and pencil)
- measurement issues that arose in relation to the development and improvement of AIM reporting
- data analysis and advice relating to the trialling of AIM tests and the preparation of reports on the results of AIM testing
- expertise to outside bodies including the VTAC, the National Measurement Advisory Group and the Malaysian Ministry of Education.

Strategic reporting

During 2006–07, the Strategic Reporting Unit provided information, reports and advice relating to students' post-compulsory participation and achievement in the VCE, VCAL and VET in Schools to a wide range of audiences including the general public, students, parents and teachers, and private and government education agencies.

Achievements

Strategic information provided during the reporting period includes:

- information on the VCAA website regarding the outcomes of the VCE, VCAL and VET in Schools assessment to enable students and parents to make choices about post-compulsory schooling
- VET in Schools information for national reporting to the National Council for Vocational Education and Training
- information to the Department of Education for program implementation, performance monitoring and policy development
- support to the On Track initiative which monitors the post-school destinations of Victorian young people.

Strategic Aim 4

Organisational capability

To build infrastructure and capability for innovation and deliver improved services to clients. The services provided by the Corporate Services Branch augment the VCAA's internal operations and its dealings with key educational stakeholders. These services include:

- corporate governance
- strategic policy and planning
- finance
- human resources and administration
- procurement and project management
- information technology
- information services and public affairs.

Achievements

In addition to providing support services to operational business units across the VCAA, Corporate Services:

- led and managed the organisation's strategic and business planning processes
- introduced balanced scorecard planning and reporting to support the development of the 2007–10 Strategic Plan
- undertook assessments of organisational risk and performance
- continued to support a schedule of regular stakeholder meetings, including forums for principals and educational representative organisations, to inform policy decisions of the Board
- coordinated the annual 'Your Job, Your Say' survey across the VCAA
- developed and maintained procurement strategies, methodologies and support documentation to ensure that procurement and contracting processes in the VCAA comply with legislative requirements and Victorian Government Purchasing Board policies
- managed the relocation of operations staff of the VCAA to a new assessment centre
- delivered the Season of Excellence, the annual program of exhibitions, performances and screenings of student work from a range of VCE studies: Art, Dance, Drama, Design and Technology, Music Performance: Group, Music Performance: Solo, Studio Arts and Theatre Studies
- continued work on the redevelopment of the APS
- established a revised disaster recovery strategy and commenced work to upgrade supporting infrastructure
- provided educational services to a number of schools overseas including:
 - delivery of the VCE in schools offshore in China
 - provision of the VELS and AIM services to a school in Saudi Arabia
 - delivery of the GAT, examination equivalence and moderation services to schools in South Africa.

Financial Report

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Operating statement for the financial year ended 30 June 2007

	Notes	Year ended 30 June 2007 \$	Year ended 30 June 2006 \$
Income			
Operating appropriations	2	34,523,400	35,110,700
Capital grants	2	100,000	200,000
Special grants	2	162,675	266,507
Resources received free of charge	3	1,826,745	1,846,124
Interest		465,699	375,965
User charges	4	2,854,339	1,831,006
		39,932,858	39,630,302
Expenses			
Employee benefits	5	24,764,702	24,114,398
Depreciation and amortisation	6	365,413	277,023
Resources received free of charge	3	1,826,745	1,846,124
Supplies and services	7	13,478,418	14,233,599
Other expenses	8	6,863	–
		40,442,141	40,471,144
Net result for the period		(509,283)	(840,842)

The above Operating Statement should be read in conjunction with the accompanying notes.

Balance sheet as at 30 June 2007

	Notes	Year ended 30 June 2007 \$	Year ended 30 June 2006 \$
Current assets			
Cash assets	10	349,237	782,354
Financial assets	11	4,259,951	4,546,178
Receivables	12	3,008,958	4,047,711
Prepayments	13	111,051	204,225
		7,729,197	9,580,468
Non-current assets			
Receivables	12	2,238,247	2,495,599
Property, equipment & motor vehicles	14	1,333,253	681,984
Work in Progress	15	2,560,536	400,424
		6,132,036	3,578,007
Total assets		13,861,233	13,158,475
Current liabilities			
Payables	16	4,719,883	3,904,044
Provisions	17a	4,185,825	3,918,378
Finance Liabilities	18	61,181	30,553
		8,966,889	7,852,975
Non-current liabilities			
Provisions	17a	382,579	355,948
Finance Liabilities	18	122,367	50,871
		504,946	406,819
Total liabilities		9,471,835	8,259,794
Net assets		4,389,398	4,898,681
Net equity			
Contributed capital	19	4,698,492	4,698,492
Accumulated surplus/(deficit)	20	(309,094)	200,189
Total equity		4,389,398	4,898,681

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

Statement of changes in equity for the financial year ended 30 June 2007

	Notes	Year ended 30 June 2007 \$	Year ended 30 June 2006 \$
Balance at beginning of year		4,898,681	5,739,523
Net result for the period		(509,283)	(840,842)
Balance at end of year		4,389,398	4,898,681

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

Cash flow statement for the financial year ended 30 June 2007

	Notes	Year ended 30 June 2007 \$	Year ended 30 June 2006 \$
Cash flows from operating activities			
Receipts			
Government contributions		36,247,983	32,573,257
Interest		464,658	388,048
User charges		2,708,890	1,936,289
Payments			
Employee costs		(24,398,687)	(23,440,042)
Supplies and services		(13,335,911)	(14,504,202)
Net Cash provided by/(used in) operating activities	25	1,686,933	(3,046,650)
Cash flows from investing activities			
Payments for equipment and leasehold improvements		(920,286)	(286,475)
Proceeds from sale of motor vehicles		12,545	-
Payments for work in progress		(1,453,513)	(357,182)
Net cash (used in) investing activities		(2,361,254)	(643,657)
Cash flows from financing activities			
Repayment of finance leases		(45,023)	(14,808)
Net cash (used in) financing activities		(45,023)	(14,808)
Net decrease in cash held		(719,344)	(3,705,115)
Cash at beginning of the financial year		5,328,532	9,033,647
Cash at end of the financial year	26	4,609,188	5,328,532

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

NOTE 1 Summary of significant accounting policies

Statement of compliance

The financial report is a general purpose financial report which has been prepared on an accrual basis in accordance with the *Financial Management Act 1994*, applicable Financial Reporting Directions, Australian Accounting Standards, Interpretations and other mandatory professional requirements. Accounting Standards include Australian equivalents to International Financial Reporting Standards (A-IFRS).

The financial statements were authorised for issue by J Jones (Chief Finance Officer–VCAA) on the 27/09/2007.

Basis of preparation

The financial report has been prepared on the basis of historical cost, where 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 accounting policies set out below have been applied in preparing the financial statements for the year ended 30 June 2007 and the comparative information presented in these financial statements for the year ended 30 June 2006.

a) Reporting entity

The Victorian Curriculum Assessment Authority (VCAA) is a statutory authority, established under the *Victorian Curriculum Assessment Authority Act 2000* (the Act). The authority is headed by the Chief Executive Officer, whose powers and functions are set out in section 13 of the Act. The CEO is responsible to the Authority for policy and operational matters and to the Secretary of the Department of Education (DoE) for budgetary, personnel and other administrative matters.

b) Objectives and funding

The VCAA's objectives are to create a school curriculum and assessment framework which supports high-quality education and the recognition of student achievements which engages students and helps them to move on to work and further study.

The main source of funding for the VCAA's operations is DoE through operational and project grants. Revenue was also derived from a number of external sources, including overseas student fees, publication sales, student services, royalties and other administrative fees.

DoE has provided letters of comfort over the past years to support their request that the VCAA draw on accumulated reserves to fund operating activities. The current letter of comfort documents the agreement by DoE to fund any operational shortfall for the 2007/2008 financial year activities, should it occur, to enable the VCAA to meet its financial commitments as and when they fall due, subject to the shortfall arising as a result of costs being incurred by the VCAA in its good faith endeavors to achieve the outcomes agreed between the VCAA and DoE.

c) 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 are recognised as income when the VCAA 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.

Royalties

VCAA intellectual property is captured and maintained in a register, with royalties recognised as income when the VCAA gains control of the underlying asset.

Fees, Publications & Other

Fees from overseas students are recognised in the period that the service is provided. Where student fees of a reciprocal nature have been received in respect of services to be delivered in the following financial year, such amounts are deferred and disclosed as fees in advance.

Publication and other miscellaneous revenue received are recognised as revenue on provision of service.

Interest revenue

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

d) Resources provided and received free of charge

Contributions of resources provided free of charge 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 value of the VCAA accommodation costs from the DoE, is recognised in the operating statement as an expense offset by an increase to revenue as resources received free of charge.

e) Goods and Services Tax (GST)

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, taxation authority is classified as operating cash flows.

f) Work in Progress

The work in progress represents the software development costs capitalised for the Assessment Processing System (APS).

Continued development will take place in 2007/08, upon completion the cost will be fully amortised over the useful life of the asset.

g) Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and cash at bank and investments, mainly deposits at call, which are readily convertible to known amounts of cash and are subject to insignificant risk of changes in value.

h) Non-Current Physical Assets

Computers, plant and equipment are measured at cost. Cost is measured as the fair value of the assets given up or liabilities undertaken at the date of acquisition.

i) Depreciation

Depreciation is provided on property, plant and equipment, including freehold buildings but excluding land.

Depreciation is generally 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. 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	
	2007	2006
Computer equipment	3	3
Plant and equipment	5	5
Motor vehicles	5-10	5-10
Leasehold improvements	5	5

j) Finance Leases

A distinction is made between finance leases which effectively transfer from the lessor to the lessee substantially all the risks and benefits incident to ownership of leased non-current

assets, and operating leases under which the lessor effectively retains substantially all such risks and benefits. Finance leases are capitalised. A lease asset and liability are established at the present value of minimum lease payments. Lease payments are allocated between the principal component of the lease liability and the interest expense.

The lease asset is amortised on a straight line basis over the term of the lease or where it is likely that the Victorian Curriculum Assessment Authority will obtain ownership of the asset, the expected useful life of the asset to the Victorian Curriculum Assessment Authority.

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

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

k) Employee benefits

Provision is made for benefits accruing to employees in respect of wages and salaries, annual leave, long service leave.

Wages and salaries, annual leave

Liabilities for wages and salaries, including annual leave expected to be settled within 12 months of the reporting date are recognised in the provision for employee benefits in respect of employee services up to the reporting date, classified as current liabilities and measured at their nominal values.

Those liabilities that are expected to be settled within 12 months are recognised in the provision for employee benefits as current liabilities, measured at present value of the amounts expected to be paid when liabilities are settled using the remuneration rate expected to apply at the time of settlement.

Long Service Leave

Liability for long service leave (LSL) is recognised in the provision for employee benefits

- *Current Liabilities – unconditional LSL* (representing 7 or more years continuous service for VPS staff and 10 and more years of continuous service for executives) is disclosed as a current liability because VCAA does not have the unconditional right to defer the settlement of the entitlement should an employee take leave with 12 months.

The components of this current LSL liability are measured at:

- present value – component that the VCAA does not expect to settle within 12 months; and
- nominal value – component that the VCAA expects to settle within 12 months.

- *Non-current liability – conditional LSL* (representing less than 7 years of continuous service for VPS staff and less than 10 years of continuous service for executives) is disclosed as a non-current liability. There is an unconditional right to defer the settlement of the entitlement until the employee has completed the requisite years of service.

This non-current LSL liability is measured at present value.

Employee benefits on-costs

Employee benefits on-costs (payroll tax, workers compensation, superannuation, annual leave and LSL accrued while on LSL taken in service) are recognised and included with LSL employee benefits.

Superannuation

Defined contribution plans

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 VCAA does not recognise any defined benefit liability in respect of these superannuation plans because the VCAA 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 centrally recognises the defined benefit liability or surplus of most Victorian government employees in such funds.

l) Financial Assets

The VCAA classifies its investments in the category: financial assets held-to-maturity. The classification depends on the purpose for which the investments were acquired. Management determines the classification of its investments at initial recognition.

Held to maturity investments

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

m) 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.

n) Payables

Payables consist predominantly of creditors and other sundry liabilities.

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

o) Rounding of amounts

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

p) New accounting standards and interpretations

Certain new accounting standards and interpretations have been published that are not mandatory for 30 June 2007 reporting period.

Under advice from the Department of Treasury and Finance, which assesses the impact of these new standards and advises on the applicability and early adoption where applicable, the VCAA has elected not to adopt these standards early.

AASB 7	<i>Financial Instruments: Disclosures</i>
AASB 2005-10	<i>Amendments to Australian Accounting Standards</i>
AASB 101	<i>Presentation of Financial Statements</i>
AASB 2007-2	<i>Amendments to Australian Accounting Standards</i>
AASB 8	<i>Operating Segments</i>
AASB 2007-3	<i>Amendments to Australian Accounting Standards</i>

NOTE 2 Appropriations

	2007 \$	2006 \$
Operating appropriations		
Current year	34,523,400	35,110,700
Capital grants		
Other	100,000	200,000
Special grants		
VCAL	103,182	260,000
Redevelopment of VCE Chemistry	18,493	6,507
Environmental Science Expo Program	41,000	–
	162,675	266,507

NOTE 3 Resources provided and received free of charge

	2007 \$	2006 \$
Property rentals and outgoings	1,826,745	1,846,124
	1,826,745	1,846,124

These amounts relate to three separate building occupancy arrangements:

- A lease on the VCAA's Assessment Centre at Camberwell.
- Occupancy of 41 St Andrews Place, East Melbourne.
- Occupancy of the VCAA's Assessment Centre at Coburg.

Property rentals and outgoings were paid on the VCAA's behalf by the DoE. These amounts have been recognised in the operating statement as expenditure offset by an increase to revenue as resources received free of charge.

During the later part of the financial year the Camberwell Assessment Centre was relocated to Coburg.

NOTE 4 User charges

	2007 \$	2006 \$
Fee-paying overseas students	1,269,127	1,310,591
Publication sales – Study Designs/CSF Material	11,415	41,200
Student services	303,716	231,113
VCE results hotline	33,312	10,529
Royalties	1,054,638	106,449
VCE Season Excellence	118,375	44,231
Miscellaneous income	63,756	86,893
	2,854,339	1,831,006

Increase to royalties is for copyright and is a one off position.

NOTE 5 Employee benefits

	2007 \$	2006 \$
Salaries and allowances	14,888,647	14,321,019
Fees for setting, vetting and assessing examinations	6,393,555	6,436,033
Associated salary oncosts	3,405,200	3,289,906
Other	77,300	67,140
	24,764,702	24,114,398

NOTE 6 Depreciation and amortisation provided

	2007 \$	2006 \$
Amortisation of leasehold improvements	115,956	–
Amortisation of leased motor vehicles	26,902	14,904
Depreciation of equipment	222,555	262,119
	365,413	277,023

The amortisation for the leasehold improvements mainly relates to the fit out of the new Assessment Centre at Coburg.

NOTE 7 Supplies and services

Major items of expenditure included the following:

	2007 \$	2006 \$
Administrative expenses	647,761	704,212
Computer and internet expenses	586,802	621,463
Contractors and consultants	4,909,952	5,158,253
Bad & Doubtful debts	20,039	11,784
Exam centre supervisor grants	2,231,499	2,226,696
Freight and cartage	433,345	429,257
Furniture and equipment	90,664	86,513
Hire and leasing of venues	320,247	272,000
Motor vehicles expenses	33,046	37,205
Office supplies	217,034	170,134
Printing and production	1,461,727	2,001,118
Staff training	253,615	256,487
Teacher release and development grants	1,035,685	998,859
Travelling and personal expenses	350,705	367,954
Utilities	598,215	749,084
Warehouse rental and outgoings	201,900	142,580
Write off of Assets	86,182	-
	13,478,418	14,233,599

Write off of assets of \$86,182 is due to the write off of the SSMS system – also refer note 15.

NOTE 8 Other expenses

	2007 \$	2006 \$
Disposal of Equipment		
Proceeds from sale of fixed assets	-	-
Less written down value of fixed assets disposed	319	-
Net loss on disposal of assets	(319)	-
Disposal of Motor Vehicles		
Proceeds from sale of motor vehicles	12,545	-
Less written down value of fixed assets disposed	19,089	-
Net loss on disposal of assets	(6,544)	-
Total net loss	(6,863)	-

NOTE 9 Remuneration of Auditors

	2007 \$	2006 \$
Audit Fees	24,300	24,300

Audit Fees paid or payable to the Victorian Auditor-General's Office for audit of the VCAA financial accounts and review of the financial report.

NOTE 10 Cash assets

	2007 \$	2006 \$
Cash on hand	400	400
Cash at bank	348,837	781,954
	349,237	782,354

NOTE 11 Other financial assets

	2007 \$	2006 \$
Term deposits	4,259,951	4,546,178
	4,259,951	4,546,178

NOTE 12 Receivables

	2007 \$	2006 \$
Current		
Fee-paying overseas students	551,533	521,337
Operating appropriation receivable	1,862,403	3,097,999
Other	615,022	448,375
	3,028,958	4,067,711
Less provision for doubtful debts	20,000	20,000
	3,008,958	4,047,711
Non-current		
DOE allocation for long-service leave	2,238,247	2,495,599

Appropriation receivable of \$1,862,403 represents the monies owed by DoE for the balance of the 2006/07 operating grant at 30th June of \$1,605,051 plus \$257,403 owing for long service leave taken by previous DoE employees whose long service leave liability was transferred to the VCAA with the employee.

NOTE 13 Prepayments

	2007 \$	2006 \$
Software Maintenance	75,617	123,675
Operating Costs	35,434	80,550
	111,051	204,225

NOTE 14 Property, equipment and motor vehicles

Equipment		2007 \$	2006 \$
At cost		2,835,641	2,788,463
Less accumulated depreciation		2,501,173	2,420,652
		334,468	367,811
Leasehold improvements		2007 \$	2006 \$
At cost		932,556	233,144
Less accumulated amortisation		115,955	–
		816,601	233,144
Leased assets		2007 \$	2006 \$
Motor vehicles at cost		214,523	99,293
Less accumulated amortisation		32,339	18,264
		182,184	81,029
Total Property, equipment and motor vehicles		1,333,253	681,984

The increased leasehold cost mainly relates to the fit-out of the new Assessment Centre at Coburg

Movements during the reporting period

	Equipment \$	Leasehold improvement \$	Leased assets \$
Carrying amount			
Balance at 1 July 2006	447,784	–	121,217
Additions	182,146	233,144	37,225
Disposals	–	–	(62,509)
Transfers	–	–	–
Depreciation	(262,119)	–	–
Amortisation	–	–	(14,904)
Balance at 30 June 2006	367,811	233,144	81,029
Additions	189,531	699,413	147,146
Disposals	(319)	–	(19,089)
Transfers	–	–	–
Depreciation	(222,555)	–	–
Amortisation	–	(115,956)	(26,902)
Balance at 30 June 2007	334,468	816,601	182,184

NOTE 15 Work in progress

	2007 \$	2006 \$
Assessment Processing System Redevelopment (APS-R)	2,560,536	322,357
Sessional Staff Management System Development (SSMS)	–	78,067
	2,560,536	400,424

Movements during the reporting period

	Opening WDV \$	Additions \$	Disposals \$	Amortisation \$	Closing WDV \$
APS-R	322,357	2,238,179	–	–	2,560,536
SSMS	78,067	8,115	(86,182)	–	–
Total	400,424	2,246,294	(86,182)	–	2,560,536

The Assessment Processing System Redevelopment (APS-R) Project was an ERC submission and is being undertaken to partially redevelop the Assessment Processing System (APS) which contains student and result data for all Victorian students up to Year 12. The \$2,560,536 represents the development costs at June 30th. The APS-R project is nearing completion of phase one.

NOTE 16 Payables

	2007 \$	2006 \$
Trade creditors	2,609,157	1,825,834
Accrued salaries	1,671,762	1,599,825
Fees in advance	438,964	478,385
	4,719,883	3,904,044

Trade creditors of \$2,609,157 include APS-R consultant and hardware costs accrued at 30th June 2007.

NOTE 17 Employee benefits

(a) Provision for employee benefits

	2007 \$	2006 \$
Current		
Long service leave		
Short term at nominal value	300,000	300,000
Long term at present value	2,692,955	2,503,417
Annual leave		
Short term at nominal value	1,192,870	1,114,961
	4,185,825	3,918,378
Non-current		
Long service leave	382,579	355,948
Total	4,568,404	4,274,326

\$2,495,650 (2006 \$2,495,599) of the current and non-current long service leave represents the present obligation of historical long service leave entitlements assumed by VCAA on employment of personnel who had previously worked within the Victorian Public Sector,

DoE has agreed to fund VCAA for the transfer of these obligations and a receivable relating to this commitment is reflected in note 12.

Movement during the reporting period

	2007 \$
Opening Balance	4,274,326
Additional provisions recognised	1,472,495
Reductions arising from payments/other sacrifices of future economic benefits	(1,178,417)
Reductions resulting from re-measurement or settlement without cost	-
Unwind of discount and effect of change in the discount rate	-
Closing Balance	4,568,404

(b) Government Employees' Superannuation Fund

Superannuation contributions for the reporting period are included as part of salaries and associated costs in the operating statement of the VCAA.

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

Payments to the State Superannuation Fund and the Victorian Superannuation Fund in respect to ongoing staff employed by the VCAA were made by the DoE. The Department was reimbursed an amount of \$1,419,680 at balance date for these contributions, which has been calculated at an average rate of 10.75% of actual salaries.

In addition to the above, the VCAA paid contributions on behalf of eligible casual and sessional employees into 48 different funds. Contributions are calculated at a rate of 9% pursuant to the provisions of the *Superannuation Guarantee Act 1992*. Total contributions of \$599,176 were paid directly to the following funds:

VicSuper	\$559,011
Catholic Super Fund	\$10,929
Tertiary Education Super Scheme	\$6,932
Other (45 different funds)	\$22,304

The VCAA has no loans from the employee superannuation funds.

No liability is recognised in the Balance Sheet for the VCAA's share of the State's unfunded superannuation liability. The State's unfunded superannuation liability has been reflected in the financial statements of the Department of Treasury and Finance.

NOTE 18 Financial liabilities

	2007 \$	2006 \$
Current		
Motor vehicles under finance lease	61,181	30,553
Non-current		
Motor vehicles under finance lease	122,367	50,871

NOTE 19 Contributed capital

	2007 \$	2006 \$
Balance 1 July	4,698,492	4,698,492
Contributions of equity	–	–
Balance 30 June	4,698,492	4,698,492

NOTE 20 Accumulated surplus/(deficit)

	2007 \$	2006 \$
Accumulated surplus/(deficit) at the beginning of the financial year	200,189	1,041,031
Net result for the reporting period	(509,283)	(840,842)
Accumulated surplus/(deficit) at the end of the financial year	(309,094)	200,189

NOTE 21 Financial instruments

a) Interest rate risk

The VCAA's exposure to interest rate risks and the effective interest rates of financial assets and financial liabilities, recognised at balance date, are as follows:

2007	Weighted average effective interest rate	Variable interest rate	Maturity dates		Non-interest bearing	Total
			Less than 1 year	1–5 years		
Financial assets						
Cash assets	5.55%	348,837	–	–	400	349,237
Other financial assets	6.00%	–	4,259,951	–	–	4,259,951
Receivables	–	–	–	–	5,247,205	5,247,205
		348,837	4,259,951	–	5,247,605	9,856,393
Financial liabilities						
Payables	–	–	–	–	4,280,919	4,280,919
Financial liabilities	6.69%	–	61,181	122,367	–	183,548
		–	61,181	122,367	4,280,919	4,464,467

2006	Weighted average effective interest rate	Variable interest rate	Maturity dates		Non-interest bearing	Total
			Less than 1 year	1–5 years		
Financial assets						
Cash assets	4.75%	781,954	–	–	400	782,354
Other financial assets	5.53%	–	4,546,178	–	–	4,546,178
Receivables	–	–	–	–	6,543,310	6,543,310
		781,954	4,546,178	–	6,543,710	11,871,842
Financial liabilities						
Payables	–	–	–	–	3,425,659	3,425,659
Financial liabilities	6.40%	–	30,553	50,871	–	81,424
		–	30,553	50,871	3,425,659	3,507,083

(b) Fair values

The aggregate fair value of financial assets and financial liabilities, recognised at balance date, are as follows:

	Total carrying amount and aggregate net fair value as per Balance Sheet	
	2007 \$	2006 \$
(i) Financial assets		
Cash assets	349,237	782,354
Other financial assets	4,259,951	4,546,178
Receivables	5,247,205	6,543,310
Total financial assets	9,856,393	11,871,842
(ii) Financial liabilities		
Payables	4,280,919	3,425,659
Financial liabilities	183,548	81,424
Total financial liabilities	4,464,467	3,507,083

The following methods and assumptions are used to determine the net fair values of financial assets and financial liabilities:

Recognised financial instruments

Cash and Other Financial Assets: The carrying amount approximates fair value because of their short-term maturity.

Receivables and payables: The carrying amount approximates fair value.

Financial liabilities: The carrying amount approximates fair value.

(c) Credit risk exposures

The VCAA's maximum exposure to credit risk at balance date in relation to each class of recognised financial asset is the carrying amount of those assets as indicated in the Balance Sheet.

Credit risk in trade receivables is managed in the following ways:

- payment terms are 30 days
- debt collection policies and procedures are employed.

NOTE 22 Responsible persons

Responsible Persons and Executive Officers

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

Names

The persons who held the positions of Ministers and Accountable Officers in the VCAA at any time during the financial period are as follows:

Responsible Minister

Minister for Education and Training	The Hon. Lynne Kosky, MP	1 July 2006 – 4 December 2006
Acting Minister for Education and Training	The Hon. Jacinta Allan, MP	3 July 2006 – 4 July 2006 13 July 2006 – 16 July 2006
Minister for Education	The Hon. John Lenders, MP	5 December 2006 – 30 June 2007
Acting Minister for Education	The Hon. Jacinta Allan, MP	24 March 2007 – 5 April 2007 10 April 2007 – 15 April 2007
	The Hon. Peter Batchelor, MP	6 April 2007 – 9 April 2007
Accountable Officer	Mr John Firth	
VCAA members	Mr Stuart Hamilton, Chair	Resigned 27 October 2006
	Professor Peter McPhee, Chair	Appointed 27 October 2006
	Ms Esmerelda Bamblett	
	Professor Gerald Burke	
	Professor Peter Dawkins	Appointed 10 July 2006
	Ms Polly Flanagan	Appointed 19 June 2007
	Mr Grant Hehir	Term concluded 9 July 2006
	Mr John Maddock	
	Mr Peter McMullin	
	Professor Robert Pargetter	Term concluded 30 April 2007
	Mr Glen Pearsall	
	Ms Catherine Pianta	
	Ms Debra Punton	
	Ms Joanne Roberts	
	Ms Helen Staindl	
	Professor Sue Willis	

Remuneration of Responsible Persons

Remuneration received or receivable by the Accountable Officers and VCAA members (responsible persons) in connection with the management of the VCAA during the reporting period is shown below in relevant income bands

Income	2007	2006
\$0	7	9
\$1-\$9,999	7	6
\$10,000-\$19,999	1	
\$20,000-\$29,999	1	
\$30,000-\$39,999		1
\$40,000-\$49,999		1
\$180,000-\$189,999		1
\$210,000-\$219,999	1	
Total remuneration received, or due and receivable by responsible persons amounted to:	\$282,955	\$283,009

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

Remuneration of Executives

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

Several factors have affected total remuneration payable to executives over the year, including contract renegotiation, new appointments, retirements and bonus payments. These bonus payments depend on the terms of the individual employment contracts. This has had an impact on total remuneration due to the inclusion of annual leave, long-service leave payments and retirement benefits.

The executive officers receiving total remuneration exceeding \$100,000 during the reporting period, are shown in the following table in their relevant income bands.

Income band	Total Remuneration		Base Remuneration	
	2007 No.	2006 No.	2007 No.	2006 No.
\$90,000–\$99,999				1
\$100,000–\$109,999		1		
\$110,000–\$119,999				
\$120,000–\$129,999				
\$130,000–\$139,999				
\$140,000–\$149,999		1	2	1
\$150,000–\$159,999	2			1
\$160,000–\$169,999		1		
Total Numbers	2	3	2	3
Total Amount \$	\$312,219	\$417,750	\$294,489	\$382,992

NOTE 23 Economic dependency

The VCAA is dependant on the State Government, through the DoE for a significant volume of its operating revenue and ongoing financial support as reported in note 2. A letter of comfort is negotiated annually with DoE.

NOTE 24 Segmental reporting

The VCAA operates predominately in the education sector and its primary responsibility is the development of curriculum and assessment for all Victorian schools.

NOTE 25 Reconciliation from operating result to net cash flow from operating activities

	Year ended 30 June 2007 \$	Year ended 30 June 2006 \$
Operating result	(509,283)	(840,842)
Non-cash flows in operating results		
Depreciation of equipment	222,555	262,119
Amortisation of leasehold improvements	115,956	-
Amortisation of motor vehicles	26,902	14,904
Loss/(Profit) on sale of assets	6,863	-
Assets Write Off	86,182	-
Bad debts	39	(8,216)
Decrease/(increase) in assets		
Receivables	1,296,066	(3,021,962)
Other current assets	93,174	(15,434)
Increase/(decrease) in liabilities		
Accounts payable	54,401	(59,615)
Annual leave provision	77,909	202,129
Long service leave provision	216,169	400,267
Net cash inflow (outflow) from operating activities	1,686,933	(3,046,650)

NOTE 26 Reconciliation of cash

For the purposes of the Statement of Cash Flows the VCAA considers cash to include amounts on hand and amounts held in the bank and investment accounts. Cash at the end of the reporting period as shown in the Statement of Cash Flows is reconciled to the related items in the Balance Sheet as follows:

	As at 30 June 2007 \$	As at 30 June 2006 \$
Cash on hand	400	400
Cash at bank	348,837	781,954
Other financial assets	4,259,951	4,546,178
Total cash at end of period	4,609,188	5,328,532

NOTE 27 Contingent liabilities and contingent assets

As at 30 June 2007 \$	As at 30 June 2006 \$
-	-

The VCAA does not have any contingent liabilities or assets.

NOTE 28 Commitments for expenditure

	As at 30 June 2007 \$	As at 30 June 2006 \$
Capital Expenditure Commitments		
Intangible assets		
Payable		
Not more than one year	1,432,000	-
Longer than one year and not longer than five years	912,000	-
Longer than five years	-	-
Total Capital Expenditure Commitments	2,344,000	-

The commitments represent the residual amount owing to contractors for the development of the APS-R project. The VCAA received a commitment of funding of \$6 million of which \$3 million was drawn down in 2005 with the remaining balance expected to be drawn down in the 2007/08 financial year.


**ACCOUNTABLE OFFICER'S AND CHIEF FINANCE AND ACCOUNTING OFFICER'S
DECLARATION**

We certify that the attached financial statements for the VCAA 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 Changes in Equity, Cash Flow Statement and notes to and forming part of the financial statements, presents fairly the financial transactions during the year ended 30 June 2007 and financial position of the VCAA as at 30 June 2007.

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

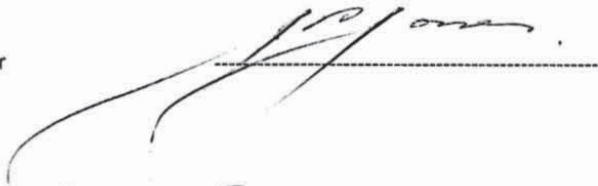
Peter McPhee
Chair



John Firth
Chief Executive Officer



Jennifer Jones
Chief Finance Officer



Date: 27 September 2007

VAGO

Victorian Auditor-General's Office

INDEPENDENT AUDIT REPORT

Victorian Curriculum and Assessment 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 auditor's report for the financial year ended 30 June 2007 relates to the financial report of the Victorian Curriculum and Assessment Authority included on its web site. The Members of the Board of the Victorian Curriculum and Assessment Authority are responsible for the integrity of the web site. I have not been engaged to report on the integrity of the web site. The auditor's 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.

The Financial Report

The accompanying financial report for the year ended 30 June 2007 of the Victorian Curriculum and Assessment Authority which comprises the operating statement, balance sheet, statement of changes in equity, cashflow statement, a summary of significant accounting policies and other explanatory notes to and forming part of the financial report, and the accountable officer's and chief finance and accounting officer's declaration has been audited.

The Responsibility of the Members of the Board for the Financial Report

The Members of the Board of the Victorian Curriculum and Assessment Authority are responsible for the preparation and the fair presentation of the financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the financial reporting requirements of the *Financial Management Act 1994*. This responsibility includes:

- establishing and maintaining internal controls relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error
- selecting and applying appropriate accounting policies
- making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

As required by the *Audit Act 1994*, my responsibility is to express an opinion on the financial report based on the audit, which has been conducted in accordance with Australian Auditing Standards. These Standards require compliance with relevant ethical requirements relating to audit engagements and that the audit be planned and performed to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The audit procedures selected depend on judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, consideration is given to internal control relevant to the Board Members' preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control. An audit also includes evaluating the appropriateness of the accounting policies used, and the reasonableness of accounting estimates made by the Board Members, as well as evaluating the overall presentation of the financial report.

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Level 24, 35 Collins Street, Melbourne Vic. 3000

Telephone 61 3 8601 7000 Facsimile 61 3 8601 7010 Email comments@audit.vic.gov.au Website www.audit.vic.gov.au

Auditing in the Public Interest

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Victorian Auditor-General's Office

Independent Audit Report (continued)

I believe that the audit evidence obtained is sufficient and appropriate to provide a basis for my audit opinion.


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, his staff and delegates comply with all applicable independence requirements of the Australian accounting profession.

Auditor's Opinion

In my opinion, the financial report presents fairly, in all material respects, the financial position of the Victorian Curriculum and Assessment Authority as at 30 June 2007 and its financial performance and cash flows for the year then ended in accordance with applicable Australian Accounting Standards (including the Australian Accounting Interpretations), and the financial reporting requirements of the *Financial Management Act 1994*.

MELBOURNE
1 October 2007


D.D.R. Pearson
Auditor-General

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Auditing in the Public Interest

Appendices

APPENDIX 1 2006–07 VCE and VCAL Study Review Panels and Teams

VCAL Work-Related Skills Units Review Team

Ms Anne Clifford	Coles Myer
Mr Brian Couper	Grovedale College
Ms Christine Cox	The Apprenticeship Factory
Ms Teresa Cusack	Northern Melbourne Institute of TAFE
Mr Simon Haber	Benalla College
Ms Rebecca Halit	Upper Yarra Community House
Mr Russell Henry	Lavalla Catholic College

VCAL Literacy and Numeracy Skills Units Review Team

Mr Chris Anderson	Holmesglen Vocational College
Ms Teresa Cusack	Northern Melbourne Institute of TAFE
Mr Donald Gibbons	Westall Secondary College
Ms Ruth Goddard	Glenroy Neighbourhood Learning Centre
Ms Lisa Holt	Carrum Downs Secondary College
Ms Leanne Lamb	Castlemaine Secondary College
Mr Ken Lockhart	Parkdale Secondary College
Mr Steven Mullin	Ararat Community College
Mr Spiro Onisiforou	Heathmont College
Ms Ruth Patching	Diamond Valley Learning Centre
Ms Angela Tsotos	Marcellin College

VCE Physics Review Panel

Mrs Jill Crawford	Methodist Ladies College
Miss Kelli Dodman	Rosebud Secondary College
Mr Peter Furlong	Holmesglen Institute of TAFE
Dr Lisa Germany	Swinburne University of Technology
Mr Colin Hopkins	Trafalgar High School
Mr Paul Keyte	Melbourne High School
Mr Paul Marks	Radiation Safety Section, Department of Human Services
Dr John Nicholson	Melbourne Grammar School
Ms Kim Northmore	St Columba's College
Dr Roger Rassool	The University of Melbourne
Mr John Sturdy	Hudson Global Resources (Aust) Pty Limited
Mr Stephen Treadwell	Beaconhills College – Village Campus
Mr Bruce Walsh	Xavier College

APPENDIX 2

Other statutory reporting requirements

Consultancies and major contracts

No consultancies in excess of \$100,000 were awarded during 2006–07.

No consultancies less than \$100,000 were awarded during 2006–07.

No contracts were awarded during 2006–07 with a value of \$10 million or above.

Competitive neutrality

In a report to the Department of Education on the National Competition policy, the VCAA was identified as not subject to the Competition Code. The report found that the VCAA had little, if any, potential to be involved in anti-competitive practices. Although the VCAA's activities are mainly regulatory in nature, the VCAA is empowered to charge fees for the services it provides under section 7(1)(b) of the *Victorian Curriculum and Assessment Authority Act 2000*.

Building Act 1993

The building occupied by the VCAA at 41 St Andrews Place is a government-owned building. A formal occupancy arrangement with the Department of Education is current. The VCAA is committed to providing a safe and secure building for staff and visitors and full compliance with the provisions of the *Building Act 1993*.

The VCAA closed its Camberwell facility in April 2007 and moved most of its assessment-related units to a new site in Coburg in April 2007. The VCAA also has occupation of a single warehouse facility to cater for the organisation's storage needs.

Public accountability and compliance

Under the accrual output-based appropriation, budgeting, performance monitoring and reporting model introduced by the Government in the 1998–99 budget, accountability for departments and government agencies commenced with the publication of budget portfolio financial statements in the annual Budget Paper No. 3 and ended with the publication of actual results in respective annual reports.

The VCAA, in conjunction with the Department of Education, reported its performance against outputs on a quarterly basis and its financial aggregates on a monthly basis to the Department of Treasury and Finance.

Industrial disputes and time lost due to injury

Industrial disputes

There were no staff hours lost as a result of industrial disputes during the financial year.

Industrial accidents

One hundred and fourteen staff hours were lost as a result of industrial accidents during the reporting period.

APPENDIX 3

Workforce statistics

Staff in the VCAA on pay by gender and classification, June 2006–07

Classification	2006			2007		
	Males	Females	Total	Males	Females	Total
EO2	1.0	–	1.0	1.0	–	1.0
EO3	1.0	1.0	2.0	3.0	1.0	4.0
STS	–	–	–	0.5	0.5	1.0
VPSG6	11.0	9.0	20.0	12.0	8.0	20.0
VPSG5	22.8	36.1	58.9	23.8	38.5	62.3
VPSG4	10.0	16.6	26.6	9.0	16.0	25.0
VPSG3	14.8	27.7	42.5	14.8	26.8	41.6
VPSG2	10.0	19.2	29.2	8.0	18.8	26.8
VPSG1	–	–	–	–	–	–
Graduate	–	2.0	2.0	–	–	–
Total	70.6	111.6	182.2	72.1	109.6	181.7

Occupational health and safety objectives

The VCAA's occupational health and safety (OHS) objectives can be listed as follows:

- to prevent injury/illness from occurring in the workplace
- to maintain the good health and wellbeing of all staff
- to comply with all statutory requirements of Acts and Regulations, codes of practice and standards.

To fulfil these objectives the VCAA:

- consulted with employees on health, safety and wellbeing issues directly as well as through their health and safety representatives and employee representatives on issues affecting them
- implemented issues resolution procedures, including the Workplace Consultative Committee processes
- developed and applied OHS policies, procedures and practices in accordance with statutory requirements and accepted health and safety standards

- integrated OHS compliance, awareness and prevention strategies into VCAA workplace policies and procedures
- provided instruction, information and training for two VCAA staff members to enable them to perform their OHS roles and responsibilities
- implemented effective reporting, recording and investigation procedures for workplace injuries, illnesses and incidents
- reduced health, safety and wellbeing risks through a documented process of hazard identification, risk assessment and control.

Major initiatives in 2006–07 included:

- the OHS management systems developed by Noel Arnold and Associates reaching production stage, with the electronic version to be posted on the VCAA Intranet in early to mid-August 2007
- developing an in-house online incident reporting system
- holding regular meetings between OHS representatives and the Workplace Consultative Committee to ensure OHS requirements were provided for all staff

-
- having three more VCAA staff members attending Victorian Employers' Chamber of Commerce and industry OHS training courses
 - conducting regular OHS inspections of the workplace to identify any potential problems or issues
 - posting OHS information on the VCAA's Intranet, including details of OHS representatives on the VCAA Workplace Consultative Committee, dates of meetings and minutes of previous meetings, and links to other useful OHS information
 - offering free influenza immunisation shots to all staff
 - conducting a review of qualified first aid officers and ensuring adequate support of qualified staff
 - training of eight first aid officers in the use of defibrillators.

OHS performance targets

OHS performance met or exceeded its targets in 2006–07. During the reporting period the VCAA received one standard claim and no Improvement or Prohibition Notices were issued to the VCAA. The target for 2007–08 is to reasonably maintain this standard.

Workplace Consultative Committee

The Workplace Consultative Committee was established in 2004 as a forum to identify and resolve staff issues related to accommodation, OHS, professional development and training, planned changes to structures and programs, and human resource activities.

The Committee meets monthly to develop and recommend policies and practices to promote a healthy and mutually supportive work culture and environment within the organisation, provide a consultation forum for staff and management and act in an advisory capacity to executive management.

The VCAA participated in the Department of Education survey 'Your Job, Your Say'.

Merit training

Five VCAA staff completed the accreditation training during the reporting period. Since 2001, a total of more than 100 members of staff have trained in merit-based selection procedures. A merit protection-accredited person is required to be included on all selection panels and in many other situations where personnel decisions are made.

APPENDIX 4

Freedom of Information

Publication requirements

The information required to be published pursuant to section 7 of the *Freedom of Information Act 1982* (FOI Act) follows, except for information required by that section, but which is published elsewhere in this report.

Queries about the availability of and charges for other material prepared under Part II of the FOI Act should be directed to the following address:

Manager, Corporate Governance
VCAA
41 St Andrews Place
East Melbourne 3002
Telephone (03) 9651 4311
email <foi.vcaa@edumail.vic.gov.au>

Categories of documents

The following are the general categories of documents maintained by the VCAA:

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

Paper records of agendas, agenda papers and confirmed minutes of meetings are maintained in registered files. An index of outcomes is also maintained.

Personnel documents

Paper records on remuneration and appointments to the VCAA are maintained in registered files.

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.

Student records

Student personal, enrolment and assessment information for VCE and VCAL students are maintained using the VCE Administrative Software System, a web-based system which provides direct communication between the VCAA and VCE and VCAL provider schools.

Other categories of documents maintained internally include records associated with curriculum and examinations. Some records will be protected from public release on the grounds of personal privacy, others by the restrictions placed on examination materials. Previous examination papers are published on the VCAA website.

Information provided by the VCAA about its operations covers VCE and VCAL areas of study, school assessment, examinations, curriculum and standards for P–10, the VELs, the AIM, GAT and other more general information.

Freedom of Information arrangements

Access to records

Access to some records held by the VCAA, such as VCE students wishing to obtain replacement statements and/or certificates, can be organised via established routine procedures. The VCAA's Information Services staff can provide initial information to people regarding such protocols. Applicants seeking access to documents that are not the subject of VCAA access procedures should address their request to the authorised officer.

Requesting access under the FOI Act

Applicants are required under the FOI Act to submit applications requesting access to documents in writing in a way that clearly describes the document(s) sought. The request should specify that the application is made under the FOI Act and should not form part of a letter on another subject. The applicant should provide the following information:

- name
- address
- telephone number (where applicant can be contacted during business hours)
- details of document(s) requested
- the form of access required, such as copies of documents, inspection of files or other.

Fees

An application fee is required unless evidence of hardship is provided. Applicants are advised that other charges may be made in accordance with the Freedom of Information (Access Charges) Regulations 2004. Details of the fee and access charges can be found at <<http://www.foi.vic.gov.au/>>.

Appeals

Applicants may appeal against a decision made in response to requests for access to documents, for the amendments of records or against the cost levied for allowing access to documents. Information about the appropriate avenue of appeal will be conveyed to the applicant in the letter advising of the initial decision. Applicants are advised to consult Part VI of the FOI Act for further information about appeal rights.

Correction of personal information

A request for correction or amendment of personal information in a document held by the agency must be made in writing. It should specify particulars of how and why the person making the request believes the information to be incorrect, incomplete, misleading or out of date. It should also specify the amendments they wish to make.

Summary for year ended 30 June 2007

In 2006–07, one request was made under the FOI Act.

APPENDIX 5

Additional information

Consistent with the requirements of the *Financial Management Act 1994*, the VCAA has prepared material on the following topics, details of which, if not published in the annual report, are available to the public on request.

Information retained by the VCAA includes details, where applicable, of:

- changes in prices, fees, charges, rates and levies
- major research and development activities
- major promotional, public relations and marketing activities
- shares held by senior officers as nominees or held beneficially in a statutory authority or subsidiary
- declaration of pecuniary interests
- OHS assessments and measures
- industrial relations issues
- major committees sponsored by the VCAA
- major external reviews carried out on the VCAA
- details of overseas visits undertaken, including a summary of the objectives and outcomes of each visit
- details of publications produced by the entity about the activities of the entity and where the publications can be obtained.

Enquiries regarding details of this information should be addressed to the following officer:

Manager, Corporate Governance
VCAA
41 St Andrews Place
East Melbourne 3002
Telephone (03) 9651 4311
Email <vcaa@edumail.vic.gov.au>

APPENDIX 6

Whistleblowers Protection Act 2001

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

The Department had not received any disclosures made under the Act in relation to the VCAA Board or VCAA employees, nor had the Ombudsman referred any disclosures made under the Act to the Department for investigation during 2006–07.

Department of Education Guidelines

1 *Statement of support to whistleblowers*

The *Whistleblowers Protection Act 2001* (the Act) commenced operation on 1 January 2002. 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 to 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.

2 *Purpose of the procedures*

These procedures establish a system for reporting disclosures of improper conduct or detrimental action by Departmental 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.

3 *Objects of the Act*

The purpose of the Act is to encourage and facilitate the making of disclosures of improper conduct by public officers and public bodies and establish a system for matters to be investigated. The Act provides protection to whistleblowers who make disclosures in accordance with the Act and remedies for the person where detrimental action has been taken against them.

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.

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 as a public officer or a public body.

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 proven, 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
- a public officer performing his or her 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 the making of 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 of Education

Disclosures of improper conduct or detrimental action by Departmental 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.

5.2 Alternative contact persons

Disclosures about improper conduct or detrimental action by Departmental employees may also be made directly to the Ombudsman.

Disclosures about improper conduct or detrimental action by persons who are not Departmental 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	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
Local Government Councillor	The Ombudsman
Chief Commissioner of Police	The Ombudsman or the Director, Police Integrity
Member of the police force	The Ombudsman, the Director, Police Integrity 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 that 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 role in the internal reporting system. He or she will:

- receive all protected disclosures forwarded from the protected disclosure officers
- impartially assess each disclosure to determine whether it is a protected disclosure made in the public interest
- coordinate the reporting system used by the Department
- be a contact point for general advice about the operation of the Act
- be responsible for ensuring that the Department carries out its responsibilities under the Act and the Ombudsman's guidelines

- liaise with the Ombudsman in regard to the Act
- refer all public interest 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
- where necessary, 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 that 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 that the expectations of the whistleblower are realistic.

7 Confidentiality

Section 22 of 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. A breach of section 22 constitutes a criminal offence.

The circumstances in which a person may disclose information obtained about a protected disclosure include:

- where exercising the functions of the Department under the Act
- when making a report or recommendation under the Act
- when publishing statistics in the Department's annual report
- 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 disclosure of particulars in the annual report that might lead to the identification of a person against whom a protected disclosure is made.

7.1 Establishing a confidential electronic and paper filing system

The Department will take all reasonable steps to prevent breaches of confidentiality and to minimise the possibility of detrimental action being taken against a whistleblower by ensuring a secure electronic and paper filing system is in place.

The Department will ensure that:

- all paper and electronic files are secure and can only be accessed by authorised officers

- all printed material is kept in files that are clearly marked as a Whistleblower Protection Act matter and include a prominent warning on the front of the file that criminal penalties apply to any unauthorised divulging of information concerning a protected disclosure
- any files saved onto floppy disk, CD-ROM or other disc are password protected
- any other material such as tapes from interviews are stored securely with access only to authorised officers
- the security of communications between nominated officers and/or contracted officers, that is sensitive information or documents, are not emailed or faxed to a machine to which staff have general access (personal delivery is the best way to ensure confidentiality).

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.

The Department will ensure that staff who deal with the receipt of complaints are aware of the Act and what matters may fall under the Act. Similarly staff in areas where complaints are likely to be identified, such as mail and call centres, will be aware of the general nature of protected disclosures and the procedures for dealing with such disclosures appropriately.

Where a staff member receives a complaint, report or allegation of improper conduct or detrimental action, he or she will refer the matter to one of the Department's protected disclosure officers for advice.

In some circumstances the person may not refer to the Act when making the allegation of improper conduct or detrimental action. If an allegation raises issues that may fall within the provisions of the Act, the Department will assess the allegations in terms of the Act.

The protections of the Act may apply to a disclosure regardless of whether or not the individual making the disclosure specifically requests the protections. The assessment will be made on the nature of the disclosure and not the intention of the individual making it.

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 How can a protected disclosure be made?

Part 2 of the Act provides that a person may make a disclosure anonymously or not:

- orally
- in writing
- electronically.

9.1.2 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 on page 75.) If the disclosure has been made anonymously, it should be referred to the Ombudsman.

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	Regional Director	Guidelines for Managing Complaints Unsatisfactory Performance and Serious Misconduct in relation to Principals, School Services Officers and Teachers Refer to Guidelines in the A – Z index of the Department's Human Resources website
Workplace conflict or grievance	Principal or Manager	The Department's Conduct and Ethics Branch Merit Protection Boards	Guidelines for Managing Complaints Unsatisfactory Performance and Serious Misconduct in relation to Principals, School Services Officers, Teachers and in the VPS Refer to Guidelines in the A – Z index of the Department's Human Resources website
Equal opportunity concern	Principal or Manager	The Department's Conduct and Ethics Branch and Diversity and Equity Unit Merit Protection Boards Equal Opportunity Commission	Merit and Equity policy
OHS issue	Principal or Manager	Workplace OHS representative	OHS Guidelines
Ethical or other misconduct concern	Principal or Manager	The Department's Conduct and Ethics Branch State Services Authority	VPS Code of Conduct
Complaints regarding administrative action by government bodies	The public body concerned	The Ombudsman	<i>Ombudsman Act 1973</i>
Improper conduct or detrimental conduct	The Department's protected disclosure officer	The Department's protected disclosure coordinator The Ombudsman	Whistleblowers Protection Act Guidelines

9.1.3 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 his or her official capacity
- the alleged conduct is improper conduct or detrimental action taken against a person in reprisal for making a protected disclosure
- the person making a disclosure has reasonable grounds for believing the alleged conduct has occurred.

Where a disclosure is assessed to be a protected disclosure, it is referred to the protected disclosure coordinator.

Where a disclosure is assessed not to be a protected disclosure, the matter does not need

to be dealt with under the Act. The protected disclosure officer will decide how the matter should be resolved, in consultation with the protected disclosure coordinator. The following table indicates the alternative processes available within the Department for dealing with complaints.

9.2 Is the protected disclosure a public interest 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 determine whether the disclosure amounts to a public interest disclosure. This assessment will be made within 45 days of the initial receipt of the disclosure by the protected disclosure officer.

In determining whether the protected disclosure is a public interest disclosure, the Department must consider whether the disclosure shows or tends to show that a public officer to whom the disclosure relates:

- has engaged, is engaging or proposes to engage in improper conduct in his or her capacity as a public officer, or
- has taken, is taking or proposes to take detrimental action as a public officer or a public body.

Where the protected disclosure coordinator concludes that the disclosure amounts to a public interest 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 public interest disclosure.

Where the protected disclosure coordinator concludes that the disclosure is not a public interest 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 public interest 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 that 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 should be taken to exclude perceived bias from the process
- the investigator must be impartial in assessing the credibility of the whistleblower and any witnesses. 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 that 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.

A person making a disclosure may be employed by the Department or may be a member of the public. The Department is obliged to protect both internal and external whistleblowers from detrimental action taken in reprisal for the making of the disclosure.

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
- endeavour to ensure that 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 (\$25,155) 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 advised that it is in his or her own interests to keep disclosures confidential by only discussing related matters with authorised persons within the Department or officers of the Ombudsman's office or other persons as authorised by law.

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 public interest disclosure, he or she will refer it to the Ombudsman. If the Ombudsman subsequently determines the matter to be a public interest 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 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 that the person who is the subject of any disclosure investigated by or on behalf of the Department 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 that officers appointed to handle protected disclosures and all other employees are aware of the following offences created by the Act:

- 1 It is an offence for a person to take detrimental action against a person in reprisal for a protected disclosure being made or when a person believes a protected disclosure has been made or when that other person intends to make a protected disclosure. The Act provides a maximum penalty of a fine of 240 penalty units (\$25,155) or two years imprisonment or both.
- 2 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 (\$6,289) or six months imprisonment or both.

- 3 It is an offence for a person to obstruct the Ombudsman in performing his responsibilities under the Act. The Act provides a maximum penalty of 240 penalty units (\$25,155) or two years imprisonment or both.
- 4 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 (\$25,155) or two years imprisonment or both.

15 Review

These procedures will be reviewed annually to ensure that 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 coordinator at the appropriate central or regional 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 coordinator.

Protected Disclosure Coordinator
Assistant General Manager, Policy and Employee Relations
Human Resources Division
Ground floor, 2 Treasury Place
East Melbourne Victoria 3002
Telephone (03) 9637 2456
Facsimile (03) 9637 2340

The Ombudsman Victoria
Level 22, 459 Collins Street
Melbourne Victoria 3000
Website www.ombudsman.vic.gov.au
Email ombudvic@ombudsman.vic.gov.au
Telephone (03) 9613 6222
Freecall 1800 806 314

APPENDIX 7

Privacy policy

The VCAA is committed to the privacy principles in all its data-gathering procedures.

Complaints-handling procedures

Contacting the VCAA

The VCAA makes every attempt to settle queries or complaints about privacy through direct communication with the party involved.

First contact is made through the Manager, Executive Services or via email <privacy.vcaa@edumail.vic.gov.au>.

If, through informal discussion, a complaint is not resolved to the satisfaction of the complainant, then a written complaint is lodged with the VCAA.

Lodging a complaint in writing

Written complaints are lodged with:

Manager, Corporate Governance
VCAA
41 St Andrews Place
East Melbourne 3002

Details provided in the complaint include:

- name and address of person lodging the complaint
- privacy concern(s)
- if applicable, how concern(s) could be remedied.

Confirmation from the VCAA

Within 14 days of receipt of a complaint, the Manager, Corporate Governance:

- confirms receipt of the complaint in writing
- informs the complainant that an investigation will be conducted and a response provided as soon as practicable, but in no more than 45 days from the day the complaint is received at the VCAA
- commences an investigation into the complaint.

Summary for the year

For the year ending 30 June 2007, one written complaint was lodged with the VCAA. The issue was resolved after negotiation between the parties and various actions being taken by the VCAA.

For further information regarding privacy legislation, refer to the Victorian Privacy Commissioner's website at <www.privacy.vic.gov.au>.

APPENDIX 8

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Ministerial Directions

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FRD 9A Departmental disclosure of administered assets and liabilities	n/a
FRD 11 Disclosure of ex-gratia payments	n/a
FRD 13 Disclosure of parliamentary appropriations	n/a
FRD 21A Responsible person and executive officer disclosures	55–57
Legislation	
<i>Freedom of Information Act 1982</i>	67–68
<i>Occupational Health and Safety Act 2004</i>	65–66
<i>Whistleblowers Protection Act 2001</i>	70–81
<i>Building Act 1993</i>	64

APPENDIX 9

Board meeting attendance

	A	B
Ms Esmerelda Bamblett	5	7
Professor Gerald Burke	7	7
Professor Peter Dawkins ¹	6	7
Mr Stuart Hamilton	4	4
Mr John Maddock ⁴	4	7
Professor Peter McPhee	3	4
Mr Peter McMullin	4	7
Professor Robert Pargetter	5	7
Mr Glen Pearsall ²	2	7
Ms Cathy Pianta ³	6	7
Ms Debra Punton	6	7
Ms Joanne Roberts	6	7
Ms Helen Staindl	7	7
Professor Sue Willis ⁴	5	7

A = Number of meetings attended

B = Number of meetings scheduled while in office

¹ Represented by Mr John McCarthy at 23 May 2007 meeting

² Granted leave of absence by Chair for medical reasons

³ Granted leave of absence by Chair for up to three meetings to make overseas visit

⁴ Employment-related absence

Acronyms and abbreviations

ACACA	Australasian Curriculum Assessment Certification Authorities
ACE	Adult community education
AIM	Achievement Improvement Monitor
APS	Assessment Processing System
CAS	Computer Algebra System
CCAFL	Collaborative Curriculum and Assessment Framework for Languages
CSF	Curriculum Standards Framework
ENTER	Equivalent National Tertiary Entrance Rank
ESL	English as a second language
GAT	General Achievement Test
KSI	Key strategic initiative
LOTE	Languages other than English
MCEETYA	Ministerial Council on Education, Employment, Training and Youth Affairs
OHS	Occupational health and safety
VASS	Victorian Assessment Software System
VCAA	Victorian Curriculum and Assessment Authority
VCAL	Victorian Certificate of Applied Learning
VCE	Victorian Certificate of Education
VELS	Victorian Essential Learning Standards
VET	Vocational education and training
VPS	Victorian Public Service
VRQA	Victorian Registration and Qualifications Authority
VTAC	Victorian Tertiary Admissions Centre

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