



# Department of Education and Early Childhood Development

ANNUAL REPORT  
2007–08

October 2008

The Hon. Bronwyn Pike, MP  
Minister for Education

Maxine Morand, MP  
Minister for Children and Early Childhood Development

Dear Ministers

I am pleased to submit the 2007–08 annual report for the Department of Education and Early Childhood Development in accordance with the *Education and Training Reform Act 2006* and the *Financial Management Act 1994*.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Peter Dawkins', with a stylized flourish at the end.

Professor Peter Dawkins  
SECRETARY

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## About this report

This report sets out the key activities and achievements of the Department of Education and Early Childhood Development from 1 July 2007 to 30 June 2008 against the outputs and the Departmental objectives detailed in the 2007–08 Victorian State Budget Papers. The report of operations is organised according to the major output groups:

- early childhood services (pages 29–35)
- compulsory years (pages 36–51)
- later years and youth transitions (pages 52–57)
- services to students (pages 58–60)

- adolescent health services (schools) (page 61)
- policy and regulation (pages 62–67).

Performance measures against these output groups are detailed on pages 19–28. The financial report (pages 68–123) provides information on the financial position and performance of the Department in 2007–08.

Fourteen appendices (pages 124–181) provide supplementary financial and non-financial information.

The report is also available on the Department's website <[www.education.vic.gov.au](http://www.education.vic.gov.au)>.

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# Secretary's report

In August 2007, the Premier, John Brumby, announced the establishment of the new Department of Education and Early Childhood Development, to be created by the merger of the Department of Education and part of the Office for Children, in the Department of Human Services (DHS).

The new Department was given the task of supporting two ministers, the Minister for Education, Bronwyn Pike, and the Minister for Children and Early Childhood Development, Maxine Morand. In supporting these two Ministers, the new Department is responsible for developing and implementing a new birth-to-adulthood learning and development agenda.

The creation of the new Department signals greater opportunities to improve the learning, development, health and wellbeing of Victorian children. It also recognises the importance of early childhood development as a foundation for optimal life outcomes.

Throughout 2007–08, the Department has successfully pursued a range of programs, strategies and initiatives designed to fulfil the Government's vision and meet the objectives outlined by the Government. A key focus has been maintaining and, where possible, accelerating the rate of progress of Victoria's human capital reform agenda. An overview of key achievements for 2007–08 is provided below.

## Creation of the new Department of Education and Early Childhood Development

As indicated above, integrating the designated part of the Office for Children and the Department of Education into the

new Department of Education and Early Childhood Development has been a key priority throughout 2007–08. To date, work on integration has included:

- a realignment of Department structures:
  - a new head office structure took effect in December 2007 that included an Office for Children and Early Childhood Development (with an interim regional operations division and a new policy division), for which a Deputy Secretary has been recruited
  - an Establishment Board chaired by the Deputy Secretary for Planning, Strategy and Coordination was created to progressively oversee the merger process and associated change management plan
  - agreement was reached, following a review in May 2008, on the approach to merging two sets of regional offices and an associated accountability framework (to commence in January 2009)
- the development of a new Corporate Plan for 2008–09 to 2010–11 which embraces the new opportunities and challenges that accompany the Department's broadened responsibilities
- the development, on behalf of our two Ministers, of a new Blueprint for Education and Early Childhood Development (see page 6).

## Growing Victoria Together – goals and measures

The Department has continued to make progress towards the achievement of the Government's goals and targets for education and early childhood development.

## Year 12 (or equivalent) completions

A noteworthy achievement in 2007 was the significant increase in the proportion of 20–24-year-olds achieving Year 12 or equivalent for the second year in a row. The proportion increased from 85.5 per cent in 2006 to 86.1 per cent in 2007 – a significant move towards the 2010 target of 90 per cent.

## Literacy and numeracy

The percentage of Victorian Year 3 and Year 5 students achieving the national literacy and numeracy benchmarks has been at or above the national average since 2001. Effective implementation of literacy improvement teams was also an important policy development in this area.

## Early childhood development

The rate of four-year-old participation in kindergarten also increased, from 93 per cent in 2006 to 94 per cent in 2007.

# A new Blueprint for Education and Early Childhood Development

Discussion papers proposing a new Blueprint for Education and Early Childhood Development were released by the Ministers in April 2008. The release of the discussion papers was followed by an extensive consultation process that included a summit, regional forums and various roundtables. In keeping with the Government's integrated birth-to-adulthood learning and development agenda, the final Blueprint was released as a single volume and incorporates a strong reform agenda built around:

- system improvement
- workforce reform
- partnerships with parents and communities.

The 2007–08 Victorian State Budget provided funding to support this reform agenda.

# Implementation of the Victorian Schools Plan for school infrastructure

The Department is on track with the delivery of the Victorian Schools Plan, which has a target of 500 schools to be built, rebuilt or modernised by 2011. The 2007–08 State Budget funded the first stage of the plan, which involved 131 schools receiving funding. Planning and construction is underway for the majority of these projects.

Governance and reporting against the plan has been significantly strengthened with the introduction of a dedicated Program Management Office (PMO) within the Resources and Infrastructure Strategy Division. The PMO will monitor progress against the plan's targets and also provide the Minister and the Departmental Leadership Team with program scenarios for completing the 500-school target. During 2007–08, the Government also announced and commenced planning for two new selective entry schools.

## Partnerships Victoria in Schools project

In September 2007, Premier Brumby requested a report investigating the use of public–private partnerships to deliver school infrastructure. A report was prepared for the Premier in November 2007 and a business case provided to the Government in December. On 6 December 2007, a project was announced to deliver 11 new schools in the growth areas of Melbourne as part of the Victorian Schools Plan. Expressions of interest from the private sector were called for in February 2008 and, in May 2008, a shortlist of three consortia was invited to proceed with the next stage of the tender. The successful private partner will be appointed by the end of 2008 to enable the first five schools to open for the 2010 school year. The remaining six schools will open for the 2011 school year.



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## Commonwealth–State Relations – promoting collaborative federalism

Through the Council of Australian Governments (COAG) Productivity Agenda Working Group, the Department has been working closely with the Premier, Ministers, the Department of Premier and Cabinet and the Department of Treasury and Finance to develop a strong Commonwealth–State reform agenda in schools and early childhood development. In particular, the Department has been promoting Victoria's best interests in this new COAG agenda and, through the Ministerial Council on Education, Employment, Training and Youth Affairs (MCEETYA), promoting a strategic approach to:

- the digital education revolution
- integration of early childhood education and care
- the Commonwealth Government's Trades Training Centres initiative
- new Commonwealth–State funding arrangements.

Other important Commonwealth–State relations initiatives to which the Department has made a significant contribution include the development of the National Declaration on Educational Goals for Young Australians (discussed further on page 8) and a new Commonwealth funding partnership that will focus on school communities within low socioeconomic status areas and teacher quality.

## Implementation of major policy commitments and projects

### Blueprint for Government Schools

The Department continued to implement the reform strategies outlined in the 2003 Blueprint for Government Schools.

The Blueprint provides a framework for a highly effective government school system and focuses on:

- recognising and responding to the diverse needs of students
- building the skills of the education workforce to enhance the teaching and learning relationship and the capacity of school leaders
- continuously improving our schools by enhancing school accountability.

Significant progress was made in the implementation of 2003 Blueprint initiatives in 2007–08, including:

- implementation of a suite of 19 leadership professional learning programs provided for government schools to meet the development needs of principals and teachers at different career stages and in different contexts
- accreditation of a total of 948 schools as schools with a Performance and Development Culture at the end of May 2008 and registration of all remaining schools to complete accreditation in 2008
- updating and distribution of the 2008 *Guidelines for Principal Class Performance and Development* in February
- a year of self-evaluation, review and planning undertaken by over 400 primary and secondary schools to support the development of their school strategic plan during 2007
- consolidation of the statewide implementation of the School Compliance Checklist
- additional regional support for approximately 160 schools through Targeted School Improvement funding.

### Victoria's plan to improve outcomes for children

The Department achieved progress on the implementation of initiatives and reforms outlined in the 2006 Victorian Government

Statement, Victoria’s plan to improve outcomes in early childhood, including:

- improving the quality of early childhood services, including kindergartens and maternal and child health services
- enhancing early intervention services
- improving staff qualifications in early years services.

## Future of Schooling in Australia report

In September 2007, the *Future of Schooling in Australia* report was launched by the Victorian Premier on behalf of the Council for the Australian Federation. The report was subsequently presented to MCEETYA by the Ministers for Education. Agreement has been achieved, through the Australian Education Systems Officials Committee (AESOC) and MCEETYA, for the development of the new National Declaration on Educational Goals for Young Australians, building on the *Future of Schooling in Australia* report, to be released in Melbourne in December 2008.

## Legislation reform

### Review of *Children’s Services Act 1996* and Regulations

The *Children’s Services Act 1996* (the Act) provides for the regulation of children’s services in Victoria. In 2005, the Government committed to regulating family day-care and outside school hours care as part of a wider review of the Children’s Services Regulations. The Children’s Services Legislative Amendment Bill was passed by Parliament on 27 May 2008 and was given royal assent on 3 June 2008. The new regulations will ensure a stronger regulatory framework for children’s services in Victoria to complement the Commonwealth Government’s reform agenda for the improvement of services for children in

their early years. Work on the new regulations will continue in 2008–09 with:

- release of the Regulatory Impact Statement (RIS) and draft regulations
- public consultation on the RIS and assessment of feedback
- development of resources to assist sector compliance with the new regulations
- training of Departmental staff responsible for regulation and staff employed in services, starting in March 2009
- new regulations commencing 25 May 2009.

## Statutory authorities

The contributions of the Department’s statutory authorities to the achievement of the Government’s goals and targets for education and early childhood development have been significant.

In 2007–08, a new statutory authority, the Victorian Registration and Qualifications Authority (VRQA), was created. The VRQA was created under the *Education and Training Reform Act 2006* and is responsible for the regulation of education and training providers and qualifications in Victoria – from home schooling to higher education.

## Priorities 2008–09

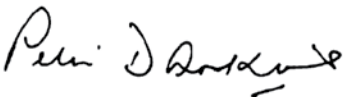
The past year has been an exciting and challenging one. We have worked to establish the new Department of Education and Early Childhood Development and simultaneously progress, with our two Ministers, Victoria’s human capital reform agenda in relation to the learning and development of all Victoria’s young people. I am pleased with the achievements we have made in this regard and wish to thank my colleagues and staff for their hard work and dedication in 2007–08.



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Looking forward to 2008–09, I anticipate that key priorities will include:

- implementation of the new Blueprint for Education and Early Childhood Development
- continued implementation of the Victorian Schools Plan
- pursuit of collaborative federalism through COAG and MCEETYA, with a particular focus on ensuring that young Victorians benefit
- further integration of education and early childhood development
- establishment of an organisational development strategy for the Department in tandem with the ongoing integration agenda.



Peter Dawkins  
SECRETARY

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# Overview

## About the Department

The Department plays a pivotal role in meeting the challenges and fulfilling the vision set by the Government for education and early childhood development. The formation of the new Department in August 2007, presented a new set of challenges. As a result, in 2007–08, a completely new vision, mission and set of responsibilities were developed for the Department.

### Vision

Every young Victorian thrives, learns and grows to enjoy a productive, rewarding and fulfilling life, while contributing to their local and global communities.

### Mission

Ensure a high-quality and coherent birth-to-adulthood learning and development system to build the capability of every young Victorian.

### Key responsibilities

The Department brings together a range of services for young people from birth to adulthood.

The Department has four main responsibilities.

- 1 To provide policy advice to our Ministers about education, early childhood development and children's services in general.
- 2 To implement Victorian government policy on early childhood services.
- 3 To implement Victorian government policy on school education for all school-age students.
- 4 To manage and drive continuous improvement in the delivery of primary and secondary education in Victorian government schools.

The Department is focused on the provision of services to children. These services are provided directly through government schools and indirectly through regulation or funding of early childhood services and non-government school education.

The Department supports and advises the Minister for Education and the Minister for Children and Early Childhood Development, and helps with the management and administration of their portfolios. During 2007–08, the Minister for Education was Bronwyn Pike, MP, and the Minister for Children and Early Childhood Development was Maxine Morand, MP.

More information on the Ministerial portfolios appears in Appendix 10 on pages 172–173.

### Outputs

Outputs are the goods and services provided by the Department for the community in Victoria, including the Ministers and Government. The Department is funded by the Government to provide outputs in six areas:

- early childhood
- compulsory years
- later years and youth transitions
- services to students
- adolescent health services
- policy and regulation.

As a result of the August 2007 machinery-of-government changes, several outputs were divided between DHS and the Department.

The affected outputs were early childhood services and adolescent health services. Refer to the outputs and performance measures section on pages 19–28 for details on these transferred measures.

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Revenues and expenses associated with these transferred measures for the period up to the date of transfer are recorded in the Department's financial report for 2007–08 on pages 68–123.

## Corporate governance

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

Departmental governance is structured around the Portfolio Board, the Departmental Leadership Team and advisory Executive Committees.

### Portfolio Board

The Portfolio Board determines strategic directions and monitors the effectiveness of the portfolio in achieving the Department's goals and objectives. It meets quarterly and comprises the Secretary and Deputy Secretaries of the Department, and the Chief Executive Officer of the Victorian Curriculum and Assessment Authority (VCAA). The Chief Executive Officer is included due to the significant policy advisory role of the VCAA.

The Portfolio Board's deliberations are informed by evidence of progress, using both outcome and lead indicators to measure performance of the strategic priorities in the corporate plan as well as the annual priority projects. In-depth analysis informs Portfolio Board discussion and subsequent development of policy options and responses.

## Departmental Leadership Team

The Departmental Leadership Team (DLT) comprises the Secretary and the Deputy Secretaries from each of the five Offices of the Department. The DLT meets weekly to monitor key initiatives and to consider critical policy, program and resource matters. The DLT takes responsibility for driving the policy agenda set by Government, as reflected in Ministerial Directions and Statements. It also manages and coordinates stakeholder interaction and monitors progress against the Department's Corporate Plan. Members of the DLT have key strategic, operational and financial responsibilities and are accountable for Departmental outcomes.

In 2007–08, the DLT underwent several changes to its membership.

- Following the August 2007 machinery-of-government changes, Michael White was invited to join the DLT, initially as the Executive Director of the Office for Children and, following the Department's internal realignment, as the Acting Deputy Secretary for the Office for Children and Early Childhood Development. Mr White made a significant contribution to the work of the DLT over this period and provided critically important leadership in the establishment of the new Office for Children and Early Childhood Development.
- In October 2007, after almost three years as Deputy Secretary with the Department, Katherine Henderson transferred from central office to Western Metropolitan Region to take up the role of Regional Director.
- Tony Cook, then General Manager of the Department's Education Policy and Research Division, was appointed as the new Deputy Secretary of the Office for Planning, Strategy and Coordination and took up the position in January 2008.

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- In March 2008, Robert Griew was appointed as the new Deputy Secretary of the Office of Children and Early Childhood Development. Mr Griew commenced this role on 7 July 2008.

### ***Executive committees***

The work of the DLT is supported by eight advisory executive committees:

- Portfolio Audit
- Resources
- People
- Statutory Authorities
- Research
- Regional Management
- Infrastructure Investment
- Accredited Purchasing Board.

### ***Departmental Leadership Team member summary***

#### **PROFESSOR PETER DAWKINS** SECRETARY

Professor Peter Dawkins is Secretary of the Department of Education and Early Childhood Development. He joined the Department in 2006 following a period as Deputy Secretary at the Victorian Department of Treasury and Finance. In 2006–07, Professor Dawkins chaired the Steering Committee that produced the *Future of Schooling in Australia* report for the Council of the Australian Federation. He has also been a significant contributor to the COAG National Reform Agenda, especially the Human Capital Reform Agenda, first as Deputy Secretary at the Victorian Treasury and more recently as a member of the COAG Productivity Agenda Working Group. Prior to joining the public service, Professor Dawkins was an academic economist who worked at a number of British and Australian universities. From 1996 to 2005 he was the Ronald Henderson Professor and Director of the Melbourne Institute of Applied Economic and Social Research at the University of

Melbourne. Professor Dawkins has undertaken extensive research and published widely on economic and social issues, especially relating to labour markets, education and training policy, welfare to work issues and the economics of industry and innovation.

#### **MR TONY COOK**

DEPUTY SECRETARY  
OFFICE FOR PLANNING, STRATEGY AND COORDINATION

Mr Tony Cook has been the Deputy Secretary, Office for Planning, Strategy and Coordination since January 2008. Prior to this, Mr Cook headed the Department's Education Policy and Research Division, responsible for education policy development and the Department's research agenda. Prior to moving to Victoria, Mr Cook was Assistant Director of the Assessment and New Basics Branch with Education Queensland. He is a registered primary school teacher and has also been a Deputy Principal and taught in schools in Queensland and the United Kingdom.

The Office for Planning, Strategy and Coordination is responsible for the Department's overall strategic and corporate policy agenda. It coordinates support for the portfolio Ministers in relation to external and internal communications, data and evaluation, good governance, risk management and decision making. It also develops policy relating to the broader social, economic and political landscape.

#### **DR DAHLE SUGGETT**

DEPUTY SECRETARY  
OFFICE FOR POLICY, RESEARCH AND INNOVATION

Dr Dahle Suggett was appointed Deputy Secretary in March 2004, with responsibility for leading reforms in teaching and learning and post-compulsory schooling. Currently Dr Suggett's responsibilities include policy development, research and innovation across the birth to adulthood spectrum. From 1998

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to 2004, Dr Suggett was a partner in the Allen Consulting Group, specialising in public policy advice and business management. Prior to this she was in management positions with Exxon Chemical and subsidiaries in Australia and the United States, Assistant Commissioner of the Commonwealth Schools Commission and Executive Director of the Commonwealth Youth Bureau. She commenced working life as a teacher in Victorian government secondary schools. Dr Suggett has published in the areas of business and government relations, education, and employment. She lectures in public policy at the University of Melbourne.

The Office for Policy, Research and Innovation leads educational policy development, research and innovation for the Department and has responsibility for designing school system reform. This includes furthering connections between the government school sector and non-government schools to meet the educational needs of all young Victorians. The Office also has policy responsibility for leading the development of the next stage of educational reform in Victoria, improving transition pathways for young people and furthering international education.

#### MR DARRELL FRASER

DEPUTY SECRETARY  
OFFICE FOR GOVERNMENT SCHOOL  
EDUCATION

Mr Darrell Fraser joined the Department as Deputy Secretary on 14 January 2004. Prior to joining the Department's central office, Mr Fraser was principal of Glen Waverley Secondary College. Mr Fraser has received national recognition for his contribution to education through leadership, innovative pedagogy and leading practice in information and communications technology (ICT) and Intranet/Extranet solutions.

The Office for Government School Education is responsible for management, coordination and implementation of high-quality government school education across Victoria.

#### MR JEFF ROSEWARNE

DEPUTY SECRETARY  
OFFICE FOR RESOURCES AND  
INFRASTRUCTURE

Mr Jeff Rosewarne returned to the Department in May 2003 after six years in executive positions in the Department of Treasury and Finance, the most recent as Director, Budget Formulation. This involved providing government with performance and budget advice on a wide range of portfolios, including Human Services, Justice and Infrastructure. As Deputy Secretary of the Office for Resources and Infrastructure, Mr Rosewarne has primary responsibility for the development and implementation of the resource strategy for the Department. The Office provides portfolio-wide services in the areas of finance, information technology, corporate services, resources strategy, human resources and infrastructure. Recent projects managed within the Office for Resources and Infrastructure include the State Budget and Expenditure Review Committee process, the Student Resource Package Benchmarking Review, the negotiation process for principal and teacher workforce Enterprise Bargaining Agreement, the \$1.9 billion being invested to rebuild, renovate or extend 500 schools by 2011 under the Victorian Schools Plan, and development of public-private partnerships for 11 new schools.

The Office for Resources and Infrastructure is responsible for the development and implementation of policies and procedures for the Department in finance, infrastructure, information technology, human resources and corporate services. The Office provides direct services to the Department's corporate offices and to government schools.

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## MR MICHAEL WHITE

ACTING DEPUTY SECRETARY  
OFFICE FOR CHILDREN AND EARLY  
CHILDHOOD DEVELOPMENT

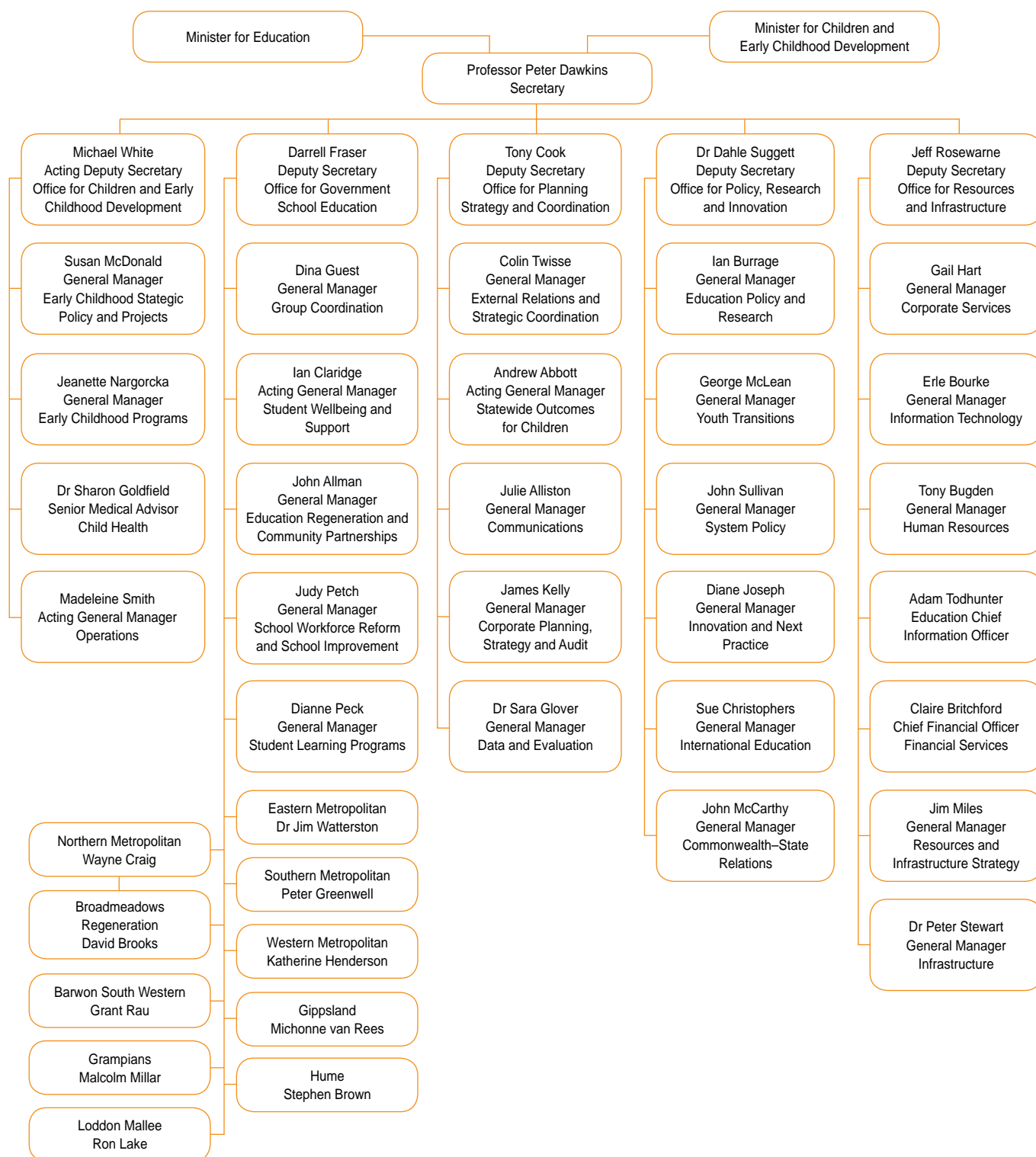
Michael White was appointed Interim Executive Director of the Office for Children on 27 August 2007. After the internal realignment of the Department following the machinery-of-government changes, Mr White was appointed Acting Deputy Secretary of the Office for Children and Early Childhood Development.

Prior to his role with the Office for Children and Early Childhood Development, Mr White was Director of School Education and Chief Executive Officer of the Victorian Curriculum and Assessment Authority (VCAA). Mr White has had eight years experience in the Victorian Public Service.

The Office for Children and Early Childhood Development was established in December 2007 to lead reform in the early childhood sector and build a seamless service system in partnership with Victorian schools, local government, community organisations and the Commonwealth. The Office is responsible for leading action across government and in the community to sustain and improve outcomes for children and young people and their families.



## Organisation chart as at 30 June 2008



## Human resources

As at June 2008, there were 54,021 full-time equivalent (FTE) staff employed by the Department. These staff were distributed across schools, central office and regions as indicated in the following table.

*Full-time equivalent staff on pay as at June 2008*

Location	FTE
<b>Schools</b>	
Teaching	40,447
Non-teaching	11,483
<b>Subtotal</b>	51,930
Central office and regions	2,091
<b>Total*</b>	<b>54,021</b>

\*Total may not add up due to rounding

Further workforce statistics are contained in Appendix 4 on pages 139–146.

### ‘Your Job, Your Say’ survey

During May 2008, the Department conducted an organisational health survey, ‘Your Job, Your Say’, using a new provider. The survey collects information about the organisational and people management practices that influence employee wellbeing and organisational performance in central and regional offices.

The survey provides:

- Departmental results against other global benchmarks in the public sector and education industry
- information on a range of indicators that reflect the key people management issues underpinning staff wellbeing and performance which drive employee engagement
- information on key strengths and areas for improvement for teams across the Department
- information on key strengths and areas for improvement for all people managers.

The response rate for 2008 at 70.3 per cent was particularly encouraging as it shows that staff value the opportunity to provide feedback on workplace issues.

The workgroup results provided teams across the Department with key indicators of wellbeing and performance. Teams could then plan and implement strategies for improving the way they work and collaborate with other teams to achieve their goals and objectives in 2008–09.

The individual leadership reports for managers provide information on the effectiveness of their leadership style in supporting and developing their team to achieve shared goals and objectives.

## Summary of financial results

The Department’s portfolio as described in the 2007–08 State Budget papers and as a consequence of machinery-of-government changes comprises six key output areas:

- Early Childhood Services
- Adolescent Health Services
- Compulsory Years
- Later Years and Youth Transitions
- Services to Students
- Policy and Regulation.

The financial statements presented in this annual report relate to the controlled operations of the Department and include corporate activities and 1587 government schools. They also include the results for the financial year period from 1 September 2007 for Adolescent Health Services, Child Health Services and Support Services, Early Childhood Education and Early Childhood Intervention Services which transferred from DHS following the machinery-of-government changes.

Other agencies within the portfolio report separately and therefore are not included within the controlled financial transactions of

the Department. These entities include the VCAA, the Victorian Institute of Teaching and the VRQA.

The table below provides information on the Department’s financial results for 2007–08 and comparisons with the previous four financial years.

Apart from the financial impact of the machinery-of-government changes discussed above, there were no significant changes in financial position during the reporting period year.

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

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

### 2007–08 result

The Department’s result from ordinary activities for 2007–08 was \$17.6 million, compared with \$64.5 million in 2006–07. The Department’s net result has reduced primarily due to greater expenditure for the new Enterprise Bargaining Agreement for teachers, higher expenditure by schools on maintenance and the inclusion of service agreement payments to child-care and kindergarten providers.

### Revenue and expenses

The growth in the Department’s revenue and expenditure primarily reflects the high level of service delivery achieved from the efficient delivery of output initiatives on behalf of the Government, the inclusion under the machinery-of-government changes of the Office for Children, general inflation-related indexation, offset by a decrease in school-generated locally raised funds as compared to the previous year.

During the year, the Department increased funding for initiatives approved in the 2007–08 State Budget and continued implementation of funding for initiatives approved in the previous budget for programs such as the Student with Disabilities, School Start Bonus and Schools for Innovation and Excellence grants.

### Assets

The value of the Department’s assets increased by \$2,446.9 billion in 2007–08. This increase reflects the revaluation of land and buildings assets and early payment of July 2008 service fees to kindergartens. It also reflects an increase in schools’ cash and investment balances due to unspent additional third party revenue generated by schools.

	2003–04 \$ million	2004–05* \$ million	2005–06 \$ million	2006–07 \$ million	2007–08 \$ million
<b>Operating revenue</b>					
Income from State Government	5,757.0	6,205.9	6,600.5	6,391.7	6,428.1
Other revenue	429.5	491.5	441.3	670.1	697.4
<b>Total operating revenue</b>	6,186.5	6,697.4	7,041.8	7,061.8	7,125.6
<b>Operating expenses</b>	6,170.8	6,524.0	6,894.2	6,997.3	7,108.0
<b>Operating surplus</b>	15.7	173.4	147.6	64.5	17.6
<b>Total assets</b>	9,368.1	9,217.0	10,331.8	10,711.6	13,158.6
<b>Total liabilities</b>	1,111.9	1,170.0	1,228.3	1,326.8	1,493.3
<b>Net assets</b>	8,256.1	8,047.0	9,103.5	9,384.8	11,665.3
<b>Net year end cash position</b>	384.7	463.8	477.3	699.6	769.9

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

## Goals and targets

In 2005, the Government released an update to *Growing Victoria Together*, which set out the following targets for the Department (now also including goals for early childhood):

- the wellbeing of young children will improve
- the proportion of Victorian primary school students achieving the national benchmark

levels for reading, writing and numeracy will be at or above the national average

- by 2010, 90 per cent of young people in Victoria will successfully complete Year 12 or its educational equivalent
- the number of early school leavers who are unemployed after six months will decline.

Progress against these targets is shown in the following table.

Target	Measure	2001	2002	2003	2004	2005	2006	2007	Comment
The wellbeing of young children will improve.	The proportion of infants who were fully breastfed at three months <sup>(a)</sup>	53.1	52.0	50.6	50.5	48.5	51.8	51.8	The proportion of Victorian infants fully breastfed in 2006–07 is at the same level as the previous year.
	The proportion of infants who were fully breastfed at six months <sup>(a)</sup>	40.1	38.8	37.9	38.2	37.0	38.7	38.0	The proportion of Victorian infants fully breastfed in 2006–07 is generally at the same level as the previous year.
	The proportion of 4-year-olds participating in kindergarten <sup>(b) (c)</sup>	93.6	94.1	95.1	93.8	94.4	93.0	94.0	The participation rate has increased compared to 2006.
Proportion of Victorian primary school students achieving the national benchmark levels for reading, writing and numeracy will be at or above the national average. <sup>(d)</sup>	Percentage achieving national benchmark in Year 3 reading	89.0 (90.3)	92.0 (92.3)	90.4 (92.4)	90.5 (93.0)	91.7 (92.7)	91.5 (93.0)	93.6 (93.4)	In 2007, Victoria was at or above the national average (figure in brackets) for each of these measures.  The 2007 results were released by MCEETYA <sup>(e)</sup> in September 2008.
	Percentage achieving national benchmark in Year 3 writing	94.7 (89.5)	95.3 (93.6)	96.1 (92.2)	97.1 (92.9)	97.5 (92.8)	96.6 (93.9)	94.1 (93.0)	
	Percentage achieving national benchmark in Year 3 numeracy	94.1 (93.9)	92.0 (92.8)	95.8 (94.2)	96.0 (93.7)	95.5 (94.1)	95.9 (93.0)	95.0 (93.2)	
	Percentage achieving national benchmark in Year 5 reading	90.9 (89.8)	87.3 (89.3)	89.6 (89.0)	87.6 (88.7)	88.7 (87.5)	89.9 (88.4)	91.4 (89.2)	
	Percentage achieving national benchmark in Year 5 writing	92.4 (94.0)	94.9 (93.6)	95.6 (94.1)	93.4 (94.2)	97.4 (93.3)	97.6 (93.8)	96.0 (94.1)	
	Percentage achieving national benchmark in Year 5 numeracy	94.7 (89.6)	93.2 (90.0)	94.7 (90.8)	94.7 (91.2)	95.4 (90.8)	94.9 (90.3)	91.5 (89.0)	
By 2010, 90 per cent of young people will successfully complete Year 12 or its educational equivalent.	Percentage of 20–24-year-olds in Victoria who have completed Year 12 or equivalent <sup>(f)</sup>	82.1	82.8	84.9	84.7	83.9	85.5	86.1	The Victorian result for 2007 was higher than the national average and higher than the other Australian states. This time series was revised by the Australian Bureau of Statistics in 2008.
	Percentage of 19-year-olds in Victoria who have completed Year 12 or equivalent <sup>(g)</sup>	75.7 <sup>(h)</sup>	75.8 <sup>(h)</sup>	78.4 <sup>(h)</sup>	78.8 <sup>(i)</sup>	77.2 <sup>(i)</sup>	78.5 <sup>(i)</sup>	77.6	The percentage of young people successfully completing Year 12 or equivalent has grown since 2001. This time series was revised in 2008, based on the Australian Bureau of Statistics final estimated resident population.
The number of early school leavers who are unemployed after six months will decline.	Percentage of early school leavers who are unemployed <sup>(j)</sup>			18.5	15.0	14.3	14.6	13.5	The samples used for the On Track survey for young people who have left school early are relatively small. These results should be interpreted with care.

(a) This measure is reported by financial year, for example progress reported for 2001 applies to financial year 2000–01, and so on.

(b) The Australian Bureau of Statistics has released its final set of population estimates and changes in these estimates may impact on this measure.

(c) Participation figures are based on the number of 4-year-old children enrolled in the first year of state-funded kindergarten programs.

(d) Numbers are subject to measurement error of up to 1.9 percentage points. Figures in brackets show the national average for the percentage of primary students achieving the national benchmarks for reading, writing and numeracy.

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

(f) Sourced from the Australian Bureau of Statistics annual Survey of Education and Work.

(g) Sourced from administrative data from the Department of Education and Early Childhood Development and the Department of Innovation, Industry and Regional Development and Australian Bureau of Statistics population estimates.

(h) Includes an estimate of completions in the VET sector, based upon the 2001 Census of Population and Housing.

(i) Data revision based on the final Australian Bureau of Statistics estimated resident population.

(j) As measured by the On Track early leavers sample survey.

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# Outputs and performance measures

This section reports on achievement against outputs and performance measures as published in the 2007–08 State Budget Papers (Budget Paper no. 3, chapter 3). The measures include those transferred from DHS following machinery-of-government changes. The outputs cover the categories of early childhood services, compulsory years, later years and youth transitions, services to students, adolescent health services (schools) and policy and regulation.

The Department’s outputs make a significant contribution to the following key Government outcomes:

- high-quality education and training for lifelong learning
- high-quality, accessible health and community services
- a fairer society that reduces disadvantage and respects diversity.
- growing and linking all of Victoria
- sound financial management
- building friendly, confident and safe communities

The actuals reflect those submitted to the Department of Treasury and Finance in the end of June 2008 Departmental Business Report.

All targets and actuals refer to the 2007 calendar year unless otherwise stated.

## Early childhood services

Early childhood services outputs, through the funding of a range of services, provide support to children in the early years, including kindergarten and childcare, maternal and child health, school nursing for primary school children and early intervention services for children with a disability. The three outputs of early childhood services are child health and support services, early childhood education and care, and early childhood intervention services.

## Child health and support services

This output involves provision of community-based maternal and child health services to all families with children aged 0–6 years and school nursing services for primary school

children, that provide developmental health surveillance, early intervention, parenting support and health education.

Performance measure	Unit of measure	2007–08 Target	2007–08 Actual	Comments
<b>Quantity</b>				
Total number of clients (aged 0–1)	number	65,000	67,080	The higher 2007–08 actual (refers to 2006–07 financial year) reflects the higher levels of service delivery.
Prep-aged students assessed by school nurses	number	57,000	55,153	While all Prep-aged students are offered a health assessment by school nurses, not all parents consent and take up the offer.
<b>Quality</b>				
Maternal and child health clients with children aged 0–1 years receiving enhanced maternal and child health services	per cent	7.0	12.6	2007–08 target and actual refer to 2006–07 financial year. The accuracy of the data was improved as a result of the move from manual data recording to electronic data collection.
Proportion of Prep-aged students assessed by school nurses	per cent	90.0	89.6	While all Prep-aged students are offered a health assessment by school nurses, not all parents consent and take up the offer.
Primary school-aged students with completed care plans receiving follow-up care	per cent	100	100	
<b>Timeliness</b>				
Children aged 0 to 1 month enrolled at maternal and child health services from birth notifications	per cent	98.0	99.3	The higher 2007–08 actual (refers to 2006–07 financial year) reflects higher levels of service delivery.
<b>Cost</b>				
Total output cost	\$ million	73.4	70.7	Financial year measure.

## Early childhood education and care

This output involves provision of kindergarten and childcare services. These services include the licensing and monitoring of centre-based

children's services, and specialist services to improve access to kindergartens for disadvantaged children.

Performance measure	Unit of measure	2007–08 Target	2007–08 Actual	Comments
<b>Quantity</b>				
Children funded to participate in kindergarten	number	58,600	59,465	
Kindergarten participation rate	per cent	96	94	The target and actual refer to the 2007 calendar year and were previously published in the Department of Human Services' 2006–07 Annual Report. It is an improvement over the 93 per cent actual for the 2006 calendar year. This is significantly higher than the 2006–07 Australian average, reported in the 2008 Productivity Commission in the <i>Report of Government Services</i> , of 87.2 per cent.
Funded kindergarten services with a quality assurance process	per cent	94	94	
<b>Cost</b>				
Total output cost	\$ million	170.2	168.0	Financial year measure.



## Early childhood intervention services

This output involves provision of a range of services and support for children with a developmental delay or disability and their families.

Performance measure	Unit of measure	2007–08 Target	2007–08 Actual	Comments
<b>Quantity</b>				
Total number of children receiving a service	number	11,650	11,650	Refers to financial year.
Number of places and packages funded annually	number	9,325	9,325	Refers to financial year.
<b>Quality</b>				
Families sampled who are satisfied with the service provided	per cent	85	85	
<b>Timeliness</b>				
Support plans completed within four weeks of service commencement	per cent	80	80	
<b>Cost</b>				
Total output cost	\$ million	49.5	48.1	Financial year measure.

## Compulsory years

Compulsory years consists of two outputs.

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

The middle years of schooling output refers to a fundamental stage of learning where students growing from childhood to

adolescence consolidate competency in literacy and numeracy, and their physical, social, emotional and intellectual development. It is also a stage when they attain a greater breadth of knowledge and learning, including extending their capacity for creative and critical thinking.

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

## Early years

This output involves provision of education and other associated services designed to improve the quality of student learning

for those in Years P–4 in government and non-government schools.

Performance measure	Unit of measure	2007–08 Target	2007–08 Actual	Comments
<b>Quantity</b>				
Average P–2 class size	number	21	20.7	Schools have continued to reduce class sizes.
Average Years 3–6 class size	number	24.8	23.4	Schools have continued to reduce class sizes.
Teacher–student ratio: primary	ratio	1:16.3	1:15.7	
New-arrival students receiving intensive or targeted support: primary	number	1,150	3,681	There have been significant increases in the number of new arrivals through the settlement program and temporary visa holders that could not be predicted.
Eligible students in regular schools receiving ESL support: primary	per cent	91	91	
Percentage of schools with an early years numeracy coordinator	per cent	100	100	
Koorie Home School Liaison Officers employed	number	6	8	
Koorie Educators employed	number	15	16	
Number of assistant principals, aspiring leaders and leadership teams participating in leadership development programs	number	380	800	The capacity to offer a broad suite of leadership programs has resulted in a significantly greater number of participants than anticipated. However, this number may vary in future years.
Schools funded for primary welfare officers	number	450	573	The actual takes into account funding provided by the Primary Welfare Officers output initiative commencing in 2007–08. Refers to financial year.
Statewide computer to student ratio: primary	ratio	1:5	1:3.37	Financial year measure.
Year 1 cohort accessing one-to-one literacy intervention programs	per cent	20	20	
Investment in non-government schools (P–4)	\$ million	115.7	116.5	Financial year measure.
Number of principals participating in statewide, centrally funded leadership development programs	number	310	313	
<b>Quality</b>				
Student attainment at text level 1 at end of Prep in reading (metropolitan and non-metropolitan students)	per cent	96.5	96.3	The slightly lower than expected actual may be attributed to the natural variability in each cohort's performance from year to year. Targets and actuals for 2005–06 and onwards refer to students deemed as capable of reading previously unseen text with 90 per cent accuracy at text level 1.
Students in non-metropolitan regions achieving at text level 1 at end of Prep in reading	per cent	96.3	95.3	The slightly lower than expected actual may be attributed to the natural variability in each cohort's performance from year to year. Students deemed as capable of reading previously unseen text with 90 per cent accuracy at text level 1.
Student attainment at text level 5 at end of Year 1 reading (metropolitan and non-metropolitan students)	per cent	99.5	99.2	The slightly lower than expected result may be attributed to the natural variability in each cohort's performance from year to year. Targets and actuals for 2005–06 and onwards refer to students deemed as capable of reading previously unseen text with 90 per cent accuracy at text level 5.
Parent satisfaction with primary schooling on a 100-point scale	100-point scale	80	81	
Percentage of Year 3 Indigenous students reaching national benchmarks in reading	per cent	74	n/a	Final 2007 national benchmark results were not released at the time of submission to DTF.
Percentage of Year 3 students reaching national benchmarks in reading	per cent	92	n/a	Final 2007 national benchmark results were not released at the time of submission to DTF.
Percentage of Year 3 Indigenous students reaching national benchmarks in numeracy	per cent	82	n/a	Final 2007 national benchmark results were not released at the time of submission to DTF.
Percentage of Year 3 students reaching national benchmarks in numeracy	per cent	95	n/a	Final 2007 national benchmark results were not released at the time of submission to DTF.
Primary schools identified as performing at or above expected levels	per cent	92	90	Data sets used to calculate this measure have changed. These changes cover the replacement of discontinued Curriculum and Standards Framework data with VELS data, and the replacement of discontinued headcount data with full-time equivalent student absence data. Due to the changes in the data sets, results are not comparable to previous years.

<b>Cost</b>				
Total output cost	\$ million	2,192.2	2,308.5	Financial year measure. Variance is due to both increased employee entitlements following ratification of the new Teachers' Enterprise Bargaining Agreement which took effect as of May, as well as increased schools' expenditure on supplies and services, and maintenance.

## Middle years

This output involves provision of education and other associated services designed to improve the quality of student learning for

those in Years 5–9 in government and non-government schools.

Performance measure	Unit of measure	2007–08 Target	2007–08 Actual	Comments
<b>Quantity</b>				
Average rate of student attendance at Year 5	per cent	94	93	The attendance rate covers all absences, including those due to illness and family holidays.
Average rate of student attendance at Year 6	per cent	93	93	
Years 7–10 English class sizes less than 26 students	per cent	87	86.8	
Average rate of student attendance in Years 7–10	per cent	91	91	
New-arrival students receiving intensive or targeted support: secondary	number	882	1,870	There have been significant increases in the number of new arrivals through the settlement program and temporary visa holders that could not be predicted.
Eligible students in regular schools receiving ESL support: secondary	per cent	89	89	
Teacher–student ratio: secondary	ratio	1:12.1	1:11.8	
Statewide computer to student ratio: secondary	ratio	1:5	1:3.51	Financial year measure.
Investment in non-government schools (Years 5–9)	\$ million	177.1	178.4	Financial year measure.
<b>Quality</b>				
Percentage of Year 5 Indigenous students reaching national benchmarks in reading	per cent	75	n/a	Final 2007 national benchmark results were not released at the time of submission to DTF.
Percentage of Year 5 students reaching national benchmarks in reading	per cent	92	n/a	Final 2007 national benchmark results were not released at the time of submission to DTF.
Percentage of Year 5 Indigenous students reaching national benchmarks in numeracy	per cent	85	n/a	Final 2007 national benchmark results were not released at the time of submission to DTF.
Percentage of Year 5 students reaching national benchmarks in numeracy	per cent	95	n/a	Final 2007 national benchmark results were not released at the time of submission to DTF.
Parent satisfaction with secondary schooling on a 100-point scale	100-point scale	72	72	
Secondary schools identified as performing at or above expected levels	per cent	90	90	Data sets used to calculate this measure have changed. These changes cover the replacement of discontinued Curriculum and Standards Framework data with VELS data, the replacement of discontinued headcount data with full-time equivalent student absence data and the introduction of Year 9 AIM data for every school. Due to the changes in the data sets, results are not comparable to previous years.
Years 5–6 students' opinion of their connectedness with school	number (1–5)	3.8	4.2	Successful implementation of key initiatives has produced results.
Years 7–9 students' opinion of their connectedness with school	number (1–5)	3	3.5	Successful implementation of key initiatives has produced results.
<b>Cost</b>				
Total output cost	\$ million	2,161.1	2,295.7	Financial year measure. Variance is due to both increased employee entitlements following ratification of the new Teachers' Enterprise Bargaining Agreement, which took effect as of May, as well as increased schools' expenditure on supplies and services, and maintenance.

## Later years and youth transitions

The later years and youth transitions output involves provision of education and other associated services designed to improve the quality of student learning for those in Years 10–12 in government and non-government schools.

The priority during the later years of schooling is to provide young people with effective and varied pathways and support to secure their first formal qualification and to make a successful transition to further study,

employment or a combination of both. It includes the provision of integrated support for successful transition across sectors through organisational networks and linkages, and through transition support such as pathway plans and monitoring of destination data.

This output also covers the provision of cross-sectoral services to improve the transition of young people to further education, training and employment.

Performance measure	Unit of measure	2007–08 Target	2007–08 Actual	Comments
<b>Quantity</b>				
Enrolments in VET in Schools certificate programs	number	45,000	55,249	Includes government and non-government schools. VET in Schools covers VCE and VCAL students undertaking VET, as well as school-based apprenticeships.
Number of providers offering VCAL	number	400	418	Includes government and non-government schools.
Number of student enrolments in VCAL	number	12,000	14,093	Includes government and non-government schools. VCAL numbers have grown as a result of successful implementation of initiatives.
Number of students participating in VET in Schools programs	number	31,000	40,764	Includes government and non-government schools. VET in Schools covers VCE and VCAL students undertaking VET, as well as school-based apprenticeships.
Proportion of VCAL providers to total senior secondary school certificate providers	per cent	60	66.5	Includes government and non-government schools.
Students satisfactorily completing VCAL	number	6,500	6,975	Includes government and non-government schools.
School-based apprentices/trainees in training	number	4,000	6,248	
VET in Schools students completing a qualification	number	12,800	14,450	Includes government and non-government schools. VET in Schools covers VCE and VCAL students undertaking VET, as well as school-based apprenticeships.
Investment in non-government schools (10–12)	\$ million	108.8	109.6	Financial year measure.
<b>Quality</b>				
Average rate of student attendance in Years 11 and 12	per cent	91	93	
Enrolments in VET in Schools units as a proportion of total VCE unit enrolments	per cent	7.5	8.4	Includes government and non-government schools. VET in Schools covers VCE and VCAL students undertaking VET, as well as school-based apprenticeships.
Median VCE study score	number	29	29	Government schools only
Statewide rate of transition from Year 10 to Year 11	per cent	97	97.1	February Census – government sector only.
Students satisfactorily completing VCAL	per cent	50	69.4	Includes government and non-government schools. As schools become more familiar with the three VCAL levels, they enrol students in levels more appropriate for individual students. This has contributed to the increase in completions.
VCAL students progressing to further education, training or work	per cent	80	89	The higher than expected actual reflects increased transitions to work due to the prevailing buoyant youth labour market. Includes government and non-government schools.
VET in Schools students progressing to further education, training or work	per cent	90	95	The higher than expected actual reflects increased transitions to work due to the prevailing buoyant youth labour market. Includes government and non-government schools. VET in Schools covers VCE and VCAL students undertaking VET, as well as school-based apprenticeships.

Performance measure	Unit of measure	2007–08 Target	2007–08 Actual	Comments
Years 10–12 apparent retention rate (August census)	per cent	78	76.2	The 2007 actual is an improvement over the 2006 actual. The target does not take into account the impact of the provision of broader non-school pathways into education and training nor the effect of a buoyant youth labour market. In addition, as students are able to undertake and complete a VCAL qualification prior to Year 12, a lower result for this measure could also be due to students who have completed VCAL prior to Year 12.
Years 7–12 apparent retention rate (August census)	per cent	75	73.9	The 2007 actual is an improvement over the 2006 actual. The target does not take into account the impact of the provision of broader non-school pathways into education and training nor the effect of a buoyant youth labour market. In addition, as students are able to undertake and complete a VCAL qualification prior to Year 12, a lower result for this measure could also be due to students who have completed VCAL prior to Year 12.
Percentage of Years 10–12 school students provided with detailed (mail and phone) follow-up in the year after exit	per cent	70	70	Includes government and non-government schools.
Proportion of students leaving government schools after Year 9 but before completing Year 12 who were tracked by a school six months after exiting	per cent	60	78.6	The high actual reflects the successful implementation of the Managed Individual Pathways program across schools.
<b>Cost</b>				
Total output cost	\$ million	1,423.5	1,475.3	Financial year measure. Variance is due to both increased employee entitlements following ratification of the new Teachers' Enterprise Bargaining Agreement, which took effect as of May, as well as increased schools' expenditure on supplies and services, and maintenance.

## Services to students

Services to students consists of one output which covers student welfare and support, services to students with disabilities, education maintenance allowance, school start-up payments and student transport.

It involves provision of:

- education services relating to student welfare, including drug education and mental health issues
- student support services in the area of student wellbeing, including speech pathology, visiting teacher services for hearing, visually, health and physically impaired students, curriculum services and alternative programs
- education services for students with disabilities in regular and specialist schools
- the Education Maintenance Allowance to eligible parents of school students up to the age of 16 years in government and non-government schools
- the school start-up payment to students in Prep and Year 7
- student conveyance allowances and the transport of government and non-government school students, including those attending specialist schools
- school-focused youth services.

Performance measure	Unit of measure	2007–08 Target	2007–08 Actual	Comments
<b>Quantity</b>				
Students funded under the Disabilities Program in Government Schools as a proportion of the total student population	per cent	3	3	
Regular schools with students with disabilities	per cent	88	88	
School students (government) supported by conveyance allowance	number	12,980	12,179	Refers to financial year. Slightly fewer than expected government school students were eligible for and supported by the conveyance allowance.
School students (non-government) supported by conveyance allowance	number	32,400	33,293	Refers to financial year. Slightly more than expected non-government school students were eligible for and supported by the conveyance allowance
Eligible special school students provided with appropriate travel	number	6,850	6,694	Refers to financial year. Slightly fewer than expected special school students were eligible for and supported by the conveyance allowance.
Students receiving school start-up payment	number	130,000	129,549	The target was set last year based on an estimate of preliminary enrolments for the following year. Refers to financial year.
Provision of school start-up payment	\$ million	40.2	38.1	Financial year measure.
Eligible school students applying for and receiving the Education Maintenance Allowance	per cent	100	100	Refers to financial year.
Investment in student welfare and support	\$ million	109.8	113.5	Financial year measure.
Investment in services to students with disabilities	\$ million	419.2	428	Financial year measure.
Provision of Education Maintenance Allowance	\$ million	59.2	57.5	Financial year measure.
Investment in student transport	\$ million	84.6	80.7	Financial year measure.
<b>Quality</b>				
Percentage of students who participated in an alternative program who, on completion of the program, are engaged in education, training or employment	per cent	n/a	n/a	A target was not set and the result was not available as the program was being reviewed and revised.
School satisfaction with student support services	per cent	82	88.2	Schools expressed a high level of satisfaction with student support services.
Parent satisfaction with special education on a 100-point scale	100-point scale	85	85	
Student Drug Education Learning Outcomes Index	number	77	n/a	This measure was introduced in 2005 to assess the initial implementation of the Drug Education Evaluation and Monitoring project. The ongoing project has been successfully implemented and this measure is no longer required or assessed.
<b>Timeliness</b>				
Student transport payments made according to published schedule	per cent	100	100	Refers to financial year.
<b>Cost</b>				
Total output cost	\$ million	717.2	721.9	Financial year measure.



## Adolescent health services (schools)

Adolescent health services (schools) consists of one output and involves provision of school nursing services for secondary school-aged children.

Performance measure	Unit of measure	2007–08 Target	2007–08 Actual	Comments
<b>Quantity</b>				
Designated schools receiving secondary school nursing services	number	199	199	
<b>Quality</b>				
Secondary school annual action plans completed	per cent	100	100	
<b>Cost</b>				
Total output cost	\$ million	9.2	9.5	Financial year measure.

## Policy and regulation

The Policy and Regulation output involves provision of policy, administrative support and strategic advice to the Ministers in relation to their parliamentary and legislative responsibilities.

The output includes provision of information services about education to the community, including dissemination of information through public promotions, telephone services, publications and advertising services. It also covers provision of administrative support

services for the statutory authorities in the education portfolio, including regulatory and advisory bodies, and international education. It covers:

- regulatory activities such as school registration
- services for international education, including recruitment, assessment, student placement, marketing, organisation of study tours, and international teacher and principal exchange programs.

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Performance measure	Unit of measure	2007–08 Target	2007–08 Actual	Comments
<b>Quantity</b>				
Participants benefiting from initiatives to increase the supply of trained/qualified teachers	number	500	666	Refers to financial year.
Number of briefings provided following requests from the Ministers	number	700	826	Refers to financial year. The number of requested briefings is higher than expected due to machinery-of-government changes.
Overseas students recruited to study in Victorian government schools in the year	number	1,000	1,699	Over-performance may be attributed to higher than predicted levels of demand and more effective marketing through selected off-shore agents.
<b>Quality</b>				
Reader satisfaction with news publications	per cent	90	n/a	The survey was not conducted as this measure is no longer appropriate and has been deleted for 2008–09. Stakeholders no longer rely on hard-copy news publications as the primary source of information about the Department and its activities. In particular, the Department's website plays an increasingly important role as an information source. Financial year measure.
Recommendations of non-government school registration reviews approved by Registered Schools Board	per cent	99	n/a	The result is not available as the Registered Schools Board has ceased to exist and this function has been transferred to an independent statutory authority (Victorian Registration and Qualifications Authority).
<b>Timeliness</b>				
Percentage of responses to items of Ministerial correspondence that are provided within 14 days	per cent	95	92	Refers to financial year.
<b>Cost</b>				
Total output cost	\$ million	38.1	38.4	Financial year measure.

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# Early childhood services

The early years are the most important for learning and development. Quality programs assist families to provide children with the best start in life and to significantly improve a child's education, employment and social outcomes.

The August 2007 machinery-of-government changes meant that early childhood programs that support the health, development and learning of Victoria's young children were transferred to the new Department. These include kindergarten and child-care, regulation of children's services, capital grants for new kindergartens and children's centres, the maternal and child health service, primary school nursing, parenting services, early childhood intervention services, inclusion supports, Best Start local partnerships and local planning.

Since that time, the Department has transferred 600 regional staff from DHS, ensured business continuity for services provided to children and families, and maintained effective partnerships with local governments and other key service providers. A new regional reporting framework has been developed and 1341 DHS funding and service agreements transferred to the Department.

The Department's efforts in early childhood services have focused on continued implementation of Victoria's plan to improve outcomes in early childhood by:

- strengthening the health, development and learning of 0–5-year-olds
- enhancing the provision of early childhood education and care services, including a stronger integration between schools and early childhood services
- improving the early years workforce.

## Strengthening the health, development and learning of 0–5-year-olds

### Improving the Maternal and Child Health Service

The Maternal and Child Health Service provides a comprehensive and focused approach to the promotion, prevention, early detection and intervention for physical, emotional and social factors affecting young children and their families. It comprises a universally available service, which is jointly funded by the Department and local government. It offers ten key age-and-stage consultations, and a flexible component that includes first-time parent groups. In addition, the Department funds the 24-hour Maternal and Child Health Information Line and an enhanced service that targets more vulnerable and high-needs families and incorporates a home-visiting service.

#### Highlights

- The new Key Ages and Stages Service Activity Framework to reflect current evidence and best practice was piloted in four local government areas.
- The Maternal and Child Health Information Line, which provides a 24-hour information service to families with children 0–5 years of age, was expanded and approximately 75,000 calls were answered, an increase of over 8100 on the previous year.

### Strengthening Early Childhood Intervention Services

Early Childhood Intervention Services (ECIS) provide support for children who have a disability or developmental delay and their

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families from birth to school entry. Services include information and support, planning and service coordination, individual and group therapy, and education.

ECIS are provided by approximately 60 agencies and nine Department-managed Specialist Children's Services teams.

### Highlights

- An additional 150 ECIS places and 150 ECIS packages were implemented to address areas of highest need, as well as waiting lists.
- As part of the autism support strategy, ACTNOW, Regional Autism Coordination Teams have been developed to coordinate regional responses for children from birth to 6 years with autism across all regions in Victoria. Training and secondary consultation were provided to over 8000 professionals and families.
- Hearing impairment initiatives were developed and included an information kit, *When a Baby's Hearing Loss is Diagnosed: Fact Sheets for Families*. A program was also developed to link parents of children newly diagnosed with a hearing loss, to other families for mutual support. Additional resources were made available for early childhood intervention services to support these families.

## Early childhood intervention reform

The Early Childhood Intervention Reform project aims to ensure that intervention services for children with disabilities or developmental delay are targeted and delivered effectively, consistently and equitably. It also aims to improve integration of services in early childhood and into school. The project commenced in 2008 and is due for completion in late 2008.

### Highlights

- Key principles of the Early Childhood Intervention Reform project were developed.
- A Project Advisory Group, comprising key stakeholders, was established and initial directions were developed.

## Local planning, partnerships and infrastructure

The Department recognises local government as the lead planner for early childhood services. The key mechanism is through formal Municipal Early Years Plans. The Department works in partnership with the Municipal Association of Victoria, the legislated body for local government in the state.

The following data shows the percentage of local governments that are involved in key services:

- maternal and child health (100 per cent)
- 4-year-old kindergarten (96 per cent)
- children's services for 3-year-olds (66 per cent)
- family day-care (85 per cent)
- occasional care (75 per cent)
- long day-care (72 per cent)
- neighbourhood house early years programs (65 per cent)
- Early Childhood Intervention Services (37 per cent).

### Best Start

Best Start is an early years prevention and early intervention initiative that aims to improve the health, development, learning and wellbeing of all Victorian children. It does so by supporting communities, parents and service providers to improve universal early years services to respond to local needs. Improvements in services are expected to result in:

- better access to child and family support, health services and early education

- improvements in parents' capacity, confidence and enjoyment of family life
- communities that are more child- and family-friendly.

### ***Children's Capital program***

The Department has supported local councils and other community-based providers of early childhood services to redevelop, refurbish and upgrade existing infrastructure. A total of \$16.95 million was allocated in 2007–08.

#### **Highlights**

- All 79 local councils have Municipal Early Years Plans in place and many are currently being reviewed.
- The Children's Capital program delivered:
  - five municipal-wide infrastructure grants to support local government to redevelop early years infrastructure
  - nine children's centre grants towards the establishment of new children's centres
  - one hundred and thirty-two renovation and refurbishment grants for existing community-based kindergartens and child-care centres
  - eight hundred and twelve minor capital grants for kindergartens, child-care centres and outside-school -hours care services to upgrade facilities or to purchase equipment to create safer, more pleasant environments in which children can play, learn and develop.
- Two new Best Start sites commenced in the cities of Greater Dandenong and Brimbank.

### ***Young Readers program***

The Government committed \$2.1 million in the 2007–08 State Budget for the implementation of the Young Readers program. The program is a partnership between the Department, the State Library of Victoria and local government.

The Young Readers program provides:

- a free picture book for all Victorian children at their 2-year-old maternal and child health visit
- a free *Rhyme Time* booklet and DVD, book bags and information on local libraries for families at the four-month maternal and child health visit
- professional development to early childhood professionals, librarians and maternal and child health nurses.

### **Providing additional help for Indigenous children**

The Department recognises that early childhood provides a unique opportunity to address the disadvantage experienced by many Indigenous children and their families. Initiatives include the In-Home Support program in five locations, the Koorie Early Childhood Education program, enhanced home learning and Aboriginal Best Start.

The In-Home Support program aims to improve parenting capacity of Indigenous mothers and families and achieve measurable improvements in health, development, learning and wellbeing of Indigenous children (with a focus on children from birth to three years).

The 2007–08 State Budget allocated \$2.7 million over four years to provide access of up to ten hours per week free kindergarten to Indigenous 3-year-olds who hold a concession card. The objective of this initiative is to improve the developmental outcomes for Indigenous children through participation in kindergarten.

The Koorie Early Childhood Education program supports Koorie children and their families to access and participate in kindergarten. The program also provides advice to kindergartens across the state about providing culturally relevant experiences for Koorie children.

The Home-Based Learning Enrichment program is a complementary program for children aged 3–6 years that will be implemented as an extension of the In-Home Support program in three sites.

### Highlights

- At June 2008, 92 eligible Indigenous 3-year-old children were linked to 46 kindergarten services.
- The Department increased regional Koorie Early Childhood Education program staff from 7.8 FTE to 11 FTE by increasing part-time staff to full-time.
- As part of the In-Home Support program, the Victorian Aboriginal Health Service received funding to provide an enhanced Maternal and Child Health service to a minimum of 200 Indigenous children per year.

## Providing extra support for children and their families

The Parenting Services program aims to promote the independence of health development of families with children from birth to 18 years. It does so through the provision of parenting support, information, advice, referral and resources to parents, and training and consultancy to professionals.

The program supports the statewide Parenting Research Centre and the nine Regional Parenting Services, as well as one-off projects.

The Primary School Nursing program offers a health assessment to children in their first year of school. It is designed for Victorian children attending primary schools and English language centre schools. The health assessment tool is the School Entrant Health Questionnaire.

### Highlights

- Staff at Parentline, a confidential counselling service for families with children from birth to 18 years, answered over 11,000 calls regarding complex parenting issues.
- A new, improved School Entrant Health Questionnaire was developed.

## Enhancing the provision of early childhood education and care services

### Commonwealth–State relations

Under the COAG Reform Agenda, for the first time, Ministers and their governments have agreed about the strategic importance of Early Childhood Development. This is reflected in the COAG-endorsed aspiration:

That children are born healthy and have access to the support, care and education throughout early childhood that equips them for life and learning, delivered in a way that actively engages parents and meets the workforce participation needs of parents.

Development of implementation plans relating to Commonwealth commitments include:

- universal access to early childhood education for all children in the year before formal schooling
- quality standards and a rating system for child-care and pre-school
- development of a National Early Years Learning Framework
- early childhood development workforce strategies including the rollout of 1550 new university places, HECS remission for early childhood teachers working in areas of high need, and removal of TAFE fees for child-care trainees



- national early childhood development performance information strategy, including rollout of the Australian Early Childhood Development Index.

### Highlights

- Seven priority areas, including the Productivity Agenda, were established.
- Funding reform towards Specific Purpose Payments and National Partnerships was developed.
- A statement of objectives for early childhood education and care was drafted.

## Victorian Early Years Learning and Development Framework

In January 2008, the Victorian Government announced plans to develop a 0–8 Early Years Learning and Development Framework to enhance the provision of early childhood education and care services. This work is being progressed jointly with the VCAA.

The framework will link with the Victorian Essential Learning Standards (VELS) for schools and provide opportunities to support every child’s individual learning needs and transition to school.

This framework will also provide a universal language and understanding of the learning and developmental pathways of children, support and guide parents and professionals who are involved with children aged 0–8 and provide consistent, practical and evidence-based approaches to supporting children’s development.

### Highlights

- Analysis of curriculum and learning frameworks for children from birth to 8 years, including a review of 17 national and international jurisdictions was completed.
- A symposium on the development of the national Early Years Learning and Development Framework was held.

- A steering committee and advisory groups to guide the development of the framework were established.

## Transition planning

The Department has commenced the introduction of transition plans to support children moving from kindergarten or child-care settings to primary school. These plans will be informed by the 0–8 Early Years Learning and Development Framework.

An individualised plan enables a smooth transition from early childhood education and care settings to school by ensuring that there is a shared understanding of information such as a child’s interests, learning style, abilities and support requirements.

## Implementing amendments to the *Children’s Services Act 1996*

The *Children’s Services Act 1996* provides for the licensing and regulation of kindergarten and child-care services to protect the health and safety of children and ensure that their developmental needs are met.

### Highlight

- The Act has been amended to introduce some immediate provisions, provide for the licensing and regulation of outside-school-hours care and family day-care sectors, and introduce other reforms from May 2009.

## Licensing and regulating children’s services

In Victoria, there are over 2800 licensed children’s services with a licence capacity of over 124,000 places providing kindergarten, long day-care and occasional care. The primary objective of the legislation is that children are safe and their developmental needs are met when being cared for and educated in a licensed children’s service.

Complementary strategies are implemented to encourage, promote, monitor and comply with the legislation.

### Highlights

- Over 4000 visits to children’s services were completed.
- A response was made to more than 1700 notifications of incidents and complaints about children’s services.
- Three prosecutions of services, where children were exposed to serious risk and harm when they left a service unaccompanied, were completed.
- The *Children’s Services and Education Legislation Amendment (Anaphylaxis Management) Act 2008*, requiring all children’s services to have an anaphylaxis management policy and to enable the making of regulations in relation to anaphylaxis, received royal assent on 4 March 2008.

## Strengthening kindergarten services

The Victorian Government provides funding for all children to access a kindergarten program in the year prior to formal school entry (two years before Year 1). Funded kindergarten programs are provided by a range of organisations. In 2007, kindergarten programs were provided at 1608 kindergarten locations.

### Highlights

- Fifty-seven thousand, four hundred and ninety-seven children attended kindergarten in 2007. This means that 94 per cent of Victoria’s children benefited from a kindergarten program prior to school entry.
- Kindergarten programs in Victoria were delivered through 736 community-based kindergartens and 387 long day-care centres (a mix of private and community

based) as well as 85 private schools and 19 government schools.

- The kindergarten fee subsidy was increased to \$730 on 1 July 2007, making ten hours of kindergarten effectively free for children who hold concession cards.
- Rollout of the kindergarten cluster management continued, with 44 of all community-based locations now participating in a cluster.
- \$10 million over four years, commencing in the 2007–08 State Budget has been allocated to improve access to kindergarten for children in long day-care settings and to assist kindergartens to offer extended-hours care.
- A total of 5400 children with a broader range of additional needs across Victoria were supported by Pre-school Field Officers. These officers were employed by 19 local councils and 13 community service organisations.

## Improving the early years workforce

The overall goal of the workforce initiatives is to increase the quality of early childhood programs by increasing the supply of qualified staff and to improve the skills and qualifications of early childhood education and care workers.

Two schemes – the Early Childhood Teaching Scholarship Scheme and the Incentives for Early Childhood Teachers in Long Day-Care Scheme – were introduced to encourage diploma-qualified staff to undertake a degree in early childhood education and to encourage recent early childhood teaching graduates to take up employment in long day-care settings. Recipients must agree to work in a long day-care centre as an early childhood teacher for two years.

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## Highlights

- Thirty-three scholarships were granted as part of the Early Childhood Teaching Scholarship Scheme.
- Six incentives packages were awarded as part of the Early Childhood Teachers in Long Day-Care Scheme.
- Thirteen scholarships for Indigenous people to upgrade qualifications from a diploma in children's services to a degree in early childhood teaching were awarded.
- Thirteen Rural Employment Grants to offer financial incentive to early childhood graduate teachers to take up a position in a rural kindergarten were provided.
- Two hundred and four sessions of accredited anaphylaxis training, funded by the Department, were delivered to over 4250 children's services staff by the Asthma Foundation of Victoria.
- The Centre for Adolescent Health engaged and commenced delivery of a range of professional development training activities for secondary school nurses.
- Fifteen scholarships were allocated as part of the Maternal and Child Health Workforce project to support recruitment and retention of maternal and child health nurses.

# Compulsory years

Education in Victoria is compulsory for children aged from six to 16 years. This section discusses the provision of education and associated services for these students, improving the quality of learning through responding to student needs, recognising the importance of building the skills of the education workforce, and improving schools.

## 2003 Blueprint for Government Schools

### Recognising and responding to diverse student needs

#### *Student learning*

The Department continued to develop curriculum advice and resources to support whole-school curriculum planning and build teacher capacity to implement student learning initiatives. The advice and resources support schools to implement the VELS progressively and to make decisions about appropriate curriculum, pedagogy, assessment and reporting.

#### **Highlights**

- In 2007, all schools implemented programs consistent with the following domains of the VELS: English, Mathematics, Health and Physical Education, Personal Learning, Civics and Citizenship, Humanities (Economics, Geography and History), Communication, and ICT. Schools reported student progress in each of these domains.
- In 2008, all schools are required to design curriculum and assess and report student progress against all domains of the VELS.
- In 2008, more than 90 per cent of schools are using the software provided by the Department to produce student reports.

This software enables schools to provide parents with A–E reporting against the VELS.

- In 2008, 64 participants from 27 government schools completed the Principles of Learning and Teaching professional development training program, bringing the total number of government schools to participate in the program over the past four years to 877 (approximately 55 per cent of government schools).
- A survey administered in November 2007 asked principals to indicate the value to schools of the online student learning resources, with 660 government schools responding to the survey. There was an increase in responses on the effectiveness of the student learning resources. There was also an increase in the proportion of schools operating at Levels 3 and 4 on a continuum from Level 1 (lowest) to Level 4 (highest exemplification) in relation to five elements of the student learning whole-school self-assessment tool.

#### *Literacy*

Literacy is a priority for Victoria. The Department has continued to develop evidence-based resources and to provide high-quality professional learning to ensure that all students' literacy learning is supported and enhanced.

#### **Highlights**

- The Literacy Improvement Team initiative continued during 2007 and 2008. Literacy specialists in identified schools work with classroom teachers to bring about the changes in classroom practice necessary to accelerate the literacy performance of all students to at least the expected level. The initiative is funding the training and employment of 45 FTE literacy specialists,

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and the training of another 27 specialists funded by schools and regions. To date, 196 schools have been involved. The interim evaluation report shows greater than expected improvement in the literacy skills of students in Years 3–5 involved in the initiative, as measured by the Achievement Improvement Monitor (AIM) On Demand test for Reading. Results for Years 6–8 are also promising but not statistically significant due to smaller numbers.

- Enhancements were made to the online English Developmental Continuum P–10 and the online Literacy Professional Learning Resource. These include videos that exemplify student performance at selected levels. They are designed to support teachers to make consistent and accurate judgments of students' progress.
- Three-day Literacy Leader Professional Learning programs, two primary and one secondary, were run in each region in Terms 3 and 4, 2007, involving 1023 participants. In 2008, a second round of these programs was offered to an additional 294 participants. Overall, the professional learning program was attended by 1317 participants, representing 475 primary schools and 180 secondary schools across the state. This three-day program assists school-based literacy leaders to build knowledge about literacy learning and the Online Literacy Professional Learning Resource. It also supports participants to develop professional learning that best meets the needs of their own school.
- The Premier's Reading Challenge targets students in Years P–9 in all schools. In 2007, a total of 203,264 students participated, representing a significant increase over the previous year when approximately 190,000 students participated in the Challenge.
- Literacy and Numeracy Week was celebrated in all school regions.

## Mathematics and science

Mathematics and science are critical areas of student learning. A number of projects were developed over 2007–08 to support Victorian teachers to deliver targeted and effective mathematics and science learning for all students.

### Highlights

- *The Fractions and Decimals Online Interview*, which complements the *Mathematics Online Interview*, was published in Term 2, 2008. This resource enables teachers to monitor student learning in fractions, decimals, ratio and percentage in Years 4–8.
- A three-day professional learning program for mathematics leaders in secondary schools was offered in all regions during Terms 3 and 4, 2007 to support implementation of the VELS and build pedagogical content knowledge. Two hundred and eighty-nine participants, representing 58 per cent of secondary schools, attended the program.
- A Science Continuum P–10 was published online in July 2007. The continuum supports teachers to improve student learning outcomes in science through the provision of appropriate evidence-based teaching approaches and learning activities. Regional briefings to familiarise teachers with the resources were held in Term 4, 2007.
- From the start of the 2008 school year, 200 Teaching and Learning Coaches and 50 Ultranet Coaches were deployed in identified government schools across the state to work in classrooms on a one-to-one basis with teachers to increase their capacity to improve student achievement. This initiative focuses on improving outcomes in mathematics and science and supporting schools to prepare for the Ultranet.

## ICT and e-learning in schools

ICT and e-learning supports teachers to maximise the use of ICT to improve learning outcomes for students.

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## Highlights

- The ePotential ICT Capability Resource is an online tool designed to assist the development of teachers' ICT capabilities. It provides teachers with a confidential survey to identify their level of ICT capability. It links directly to a bank of resources showing examples of best classroom practice to support teachers' professional learning needs and guide planning for e-learning. Responses from 21,258 teachers were received.
- Digilearn, a portal designed to provide teachers with ready access to 6000 innovative digital learning resources, was launched in May 2007 and new resources continued to be added to the portal.
- Victorian government schools have a site licence for the updated Kahootz 3.0, a three-dimensional animation software program that provides students with dynamic tools to create and share digital content.
- The Victorian Education Channel continued to provide quality online resources for school students, teachers and principals. The Global Teacher project provides a protected space and is used by teachers and students to explore Web 2.0 technologies.
- The eLearning/ICT Showcase provided examples of how ICT can be used effectively to support learning and teaching, demonstrating the possibilities for teachers. Eight showcases were live in 2008, highlighting 118 learning objects/case studies.
- A Website Tool Kit was regularly updated. It provided a practical framework for schools for developing and maintaining websites and clear guidelines for promoting safe Internet use.
- Nine schools, one in each school region, formed the Catalyst initiative, supported by the Microsoft Partners in Learning program. These schools are participating in action-learning research projects to

investigate ICT and pedagogy. School leaders were supported to plan for ICT integration across their schools and staff were supported through an ICT Peer Coaching program.

- The Intel Teach professional learning program supported teachers to design inquiry-driven, student-centred learning activities that integrate technology across all areas of the curriculum. Two courses were offered through this program, Intel Teach Essentials Online and Intel Teach Thinking with Technology, and 133 master trainers were trained.

## *The Ultranet*

The Ultranet is a student-centred electronic learning environment that supports high-quality learning and teaching. It connects students, teachers and parents and enables efficient knowledge transfer.

The Department released a request for a tender in August 2007 and has completed a tender evaluation process without being able to select a successful tender.

The Department is committed to the delivery of a quality Ultranet to schools by the third quarter of 2010 and will re-tender for a solution that will meet the core functions and benefits for learning and teaching as well as a parent portal.

## *ICT infrastructure*

The Government continued to invest in ICT infrastructure in schools. This investment included equipment, connectivity, technical specialists, and software systems and licences to support schools to deliver high-quality education to all students in Victorian government schools. The quality and range of ICT infrastructure and resources in schools was an important factor in the effective use of ICT in the classroom.



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## Highlights

- Schools continued to receive access to high-quality hardware, secure remote access, information technology grants to purchase curriculum computers and access to suitable educational software.
- The provision of a reliable high-capacity broadband network in schools under the VicSmart program encouraged teachers to continue to integrate technology into new methods of teaching.
- Teachers and principals were assisted in the use of ICT technology through the provision of a notebook computer under the Notebooks for Teachers and Principals program. All centrally paid teachers who hold an edumail email account that is used on a regular basis are eligible for a laptop. Teachers are also required to participate in 40 hours of e-learning professional development.
- Computer maintenance and support was provided with specialist technicians working in every school through the Technical Support for Schools program. The technicians maintained computers, servers and the notebooks provided to teachers and principals.

## Early years

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

## Highlights

- The Government target of an average of 21 students in Years P–2 classes was met in February 2003. In February 2008, the average P–2 class size was 20.7 students.
- Funding was allocated to all primary schools to support early years literacy and numeracy coordination.
- Funding was provided to all schools with Year 1 enrolments to support literacy intervention for 20 per cent of the cohort. Reading Recovery programs were used by 62 per cent of schools.

## Middle years

Middle years initiatives support improvements in the quality of student learning in Years 5–9.

## Highlights

- In 2008, approximately \$77 million in Middle Years Equity and Secondary Equity funding was allocated to identified schools to enable them to support improved student learning outcomes, with a focus on literacy and numeracy.

## Koorie education

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

## Highlights

- The Department undertook a comprehensive review of its approach to education for Koorie students in partnership with the Victorian Aboriginal Education Association Incorporated. The outcomes from the review have informed the development of the Government's new education strategy for Koorie students: Wannik, Learning Together – Journey to Our Future. Fundamental to this strategy is:
  - repositioning the education of Koorie students within all government schools through school leadership that creates a culture of high expectations and individualised learning
  - systemic reform across government schools to deliver the best possible education to meet these expectations, underpinned with explicit accountability at all levels of the system
  - creating an environment that respects, recognises and celebrates cultural identity through practice and curriculum
  - professional development opportunities for principals and teachers in cultural awareness, including pre-service and in-service teacher training

- supporting individual learning needs of Koorie students through:
  - intensive literacy and numeracy programs for students achieving below expected levels
  - additional support and incentives for top students to provide encouragement to excel
  - leadership opportunities for Koorie students in secondary schools
  - better engagement with Koorie parents and the community through school–community partnerships.
- The Department evaluated the trial that was underway in one school region of individual education plans for Koorie students. The outcome of this evaluation produced the Individual Education Plan Guide and Template for all schools to use for their Koorie students. A professional development package is now being constructed for regions and schools.
- The Department provided regions with funding for projects targeted at improving Koorie students' literacy and numeracy, attendance and parent engagement. The funding was used in many areas, such as the successful Literacy Improvement Team initiative, local attendance strategies, and parental engagement strategies.
- A curriculum resource was developed, *Making History in Victorian Classrooms*, in consultation with the Victorian Aboriginal Education Association Incorporated.
- A number of principals attended the Stronger Smarter Principals Leadership program through the Indigenous Education Leadership Institute in Queensland. This program challenges the assumptions of leaders about school practice for Indigenous students, as well as supporting principals in pursuing their own reform journey for school transformation.

### ***Languages other than English***

The following initiatives supported the provision of languages other than English (LOTE) programs for students in Years P–12.

### **Highlights**

- Twenty-two languages were taught in government primary and secondary schools, and 44 languages were provided through the Victorian School of Languages.
- The Languages Online site was enhanced with the addition of new resources. These include interactive templates, which allow teachers and students to create their own interactive languages games, as well as resources to assist teachers to link their languages program to other curriculum areas. The site had an average of 30,000 users per week.
- Grants were provided to 13 language teacher associations to increase teacher capacity in the implementation of the VELS, the Principles of Learning and Teaching P–12 and the use of technology in LOTE classrooms.
- Twelve clusters of schools were granted additional funding to increase the quality of LOTE program provision to students.
- Regional Project Officers for Languages continued to support language teacher networks to facilitate the sharing of expertise and resources.
- The LOTE Training program provided funding to increase the number of fully qualified LOTE teachers available to government schools. In 2008, 47 teachers were given a LOTE Methodology scholarship to study how to teach languages. Forty-four teachers were awarded a languages scholarship to enable them to gain higher proficiency in their language.
- Programs that have continued to improve the teaching of Chinese in government schools include study tours to China for principals, teachers and students. In 2008, seven Chinese language teaching assistants are operating in government schools to work with students in the Chinese language classroom.
- Funding was provided for approximately 33,000 students learning a total of 39 languages in after-hours community

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languages schools. Additional funding was provided for the development of an accredited training program for teachers of community languages.

### ***English as a second language***

English as a second language (ESL) initiatives focus on improving support for ESL students, including the increasing numbers settling in rural and regional settings. In 2007, approximately one-third of new arrivals were on humanitarian and refugee visas. These students require high levels of new-arrival and ongoing support. Partnerships with key government and non-government stakeholders continued to be strengthened to coordinate support for refugee students and their families.

#### **Highlights**

- A total of 5551 new arrivals received intensive and targeted ESL support in 2007. This was an increase of 697 students compared with 2006.
- Intensive ESL programs were provided for 2191 newly arrived students in English language schools, centres and outposting programs in mainstream schools. An additional 306 students were supported by the visiting outposting program.
- A further 282 students were supported through new arrivals programs in Geelong, Ballarat and Shepparton, and the Isolated ESL Students program in regional Victoria.
- At a cost of \$2.8 million, eight out of ten purpose-built relocatable classrooms were located in growth areas to allow intensive English language classes to be held closer to where new arrivals live. The remaining two classrooms will be on site in Term 3, 2008.
- An evaluation of ESL and New Arrivals program delivery in Victorian government schools was conducted to investigate and report on the effectiveness of current program delivery.
- Over 60 schools received Transition Initiatives funding for programs that provide support to students with little or no

previous schooling, mostly from refugee backgrounds. This funding provided additional English language tuition to assist their transition to mainstream schooling.

- Funding was allocated to 349 primary schools, 98 secondary schools and 11 primary–secondary schools to support the specific learning needs of ESL students. Extra contingency funding was provided to schools for increased numbers of ESL students enrolling after the annual school census.
- Funding continued to be provided to schools for over 240 FTE multicultural education aides.
- One hundred and thirty aides attended the annual multicultural education aide conference.
- Updates to CASES21 were made to identify ESL students for the collection of ESL student achievement data for benchmarking purposes.
- One hundred scholarships to the total value of \$522,580 were awarded to teachers to gain qualifications in Teaching English to Speakers of Other Languages in order to increase the number of fully qualified ESL teachers in government schools.
- One hundred mainstream classroom teachers were trained in the ESL teacher development course: Teaching ESL Students in Mainstream Classrooms.
- An online resource, *Strengthening Outcomes – Refugee Students in Government Schools*, was released. This resource outlines the support available to refugee students in government schools.
- A pilot Out of School Hours Learning Support program commenced in Western Metropolitan Region at North Melbourne, Footscray, Melton, Wyndham and Werribee.
- A total of 9108 on-site and telephone interpreting assignments were provided in 71 languages, and 325 documents were translated into 28 languages for government schools.

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## Multicultural education

Multicultural education initiatives support learning in schools that is culturally inclusive and promote intercultural understanding and social cohesion, together with an appreciation of the advantages of Victoria's contemporary society.

### Highlights

- The Ministerial Advisory Council on Languages, English as a Second Language and Multicultural Education was reconstituted. The Council's work plan for 2008–10 includes development of a new multicultural education policy for government schools, strategies for increasing the uptake of languages other than English and strategies to support ESL students.
- There was a 15 per cent increase in school entries to the Cultural Diversity Quest. The Quest provides school communities with the opportunity to showcase the way multicultural perspectives can be embedded across the curriculum.
- \$70,000 in grants was provided to 109 schools to conduct school and community events to mark Cultural Diversity Week, 17–23 March 2008.
- The Languages and Multicultural Education Resource Centre provided professional development, teaching resources and professional advice to teachers, teacher educators, community language teachers and pre-service teachers from all sectors. In 2007, the centre was used by over 1450 teachers, an increase of 30 per cent compared with 2006. Over 28,000 items were borrowed, an increase of 23 per cent. In addition, the centre sent boxes of resources to 68 primary and secondary schools in rural areas to assist them with meeting the English language learning needs of newly arrived students.
- In January 2008, five half-time regional project officer positions for multicultural education were established in rural regions

to support the development of cultural literacy in school communities, particularly those in areas of new settlement.

- Advice for school communities was provided in response to the introduction of the *Charter of Human Rights and Responsibilities Act 2006*.
- Professional development to enable educators to incorporate studies of Asia across their curricula included provision of 15 scholarships to attend the Asia Education Foundation Linking Latitudes Conference in India in September 2007.
- The Keynotes project provided schools with advice on addressing world conflicts within the curriculum. Background information, learning and teaching strategies and resources on the nine most prominent religions were also provided.
- Almost 4000 students in Years 10–12 from 42 metropolitan and rural schools attended Courage to Care exhibitions and workshops in the past 12 months. The program provides students with an opportunity to explore the impact of discrimination on everyday lives – at home, at school, in the playground, and in the local and wider community.
- Over 700 teachers from government and non-government schools were involved in three projects: the School Dialogue project (La Trobe University), Enhancing Relationships in Schools (University of Melbourne) and Diversity – An Education Advantage (Deakin University). All three projects focus on enhancing cultural and linguistically inclusive school practices and community partnerships.

## Health, sport and physical education

Health, sport and physical education initiatives promote and support the teaching and learning of health, sport, physical education, sexuality education and traffic safety education.

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## Highlights

- Professional learning opportunities continued to be offered to support primary and secondary teachers to implement effective health, sport and physical education programs.
- A comprehensive new website was developed to assist all primary and secondary schools on matters relating to sexuality education.
- A new sexuality education resource, *Catching on Everywhere*, was distributed to all schools to assist with program development in their school communities.
- Traffic safety education materials, produced in collaboration with all key road safety agencies, were distributed to government and non-government schools.

## Go for Your Life schools programs

As part of the whole-of-government Go for Your Life initiative, several key programs were implemented in schools in 2007.

The focus was on the continued promotion of the benefits of physical activity and healthy eating habits for students and the wider community.

## Highlights

- The second round of Healthy Start in Schools grants for government schools with primary enrolments was completed. Grants were received by 183 schools.
- The second phase of the Free Fruit Friday program was implemented, providing 805 government schools with Years P–2 enrolments with grants to purchase fruit and vegetables for their students once a week. The total budget for this initiative in 2007–08 was \$1.6 million.
- As part of the Kitchen Garden project with Stephanie Alexander, Phase 1 projects continued their implementation. Phase 2 of the project will be implemented in 2009.

## Selective entry schools

In April 2008, the Government announced a \$40 million investment to establish two new selective entry schools in Melbourne's outer growth corridors from 2010. The two new Years 9–12 schools will be situated in Berwick and the City of Wyndham, providing greater opportunities and choice for students in regional and outer suburban areas. They will complement the existing selective entry schools – Melbourne High School and Mac.Robertson Girls' High School – and work in partnership with these schools to promote excellence in teaching and learning across the government school system.

Both schools will be co-educational and will open with an initial enrolment of up to 200 Year 9 students, including highly able students from disadvantaged backgrounds. Each of the new selective entry schools will have a maximum student population of 800 when fully operational.

The new Berwick school will be situated on the Monash University campus, while the City of Wyndham school will forge links with the University of Melbourne and Victoria University. These partnerships will allow staff and students to work on joint research projects, attend special classes and lectures, undertake enhancement studies, share facilities and develop joint projects.

A centralised selection process, including a common entry exam for Year 8 students, will be established for all four selective entry schools. The examination and selection process will be overseen by an independent authority.

The proportion of students that can attend the selective entry schools from any individual government or non-government school will continue to be capped. However, in order to provide further opportunities for highly able students, the cap will increase from 3 per cent to 5 per cent of the Year 8 cohort from



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any school. Under the policy, 10 per cent of places at selective entry schools will be based on equity grounds.

### Highlights

- High-level governance bodies, including a steering committee, project board, selective entry school network and regional working groups, were established.
- An experienced principal was appointed to project manage the establishment of the two schools and two principals were appointed to oversee the regional working groups.

### *Gifted and high-potential students*

The Department meets the educational and social development needs of gifted and high-potential students across all levels of schooling.

### Highlights

- In 2008, there are 36 Select Entry Accelerated Learning program schools operating across Victoria. They are located to improve equity of access for gifted students.
- Select Entry Accelerated Learning school-based coordinators and regional coordinators continued to meet quarterly for networking and professional learning.

### *Strategic partnerships*

During the current triennium (2006–08), the Strategic Partnerships program continues to fund 93 organisations and agencies with \$5.2 million annually to deliver 145 student and teacher professional learning programs across the state. Organisations range across community, cultural and scientific organisations, professional teaching associations and large institutional partners such as the National Gallery of Victoria, Museums Victoria and Zoos Victoria. Programs typically support the implementation of the VELS. They also support schools to work towards closer links with their communities by connecting learning and teaching with practice beyond the classroom.

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

### *Building leadership capacity*

The Government has allocated significant funding to deliver the current suite of 19 leadership professional learning programs for government schools. Programs are targeted to meet the development needs of principals and teachers at different stages of their careers and in different contexts.

### Highlights

- In 2008, 159 high-potential leaders are undertaking a Masters in School Leadership course, which aims to improve succession planning and promote mobility and learning across the government school system. An external evaluation shows that almost 66 per cent of participants in the first cohort who commenced the course in 2004 have achieved a promotion to the principal class.
- One hundred and seventy-four aspiring leaders participated in Preparing for Leadership and Leading for Student Learning programs. These programs focus on building participants' capacity as curriculum leaders and change agents within their schools.
- One hundred and forty-four first-time principals received mentoring support from highly skilled principals to assist them to become more effective leaders.
- One hundred experienced principals were provided with 15 hours of one-to-one coaching to enable them to strengthen their leadership capabilities through reflective learning.
- Sixty principals joined the Development Program for High Performing Principals. Participants are encouraged to look beyond their own school and to view themselves as leaders who value the collective responsibility for improving all schools within the system.



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- One hundred and ninety teachers participated in the Building the Capacity of Professional Learning Leaders program.
- Two hundred and eighty-six teachers and leaders participated in programs for school leadership teams focused on building their capacity to reform curriculum practices.
- Three hundred and twenty assistant principals and leading teachers participated in new programs focused on the development of specific leadership capabilities to drive school improvement. The programs involved workshops, coaching, shadowing and mentoring.
- Thirty aspiring leaders, assistant principals and principals received scholarships to participate in postgraduate courses to increase their capacity as school leaders and strengthen their expertise in a particular learning area.
- Sixteen networks in the 2008 program are supporting 172 aspirants in the Leaders in the Making program, designed to strengthen leadership capacity within school networks and support the development of succession planning models.
- Eighteen networks in the 2007 program continued to provide network-based leadership development activities for their aspirant leaders in 2008.
- The *Guidelines for Principal Class Performance and Development 2008* were distributed.

### ***Creating and supporting a performance and development culture***

The accreditation scheme for Performance and Development Culture in Schools is in its fourth and final year. The accreditation process is based on a Self-Assessment Framework, which is verified by an external body.

#### **Highlights**

- Nine hundred and forty-eight government schools have been accredited. All remaining schools not yet accredited will be verified during 2008.

- Accredited schools partnered non-accredited schools on a needs basis to work towards accreditation through involvement in activities such as mentoring and school visits.
- Ten accredited reference schools supported the statewide implementation of the Performance and Development Culture initiative. Nominated by regions, they represent the range of schools across the state and provide presentations for groups of schools seeking accreditation.
- Over 100 open sessions were hosted by accredited schools to share their expertise and experiences. These sessions were attended by 500 schools, with over 1500 participants.

### ***Teacher professional development***

Programs were funded to provide teachers with opportunities to further develop and consolidate their practice. Underpinning the programs is the belief that high-quality professional learning is one of the cornerstones of an effective school and is central to improving student learning.

Major professional development initiatives included Induction and Mentoring for Beginning Teachers and Teacher Professional Leave. Refresher courses for teachers returning to government schools and the Overseas Trained Teachers program were also delivered as part of the Teacher Supply and Demand strategy. The Secondary Teacher Assistants initiative commenced in 2008 as part of the Government's Better Schools, Better Performance policy.

#### **Highlights**

- Over 2627 teachers participated in the two-day statewide Teacher Mentor Support program in 2007.
- Day 1 of the 2008 program was completed, with 1780 teachers participating. Participants in the program were provided with a comprehensive learning guide exploring the practice of mentoring.

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- To further develop their skills and expertise, between four and ten weeks of Teacher Professional Leave was undertaken by over 548 teachers in 2008.
- To maximise the benefits of Teacher Professional Leave, 180 recipients participated in the Professional Leave and Teacher Outcomes program.
- Ten refresher courses were delivered in metropolitan and regional locations in 2007, with 243 teachers participating.
- Four refresher courses were delivered in metropolitan and regional locations by June 2008, with 87 teachers taking part.
- To support the transition of overseas-trained teachers into government schools, the Overseas Trained Teachers program was trialled in 2008. The trial program targeted teachers in hard-to-staff subject areas. Eighteen teachers completed the program in May 2008.
- The Secondary Teacher Assistants initiative commenced in 2008, with funding provided to schools for 90 secondary teacher assistants. These assistants allow teachers to focus on the teaching and learning process by reducing the administrative burden.
- Six professional learning programs were provided in metropolitan and regional locations for secondary teacher assistants and the teachers they work with. Seventy-four participants undertook these programs to June 2008.
- The *Secondary Teacher Assistants Initiative Principal Guidelines 2008* were distributed to all schools that were funded for the initiative.

## Continuously improving schools

### *School improvement*

During 2007–08, the School Accountability and Improvement Framework was used by school communities to:

- plan for improvement via a four-year school strategic plan and annual implementation plan, in collaboration with regional offices

- evaluate progress towards the achievement of the school's goals and targets, using an internal school self-evaluation and an external school review process
- report on progress in core performance indicators via a school-level annual report
- manage risk and compliance with legislation and Departmental policies via the online School Compliance Checklist.

To support the continued effectiveness of the framework, the supporting guidelines and templates are updated annually in response to feedback from schools and regions and to ensure their alignment with changes in Departmental policy.

The Department draws on a range of resources and strategies to further support school improvement, including the Targeted School Improvement initiative. Regional offices provide support to schools where student performance is below expected levels.

### **Highlights**

- In 2007, over 400 primary and secondary schools undertook a year of self-evaluation, review and planning to support the development of their school strategic plan. This four-year plan is supported by an annual implementation plan.
- The School Compliance Checklist, implemented across the state in February 2007, provides a means for schools to self-assess their compliance with legislative and Department policy requirements. The checklist helps to reduce the administrative burden on principals.
- All government schools completed an annual report to their school community.
- Approximately 160 schools received additional regional support during 2007–08 through Targeted School Improvement funding.

### *Partnerships*

The Department continued to encourage government schools to engage in partnership activity. These partnerships encompass

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connections between schools and the community sector, the business and philanthropic sectors, local government, other education providers and parents. Schools are encouraged to embark on partnerships that address the particular needs of the school, its students and the local community.

### Highlights

- The Government released the *Blueprint for Early Childhood Development and School Reform* discussion papers, which outlined the proposed areas of reform, including a focus on strengthening partnerships with families and the community to improve educational outcomes.
- The Office for Children and Early Childhood Development transferred to the Department, which provided the opportunity to develop stronger connections among schools, the broad pre-school sector and local government.
- The Department established the Education Regeneration and Community Partnerships Division, which is focused on supporting schools to undertake effective partnerships with the community.
- There was increasing interest from the community, business and philanthropic sectors in making positive contributions to public education.

### Regeneration projects

The Department has continued to support school regeneration projects across the state. A regeneration project is a planned response by a group of schools, their communities, early childhood service providers and the Department to enhance education in a local area.

The key drivers of regeneration projects are improved curriculum provision, student outcomes, pathways and the redressing of disadvantage. Typically regeneration projects are large-scale and complex, and have substantial infrastructure implications.

The 2007–08 State Budget announced total funding of \$93.3 million over two years

to commence the implementation of eight regeneration projects. These projects are located in Altona, Laverton, Broadmeadows, Dandenong, Western Heights (Geelong), Colac, Bendigo and Wangaratta.

### Highlights

- The large-scale Broadmeadows Regeneration project has a budget of \$25 million. Seventeen primary, secondary and specialist schools will be reconfigured as four primary schools, one secondary college (with two Years 7–9 campuses and one Years 10–12 campus) and two specialist facilities.
- The Bendigo Education Plan aims to revitalise the city's educational facilities through the establishment of four new state-of-the-art secondary colleges. This involves the building of new schools on the existing sites of Weeroona College and Eaglehawk Secondary College, as well as the creation of two new schools through the merger of Flora Hill Secondary College, Golden Square Secondary College and Kangaroo Flat Secondary College. The merger took effect in January 2008.

### Leading Schools Fund

One hundred and sixty-two government secondary schools are involved in the Leading Schools Fund program. Four hundred and fifty additional teachers have been employed in total through the Leading Schools Fund for three years. Funding for 265 of these teachers involved in Phases 1 and 2 concluded in 2007. Funding for 185 teachers involved in Phase 3 concludes in December 2008. Each participating school received an average allocation of 2.6 additional teachers for three years and \$390,000 for capital works, enabling schools to build or redevelop innovative learning spaces to support new approaches to teaching and learning. The Leading Schools Fund has supported the implementation of new models of secondary provision and the transfer of innovative pedagogy and curriculum options across the system.

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## ***Facilities and infrastructure***

### **Emergency and security management**

The Department coordinated the installation of 90 new and replacement alarm systems in schools during 2007–08.

The Department developed a colour-coded alert notification system for all schools (including non-government schools) to inform of any critical incidents or events that may impact on the safety of students and staff. The colour-coding outlines the type of response schools are required to use to deal with these specific incidents or events.

Crisis response training was provided for over 600 staff, including regional personnel, psychologists, social workers, primary welfare officers and school personnel.

There were ten significant school fires during 2007–08, with structural and replacement costs estimated at approximately \$3.15 million.

### **Asset projects**

The 2007–08 State Budget committed \$555 million in new capital funding for school education. This funding directed:

- \$50 million for seven new schools or stages thereof
- \$27 million to replace four schools
- \$93.3 million for the Regeneration program (see page 47)
- \$204.6 million for modernising and improving existing school sites, including the provision of \$20 million for the Better Schools Today program
- \$35 million for land acquisition
- \$7 million for computers for schools
- \$3.3 million for the Science Rooms Redevelopment program
- \$13.5 million for the Securing the Future of Small Rural Schools program
- \$1 million for Planning for Selective Entry Schools (see page 43)
- \$10 million for Maribyrnong Secondary College (Sports School)

- \$50 million for the Technical Wings and Trade Equipment for Government Schools program
- \$60.5 million for the Ultranet project.

## ***School councils***

School councils play a central role in government schools in Victoria. Each school council determines the school's direction and supports the school to achieve the goals and targets of its Strategic Plan and Annual Implementation Plan, particularly to improve student outcomes in the areas of student learning, engagement and wellbeing, and pathways and transitions.

The *Education and Training Reform Act 2006* and *Education and Training Reform Regulations 2007* set out the functions, roles and responsibilities of the school council, school council members and the principal, as the council's Executive Officer. Each year the school community has the opportunity to elect parents and Department employees to the school council. In addition, school councils may decide to co-opt community members from the school or the wider community to provide expertise in particular areas.

### **Highlights**

- New Ministerial Orders, which came into effect in 2008, provided improved processes and clarity for the school council election process.
- Training for school councillors, including induction programs, continued to be delivered by regional offices.

## ***School regions***

The nine regional directors are responsible for supporting and building the capacity of regions and schools to deliver high-quality educational services and improved student outcomes through continuous school improvement. The transformation of the government school system is being achieved through effective and dynamic relationships between schools, regions and the central office.

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Regions value and contribute to a culture of learning and improvement at all levels of the system. They are characterised by the behaviours shown in the Effective Regions model below.

The key functions of regions include:

- meeting corporate responsibilities
- improving the performance of every government school
- strengthening strategic partnerships to provide multiple pathways and opportunities for students
- deploying their resources effectively to improve student learning outcomes.

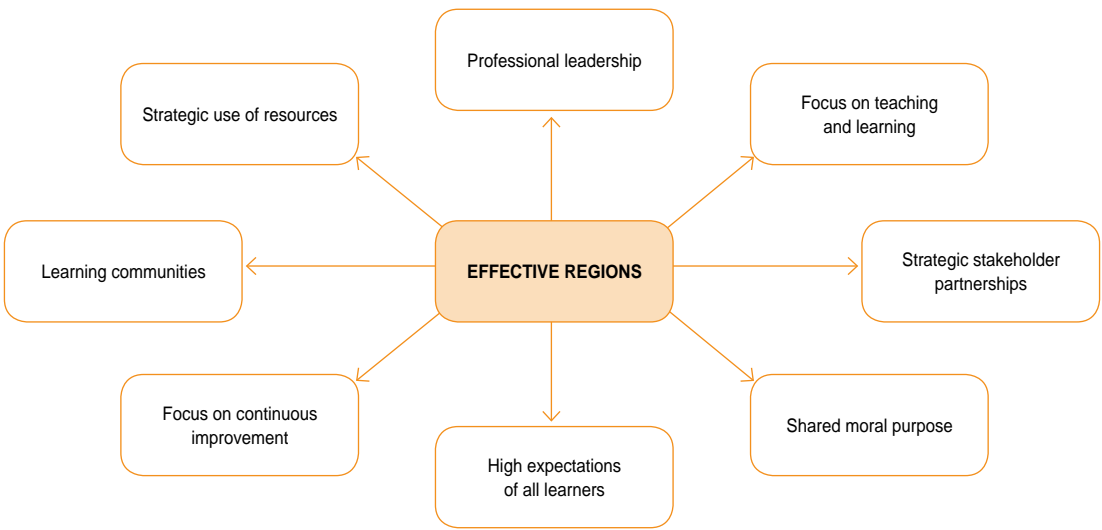
Regions, in partnership with the central office, play an important part in the implementation of the Government's school education reform agenda. They do this by:

- providing leadership to translate the system's aspirations into reality for students in schools
- managing and supporting schools to provide a high-quality education for all students
- developing the capacity of leaders to plan strategically for school improvement

- developing the capacity of regional and school-based staff as facilitators of continuous learning communities and creating the strategies that sustain them
- monitoring the achievement of clearly articulated, high-quality outcomes and using data to inform and refine improvement strategies
- supporting schools to implement innovative approaches to increase levels of student achievement, retention, engagement and wellbeing
- promoting learning communities and collaboration, and fostering supportive networks within and across local government areas to improve education and employment outcomes
- engaging with the wider community to develop strategic relationships and partnerships to build capacity and bring the resources of the community to the work of schools.

With the formation of the new Department of Education and Early Childhood Development, in 2009 regions will assume responsibility for the integration of services for children and young people from birth to 18 years and their families.

Effective Regions model





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Regional directors and contact details as at 30 June 2008 are listed below.

### *Metropolitan regions*

#### **Eastern Metropolitan Region**

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#### **Northern Metropolitan Region**

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Coburg Victoria 3058  
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Facsimile (03) 9488 9440  
Website <http://www.nmr.vic.edu.au>

#### **Southern Metropolitan Region**

Mr Peter Greenwell  
Regional Director  
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Dandenong Victoria 3175  
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Dandenong Victoria 3175  
Telephone (03) 9794 3555  
Facsimile (03) 9794 3500  
Website <http://www.smr.vic.edu.au>

#### **Western Metropolitan Region**

Ms Katherine Henderson  
Regional Director  
Level 4, Wool House  
369 Royal Parade  
Parkville Victoria 3052  
PO Box 57  
Carlton South Victoria 3053  
Telephone (03) 9291 6500  
Facsimile (03) 9291 6565  
Website <http://www.wmr.vic.edu.au>

### *Non-metropolitan regions*

#### **Barwon South Western Region**

Mr Grant Rau  
Regional Director  
5A Little Ryrie Street  
Geelong Victoria 3220  
PO Box 2086  
Geelong Victoria 3220  
Telephone (03) 5225 1000  
Facsimile (03) 5225 1099  
Website <http://www.bsw.vic.edu.au>

#### **Gippsland Region**

Ms Michonne van Rees  
Regional Director  
Cnr Kirk and Haigh Streets  
Moe Victoria 3825  
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Moe Victoria 3825  
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Facsimile (03) 5126 1933  
Website <http://www.gippsland.vic.edu.au>

#### **Grampians Region**

Mr Malcolm Millar  
Regional Director  
109 Armstrong Street North  
Ballarat Victoria 3350  
Telephone (03) 5337 8444  
Facsimile (03) 5333 2135  
Website <http://www.grampians.vic.edu.au>

#### **Hume Region**

Mr Stephen Brown  
Regional Director  
Arundel Street  
Benalla Victoria 3672  
PO Box 403  
Benalla Victoria 3672  
Telephone (03) 5761 2100  
Facsimile (03) 5762 5039  
Website <http://www.hume.vic.edu.au>



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## Loddon Mallee Region

Mr Ron Lake

Regional Director

37–43 Havlin Street East

Bendigo Victoria 3550

PO Box 442

Bendigo Victoria 3552

Telephone (03) 5440 3111

Facsimile (03) 5442 5321

Website <http://www.lcmdoe.vic.edu.au>

## Non-government schools

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

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

As of March 2008, a total of 707 registered non-government schools – 486 Catholic and 221 independent – were educating over 298,000 students statewide, or 35.6 per cent of all Victorian school students. Of these students, 61.7 per cent attended Catholic schools and 38.3 per cent attended independent schools.

In 2007–08, the Department provided over \$380 million in financial assistance to non-government schools in untied recurrent funding allocated through the Financial Assistance Model for Non-Government Schools, which was introduced in consultation with sector authorities in January 2006. A further \$11.5 million was provided to non-government sector authorities for specific-purpose grants for targeted programs, including students with special needs, suicide prevention and Internet access.

In addition, \$7.5 million, of a total \$30 million in capital support committed over four years in the 2006–07 State Budget, was provided to

assist needy non-government schools to update educational facilities.

Non-government schools are also able to access a range of resources and opportunities available to government schools, including teacher professional development and curriculum materials, government-negotiated pricing for broadband access and a range of taxation concessions or exemptions.

Eligible non-government school students in outer and non-metropolitan areas can access the Government's conveyance allowance and school bus service. Non-government school students are also able to access public transport travel concessions.

The Department liaises with the non-government sector authorities on funding and collaborates on a range of program initiatives to improve learning outcomes across all sectors.

### Highlights

- In 2007, seven Catholic schools were accredited as Performance and Development Culture schools and a further 16 undertook external verification for accreditation in 2008.
- Collaboration with the non-government sector continued across a range of curriculum initiatives, including strategies to improve literacy and numeracy outcomes and for cross-sectoral initiatives such as drug education and values education.
- Non-government school student participation in the Premier's Reading Challenge increased from 52,000 in 2006 to 64,300 in 2007.
- \$22.1 million was provided for student transport for non-government school students, mainly in outlying areas, and \$4.6 million was provided in public transport subsidies through the Department of Infrastructure.

# Later years and youth transitions

The post-compulsory years of schooling typically consist of Years 10–12. Research shows that young people who are engaged with schooling until Year 12 have better long-term employment, economic and social outcomes. For this reason, the Government has committed to a target of 90 per cent of young people completing Year 12 or its equivalent by 2010. In order to achieve this target, post-compulsory education focuses on providing young people with effective and varied pathways. These pathways are designed to support students in attaining their first formal qualification and in making a successful transition from school to further education, training, employment or a combination of these.

Students in Victoria can choose between three formal qualifications from secondary school: the Victorian Certificate of Education (VCE), the Victorian Certificate of Applied Learning (VCAL) or the International Baccalaureate (IB) Diploma. Most young people complete one of these qualifications while at school, but a smaller number undertake senior secondary study in the TAFE and adult community education (ACE) sectors.

In 2007, in government and non-government schools:

- 148,367 students were enrolled in at least one unit of the VCE – an increase of 1539 students from 2006
- 47,362 students were eligible to complete their VCE and, of these, 97 per cent successfully completed the qualification – an increase of 1089 students from 2006
- 11,762 students were enrolled in the VCAL – an increase of 1154 students from 2006.

## Expanding pathways and transitions

To encourage young people to stay in school and to enable them to complete a senior secondary certificate, post-compulsory pathways have been expanded and include a strong focus on vocational curriculum options.

### Victorian Certificate of Applied Learning

The VCAL is a hands-on option for Years 11–12 students, offering practical work-related experience and learning. It is available in both government and non-government schools and also through TAFE and ACE providers. The Government allocated approximately \$12 million in 2007–08 to provide assistance to schools and other providers to coordinate the provision of VCAL. The investment has supported further growth in enrolments and the positive study and employment outcomes the program provides.

### VET in Schools

Vocational Education and Training (VET) in Schools programs (including school-based apprenticeships and traineeships) comprise nationally recognised VET certificates that can be undertaken by senior secondary students as part of the VCE or VCAL. VET in Schools programs are designed to expand opportunities and pathways for senior secondary students and improve post-compulsory educational outcomes in line with the Government's goals and targets for education. They also contribute to addressing industry skill needs.

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

The number of students undertaking VET in Schools programs in government and non-government schools has increased from 36,504 in 2006 to 40,764 in 2007.

To support effective provision of VET in Schools programs and the VCAL, a Departmental Statement on Forward Directions for Vocational Learning in Schools was distributed to schools in December 2007.

The statement sets out the broader policy purposes of VET in Schools programs, which include:

- student engagement, participation and retention
- preparing students for general labour market transitions by developing the skills, knowledge and attributes that are required in the contemporary workplace
- meeting the skill needs of industry by developing in students the skills, knowledge and attributes to assist their transition into specific industries and higher level VET pathways.

In addition, the Department has commenced a regional planning process for these programs. By the end of 2007–08, all Departmental regions commenced the development of a regional VET in Schools plan and a VCAL plan. The plans are designed to maximise the positive outcomes for VET and VCAL students, including having enough flexibility to balance the choices and preferences of students with the demands of the labour market.

## School-based apprenticeships and traineeships

School-based apprenticeship and traineeship pathways for senior school students continued to expand. In 2007, there were 6248 students

in government and non-government schools in apprenticeships or traineeships. These were undertaken as part of a program of studies that combined the VCE or the VCAL with a nationally accredited training certificate and employment.

## Re-engagement programs

Re-engagement programs are approved programs based in the community that provide the VCAL to students who are unable or unwilling to undertake their qualifications in a school setting. In 2007, the Department introduced new funding arrangements for these programs that allow for funding eligible students who enrol late.

In 2008, the enrolment date was extended until 28 April 2008. This provided schools with an extended time period for engaging students and attracting the Student Resource Package funding to support these programs.

Forty schools across the state are running approved programs in 2008. This year more than 75 students qualified for the late enrolment funding.

## Student support initiatives

In addition to expanding the pathways on offer to students in the post-compulsory years of schooling, the Department improved the support available to students as they navigate those pathways.

## Managed Individual Pathways

In 2007–08, over \$14 million was distributed to Victoria's government schools under the Managed Individual Pathways initiative. This initiative ensures that all students aged 15 years and over in government schools are provided with individual pathway plans and associated support. These plans enable a successful transition through the post-compulsory years to further education, training or full-time employment. The program

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continues to gain in strength, with over 200 Managed Individual Pathways coordinators participating in professional learning provided by the Department in Term 1, 2008.

Managed Individual Pathways plans can help young people to:

- start discussions with their teachers, family and friends about where they would like to go and what they would like to do in the future
- manage their expectations of their post-school lives
- make a smooth and directed transition from compulsory schooling to further education, training and employment
- develop skills to manage their pathways throughout their working lives
- develop their knowledge, understanding and experience of opportunities in education, training and employment.

Funding is allocated to schools based on a model that takes into account school enrolments, as well as an additional component to support students at risk of disengaging or not making a successful transition, as indicated by the school's Student Family Occupation Index. Guaranteed minimum funding levels for small and large schools are also in place, as are special funding allocations for students at special schools.

The Managed Individual Pathways Mapping Tool allows schools to easily identify students who have characteristics that are known to increase the risk of early school leaving and to track, monitor and evaluate interventions used to reduce these risks. The Mapping Tool was made available to all schools in 2007, accompanied by significant and ongoing professional development and training. The Mapping Tool draws down relevant data from the Department's CASES21 student database and presents it in an accessible spreadsheet format. The software and the Mapping Tool are available to Victorian government schools free of charge.

## Careers and transition resources

To assist careers coordinators and teachers in working with all students, guidelines have been developed for using the online learning and teaching careers and transition resources with targeted groups. These include:

- Koorie young people
- culturally and linguistically diverse and ESL young people
- young people with disabilities
- rural and remote young people
- young people not in education, employment or training.

Statewide professional development on using the resources was conducted in 2007, with ongoing professional development provided as required. Training in myfuture, Real Game series, Managed Individual Pathways, the At Risk Mapping Tool and linking careers to the Victorian Essential Learning Standards (VELS) and the School Accountability and Improvement Framework is ongoing.

## Professional learning for teachers

The Department implemented a number of professional development initiatives for careers coordinators and teachers in government schools to enhance their capacity to provide quality, up-to-date and accurate careers information and assistance to students.

The programs commenced in 2007 and, by the end of 2008, 80 careers coordinators in government schools will have participated in one of the programs.

## Career Education Scholarship program

The Career Education Scholarship program provides funding to careers teachers in government schools to undertake the RMIT Graduate Certificate in Career Education. This graduate certificate is a one-year, part-time program designed to develop competencies in career education for teachers, or individuals working in the wider

community who are responsible for providing information, guidance and counselling about careers and work-related issues. Recipients of the scholarship also have to undertake a professional careers placement, a one-day VET familiarisation program and a mentoring program.

## Industry Placements program

The Industry Placements program provides a unique opportunity for selected careers teachers to spend three weeks with an employer or group training provider, exploring industry pathways. Each teacher uses the insights gained to develop a school–industry link project to benefit young people. Some schools have used the experience to establish the foundations for ongoing school–industry partnerships.

## Cross-sectoral initiatives

The Department plays a key role in providing assistance to young people, particularly those at risk of early leaving or those who are disengaged. A key means for provision of this assistance is through working with students and providers in the school, vocational education and training providers, the ACE sector and other agencies. In particular, the Department provides cross-sectoral policy leadership and the management of cross-sectoral programs. The objective of the cross-sectoral initiatives is to assist young people to achieve sustainable education, training or employment outcomes.

## Youth Transition Support initiative

The Youth Transition Support initiative commenced in January 2007 and provides funding for 24 youth transition workers across 12 Local Learning and Employment Network (LLEN) areas. These areas were selected on the basis of relatively low Year 12 completion rates, high rates of youth unemployment

and high numbers of young people not in education, training or full-time employment.

Transition support workers provide personalised assistance to young people aged 15–19 who are not in education or training, not working full-time and do not have Year 12 or an equivalent qualification. The objective is to help disengaged young people achieve a sustainable education, training or employment outcome.

The 12 LLEN areas funded for the Youth Transition Support initiative are Baw Baw Latrobe, Brimbank Melton, Frankston Mornington Peninsula, Goldfields, Goulburn Murray, Highlands, Hume Whittlesea, Inner Northern, Maribyrnong and Moonee Valley, Smart Geelong, South Eastern, and WynBay.

During 2007, transition support workers assisted a total of 1180 young people. Support for 859 (72.8 per cent) of these young people continued into 2008, with 399 of them in study or work. A further 77 young people (6.5 per cent) maintained an education, training or employment placement for six months.

A formative evaluation was conducted in 2007. The evaluation recognised that the initiative meets a targeted need. Findings were used to modify program guidelines and operations to improve outcomes, effective from 1 January 2008.

## Local Learning and Employment Networks

LLENs have a crucial role to play in continuing progress towards the Government's Year 12 or equivalent completion target.

The LLENs initiative supports cooperation between different providers and agencies, and acts to strengthen the capacity of stakeholders to support young people's transition through school to further education, training or full-time employment.

The core role of the LLENs is the creation and further development of sustainable



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relationships and partnerships between local education providers, industry and the community to develop initiatives that improve the education, training and employment outcomes of young people. There is a particular focus on those students considered most at risk of leaving school early.

Over the course of 2007, the statewide network of 31 LLENs brokered 112 partnerships that involved 2138 organisational stakeholders, comprising schools, TAFE and ACE providers, industry and community organisations. By working with stakeholders to develop broader education and training programs and pathways and to support young people to take up these options, LLENs reported positive contributions to the outcomes of over 38,000 young people. This number included 5089 young people who were re-engaged with education or training.

At the end of 2007, the Minister for Education announced that LLENs would be re-funded at the end of their current contracts for a further three-year period, covering 2009–11.

## Regional Youth Commitments

A Regional Youth Commitment is a framework negotiated within and between all local and regional stakeholders to link and coordinate pathway and transition support arrangements for 15–19-year-olds. It also ensures that there is continuous support for a young person to remain in or re-enter education and training and attain, as a minimum, Year 12 or equivalent qualifications.

Regional Youth Commitments arose as a result of work initiated in 2005 by the Grampians Region of the Department. Regional Youth Commitments have now been established or are being established in eight of the nine regions in Victoria.

A formative evaluation of Regional Youth Commitments was conducted in the first half of 2008. Findings from this evaluation will be used to assess progress to date and

to improve future success and sustainability of the Regional Youth Commitments in each region.

## On Track

The On Track survey tracks the destinations of Year 12 or equivalent completers and early leavers from all providers six months after they leave school. The publication of On Track data contributes to a better understanding by parents, students and schools of the destinations of young people after their final year and celebrates the broad range of outcomes that all providers create for students. At the time of survey, assistance and advice is offered to those students not in education, training or full-time employment.

The 2008 On Track survey for Year 12 or equivalent completers found that, for young people who completed Year 12 in 2007, 72 per cent of students were in education or training. Of those not in education or training, 25 per cent were employed full- or part-time or had deferred further study, and 3 per cent were looking for work.

Key findings were the increase in the percentage of Year 12 or equivalent completers who had taken up an apprenticeship or traineeship at the time of the survey (9.8 per cent compared with 8.1 per cent in 2007). There was a continued increase in the percentage of students from all schools deferring university places (11 per cent compared to 8 per cent in 2007).

## Commonwealth–State partnerships

Both the Commonwealth and the Victorian governments provide programs and initiatives that support young people aged 16 and over to attain their first formal qualifications and to make the transition to further education, training and/or employment.



In order to achieve better outcomes for young people, the Department works in collaboration with, or supports, the Commonwealth Department of Education, Employment and Workplace Relations on a number of projects. Significant current projects are concerned with the future of Australian Technical Colleges and the new Trade Training Centres initiative.

### Australian Technical Colleges

The Australian Technical Colleges were established by the previous Commonwealth Government in all states and territories to facilitate students seeking to undertake school-based apprenticeships as part of their Year 12 certificates. Victoria has six Australian Technical Colleges. Three were established as part of government schools and three are part of non-government schools.

The current Commonwealth Government has announced it will discontinue the Australian Technical College program as of 31 December 2009.

The Department is currently working in conjunction with the Commonwealth and local school communities to incorporate the trade training services provided by the Australian Technical Colleges within the Victorian education and training system. This will assist the Victorian Government's planning and provision of trade training services and complement the significant investment in vocational education being made throughout Victoria.

### Trade Training Centres

Trade Training Centres are a Commonwealth Government initiative. A total of \$2.5 billion has been allocated over the next ten years to develop Trade Training Centres in schools. Funds can be used to purchase equipment and carry out minor facility upgrades or to fund major capital investment.

The Trade Training Centres initiative has two objectives:

- seeking to improve Year 12 or equivalent completion rates
- helping to address skill shortages in traditional trades and emerging industry areas.

The initiative guidelines encourage:

- Certificate III qualifications in skill shortage areas
- the formation of partnerships between schools (government and non-government) and TAFE providers, registered training organisations and industry.

The Trade Training Centres initiative is managed by the Commonwealth in partnership with the states and territories through a partnership arrangement.

Through the partnership arrangement, a Victorian Trade Training Centres Support Unit has been established to provide advice and support to regions and schools in developing applications.

In 2008, the Trade Training Centres initiative was broken into two phases:

- phase one – schools were invited to submit either a full application for funding or an expression of interest to submit a full application in phase two (phase one had a submission deadline of 9 May 2008)
- phase two – has a submission deadline of 17 October 2008.

On 9 May 2008, Victorian government schools submitted \$8.82 million worth of applications for Trade Training Centres funding with the Commonwealth. More than \$112 million worth of expressions of interest were also submitted. This includes contributions from non-government schools that are in partnership with government schools.

# Services to students

The diverse learning needs of students are supported through a coordinated approach to student wellbeing that encompasses policy, guidelines, resources, school and classroom-based approaches, and links to community agencies.

## Student wellbeing

The Victorian government school system supports all students who have additional learning needs by ensuring that the appropriate supports, programs and educational adjustments are in place to enable every student to succeed.

### Highlights

- Ministerial Order 90 builds on and is consistent with best-practice guidelines on anaphylaxis management policy released by the Department in February 2007. All Victorian government schools received information packs in June 2008, developed in consultation with all key stakeholders, to ensure compliance with Ministerial Order 90. Training in anaphylaxis management for Victorian government schools is a key component of the Ministerial Order and was delivered to over 7900 teachers in more than 450 government schools during 2007–08.
- \$80 million over four years was allocated to extend the Primary Welfare Officer initiative in schools with the highest needs. In 2008, the number of schools receiving Primary Welfare Officer funding increased from 450 to 573.
- The update to Student Health in the *Victorian Government Schools Reference Guide* was completed. This revised section provides step-by-step advice on matters such as roles and responsibilities, routine supervision to ensure safety with medication

and first aid provision, personal medical support, support for specific medical conditions and guidance on planning and supporting student health.

- In August 2007, the Minister for Education and the Chief Commissioner of Police launched the manual entitled *Responding to Allegations of Student Sexual Assault: Procedures for Victorian Government Schools*. This manual gives schools comprehensive information about what to do if a student discloses an alleged sexual assault, how to address the needs of all involved in the allegation, and what support is available for the school in relation to those who assist with management of an alleged student sexual assault. The Department has the safety and wellbeing of all students as its number one priority. The manual reflects this philosophy.

## Drug education

A unified framework was implemented in all Victorian government, Catholic and independent schools, offering effective, preventative drug education programs and resources. The Department provides support to schools in the development of individual drug education plans, policies to address drug-related issues and support materials to facilitate program evaluation and improvement.

### Highlights

- The memorandum of understanding between the Department, the Catholic Education Commission of Victoria and the Association of Independent Schools of Victoria continued. This gives young people from all school sectors equity of access to drug education initiatives, including those

that are part of the National School Drug Education strategy.

- In 2007, 347 schools prepared new action plans to enhance drug education delivery. In 2008, 402 schools are completing new action plans.
- Approximately 50 per cent of government schools reported at least one member of staff participating in drug education professional development.
- Sixty-two per cent of all government schools reported involvement of parents in drug education programs.
- Staff and student surveys developed under the Drug Education Evaluation and Monitoring project were implemented in a further 244 schools during 2007. In 2008, 212 schools are participating in the project. The surveys assist these schools to evaluate the effectiveness of drug education programs.
- The Indigenous, Rural and Remote Drug Education initiative, involving 12 Victorian school communities, was extended into 2008. This project will develop, implement and document local community activities with Indigenous students and families across schools in Mildura and Swan Hill.
- In 2008, a two-year drug education research initiative commenced in partnership with the University of Melbourne to improve drug education in Victorian secondary schools. This research will document how an evidence-based drug education program leads students to make safer, healthier choices.
- Interactive drama, arts and information technology curriculum materials related to drug education for Years 7 and 8 students were produced for schools.
- Eight evidence-based alcohol fact sheets, targeting parents and teenage students, were prepared for all Victorian schools and distributed online.

## Students with disabilities

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

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

*Number of students individually supported through the Program for Students with Disabilities in government schools, February 2008*

	FTE students	Per cent
Regular schools	9,901	55.4
Special schools	7,970	44.6
<b>Total</b>	<b>17,871</b>	<b>100</b>

## Support for families

### Education Maintenance Allowance

Low-income families continue to receive support through the Education Maintenance Allowance. The allowance is paid in two instalments each year. To be eligible for the allowance, a parent or guardian must be eligible to receive a Centrelink pension, allowance or benefit under the *State Concessions Act 2004*, or be a Veterans' Affairs pensioner or a foster parent on the first day of Term 1 and Term 3 respectively.

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In 2008, eligible parents of primary students receive \$215 per year. Eligible parents of secondary students receive \$430 per year. During 2007–08, the parents and guardians of approximately 208,700 students received the allowance. The Education Maintenance Allowance is indexed annually to the local consumer price index to ensure that future increases in the payment reflect the increase in the cost of living.

### School Start Bonus

The School Start Bonus was introduced by the Victorian Government in 2006 to assist parents and guardians of Prep and Year 7 students in meeting the start-up costs of sending their child to school. The initiative provides financial assistance to families for expenditure on school and sporting uniforms, school bags, books and related expenses. The bonus is a one-off payment of \$300 that is not means tested. The bonus is paid to families using a payment voucher which the parent or guardian presents at an Australia Post office for a cash redemption.

In 2007–08, vouchers were issued for over 129,000 students at a cost of approximately \$38.9 million.

### Student transport

The free school bus service administered by the Department of Transport on behalf of the Department conveys approximately 70,000 students daily, predominantly throughout rural and regional Victoria.

Conveyance allowances may be provided to eligible students to assist with travel costs where access to a transport service is not available.

The Department also provides transport assistance for students attending specialist schools. In 2007–08, approximately 6400 students were transported by bus and taxi to these schools at a cost of approximately \$38 million.

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# Adolescent health services (schools)

The Secondary School Nursing program moved from DHS to the Department in December 2007.

The program offers support to young people at risk. The Secondary School Nursing program employs 100 FTE nurses in 199 targeted government secondary schools across the state to provide health promotion, early intervention and health counselling to students

in partnership with the school welfare team. School nurses work in collaboration with other local key stakeholders in the delivery of programs designed to support the health and wellbeing of their school community.

Annual action plans, developed by secondary school nurses in consultation with school staff and students to identify priority issues for 2008, have been completed.

# Policy and regulation

The Department supports and advises the Minister for Education and the Minister for Children and Early Childhood Development, and helps with the management and administration of their portfolios. In particular, the Department provides support to the Ministers in the areas of international education, information and promotions, external and intergovernmental relations, and the implementation of legislation.

## International education

The Department manages a number of specific, high-quality international education programs and services. It promotes and administers the overseas fee-paying student program in Victorian government schools and conducts and facilitates student and staff exchanges, study tours and official delegations.

Increasingly, the Department is engaging in offshore capacity-building initiatives that highlight the strength of Victoria's curriculum and innovative approaches to school education.

### Highlights

- The Overseas Study program was launched 18 March 2008 by the Minister for Education. This new initiative will promote global awareness and global literacy among a cohort of secondary students from government schools who have not previously had the opportunity to study overseas. The program is at the field trial stage with more than 80 Year 9 and 10 students selected from four Victorian regions undertaking study offshore.
- The Victoria International School of Sharjah was built to a design by a Victorian architect.

It is owned by the Government of Sharjah and provides curriculum, pedagogy, and assessment and reporting based on Victoria's model of school education. The school commenced operations on 2 September 2007 and the Premier of Victoria officially opened the junior school on 10 February 2008. At full capacity, the school will cater for 2800 students from kindergarten to Year 12.

- A Department-led consortium successfully delivered a suite of professional development programs in Qatar between February and April 2008. These included e-learning, classroom management, school self-review, subject coordination and student welfare.
- The Department continued to support the Australian East Timor Friendship Schools project. Seventy-three Victorian primary and secondary schools have established links with schools in Timor-Leste as part of their project.
- The Department hosted 42 delegations comprising 597 participants. Delegations came from Bahrain, the People's Republic of China, Denmark, Hong Kong, India, Indonesia, Japan, Kyrgyzstan, Malaysia, the Netherlands, New Zealand, Norway, the Philippines, Qatar, Singapore, South Korea, Thailand, the United Arab Emirates, the United Kingdom and Vietnam.

## International students

International students make a significant educational, cultural, social and economic contribution to Victoria.

### Highlights

- During 2007, there were more than 2900 international students from more than 53 countries enrolled in government schools. This represents a 9.8 per cent increase



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over the previous year and demonstrates international recognition of the Victorian government school system.

- An independent audit of school compliance against Departmental quality standards was carried out in 2007 in 22 government schools. A high level of compliance was identified.

## Cross-government activity

The Department continues to strengthen linkages with other Government agencies and to develop whole-of-government strategies that effectively utilise government infrastructure overseas.

### Highlights

- In cooperation with the Department of Innovation, Industry and Regional Development (DIIRD), the Department continued to support the Education Service Managers in the Bangalore, Dubai, Shanghai and Tokyo Victorian Government Business Offices. These offices promote:
  - Victoria's capacity to deliver quality education services offshore
  - Victoria as a preferred study destination.
- Education Service Managers continued to support Victorian education institutions offshore and provide market intelligence to both Departments.

## Programs

The Department implemented a number of programs to support international education in Victoria, including student, teacher and professional exchange programs.

### Highlights

- The fifth International Education Week was held in March 2008 to celebrate the contribution that international education makes to Victoria's cultural diversity, and social and economic development. The Governor welcomed over 700 international

students, teachers and stakeholders to a function at Government House that was attended and addressed by the Minister for Education. Regional functions were held in Ballarat, Bendigo, Geelong, Gippsland and Warrnambool. These occasions were facilitated by the Department and DIIRD.

- Approximately 270 government schools continued to undertake activities under formal and informal sister-school arrangements with schools in overseas countries.
- The Department conducted student study tours for 1535 overseas students on a fee-for-service basis, placing them in government schools for periods of up to ten weeks.
- The Division hosted 40 participants from South Korea and Japan in three professional development programs to improve the teaching and learning of English for secondary and elementary teachers of English from overseas.
- Twenty-eight Victorian teachers exchanged schools and homes for the school year with teachers from Canada, New Zealand, Switzerland, the United States of America and the United Kingdom.
- Eighty teacher assistants participated in programs that bring native speakers of Chinese, French, German, Italian and Japanese to assist with the teaching and learning of language and culture in government schools. Negotiations with Indonesian universities are proceeding to develop similar support for the teaching and learning of the Indonesian language.
- The Visiting Journalist program continued, with journalists from India and Thailand visiting Victoria in 2007–08 to witness how the international student program works and what Victorian education has to offer.

## Marketing and communications

A new suite of marketing material was developed during the year.

### Highlights

- A 'Friends of Victoria' function was held in Berlin as part of a communication strategy to leverage off the networks of Victorian alumni.
- The <study.vic.gov.au> website was re-launched in July 2007.
- New DVDs were developed and translated into six languages to promote studying in government schools. DVDs were also created to market school education in the four regional areas of Geelong, Warrnambool, Ballarat and Bendigo.

## Information and promotion

During 2007–08, the Department promoted early childhood development and school education throughout Victoria in a variety of ways.

The Department produced a number of publications for external audiences during the reporting period.

Significant work continued to align all Departmental online communications into a single-entry public website <www.education.vic.gov.au>. This resulted in improved access to information for the Victorian public, early childhood communities and school communities. The migration of the former DHS Office for Children website to the <www.education.vic.gov.au> site also progressed. The Department's website averaged over a million visits every month.

*Education Times* continued to be a major communication link with government schools and editorial content has now been expanded to cater for early childhood service providers as well. The newspaper is published fortnightly during each school term and distributed to local councils, all early childhood providers and government schools.

*DEECD Mail Bulletin to Schools* continued to be a key communication tool between schools and the Department. Distributed weekly via email, the bulletin provides Departmental information on policy and staff issues, school management, professional learning, events and school activities.

The *Welcome to School* handbook was distributed to all parents of Prep students in government schools at the beginning of the school year. It was also distributed to the broader community through child-care centres, public libraries and Information Victoria, and made available online in English, Chinese, Vietnamese and Arabic at <www.education.vic.gov.au/about/publications/newsinfo/welcomeschool.htm>. The English version is also in audio format.

The Department's electronic newsletter for parents, *Parent Update*, provided information to parents and the broader early childhood development and education community about initiatives in Victorian government early childhood services and school education. In June 2008, the newsletter had 6160 subscribers.

A comprehensive events and promotions program in 2007–08 included Back to School week, the Victorian School Sports Awards, the Premier's VCE Awards, Education Week, Victorian Education Excellence Awards, Victorian School Design Awards, the Premier's Reading Challenge, Rubbish Free Lunch Challenge and Literacy and Numeracy Week.

The Department's Information and Referral Service answered approximately 60,000 queries from parents, students, school staff and other community members during 2007–08. The service responds to queries about a broad range of education and early childhood development matters, as well as providing recorded information about school term dates for Victoria and other states, contact details for the Department's regional offices, and special dates and events.

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## Services to Ministers and policy

### External relations and strategic coordination

The Department supports the Ministers and the Departmental Leadership Team in fulfilling their responsibilities across the portfolio through Ministerial and executive support functions, external relations, legal services and privacy administration.

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

### Commonwealth–State relations

The Department also supports the Ministers and the Departmental Leadership Team in contributing to the Victorian Government's agenda in Commonwealth–State relations.

Services provided relate to Commonwealth–State negotiations and inter-government relations. This requires developing the Department's long-term strategic policy and new policy as required by the Departmental Leadership Team in relation to Commonwealth–State relations.

The Department supports the Minister for Education and the Minister for Children and Early Childhood Development as members of MCEETYA and the Secretary as a member of AESOC and the COAG Productivity Agenda Working Group.

The Department also supports the Minister for Children and Early Childhood Development as a member of the Community and Disability

Services Ministers Conference, and the Deputy Secretary, Office for Children and Early Childhood Development, as a member of the Community and Disability Services Ministers Advisory Council.

### Statewide outcomes for children

The Department's Statewide Outcomes for Children Division focuses government and the community on improving the safety, health, development, learning and wellbeing of children aged from birth to 18 years in Victoria. This involves monitoring and reporting on outcomes, research, data collection and analysis, evidence-based policy and cross-government planning and partnerships. Activities during 2007–08 included:

- preparing the 2007 annual report: *The State of Victoria's Young People*
- publishing early childhood community profiles for all 79 local government areas
- publishing Indigenous early childhood community profiles for 25 local government areas with a large Indigenous population
- conducting major surveys including the Victorian Child Health and Wellbeing Survey
- supporting the Victorian Children's Council to provide timely, independent and expert advice to the Premier and Ministers on policies to enhance outcomes for children.

### Registration of government schools

The *Education and Training Reform Act 2006* provides for the VRQA to register and review schools, having regard to the Education and Training Reform Regulations 2007. The Office for Government School Education is responsible for managing registration and reporting requirements for government schools.

## Highlights

- All government schools that were operating at 30 June 2007 were registered with the VRQA.
- Ten additional government schools were registered with the VRQA and were able to open for the 2008 school year. These included three new schools, six merged schools and the opening of one additional campus for an existing school.
- An additional campus for an existing school was registered with the VRQA, enabling the campus to open during Term 2, 2008.

## Legislation implementation

The *Education and Training Reform Act 2006* (the Act) and associated Education and Training Reform Regulations 2007 (the Regulations) came into effect on 1 July 2007.

The Act, which replaced 12 separate pieces of education and training legislation, established the VRQA, which has responsibility for ensuring that all schools, training providers and higher education providers (except established universities) meet minimum standards. It is also responsible for registering students being home schooled.

The VRQA's role and functions incorporate the previous responsibilities of the Victorian Qualifications Authority and the Registered Schools Board, which were abolished when the Act came into effect.

The Regulations relate to:

- teaching service appeals
- the Victorian Institute of Teaching elections
- the responsibilities of the VRQA in relation to the registration of schools, home schooling and education and training organisations
- admission of students, times of school operation, discipline, school councils, parent clubs and fundraising for government schools

- the Education Maintenance Allowance, the transport of students and travelling allowances for all schools.

In order to ensure that education legislation remains robust and contemporary, two Acts were developed in 2007–08, to amend the 2006 legislation.

The *Education and Training Reform Miscellaneous Amendments Act 2007* provides for:

- a range of measures to assist in the administration of the Act and implement machinery-of-government changes
- matters arising since the passing of the Act relating to the functions of the Victorian Institute of Teaching and the VRQA.

The *Education and Training Reform Amendment Act 2008* includes provisions for the:

- VCAA to support the integration of education and early childhood services, administer national testing and improve examination processes
- introduction of the Victorian Student Number, a unique student identifier to ensure that student information travels with the student throughout their education.

The Department's legislative program for 2008–09 includes the development of the Education and Training Reform Further Amendment Bill 2008, which will provide for:

- legislative change required to implement initiatives stemming from the Blueprint for Education and Early Childhood Development
- creation of new streamlined processes in respect of performance in the Victorian Government Teaching Service
- clarification of the functions and delegation powers of the VRQA.

The Department is also remaking the Education (Prescribed Age) Regulations 1999, which establishes the age limits for enrolment at government schools.

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## Yearly planning cycle

The Department also provides corporate and business planning services. In 2007–08, major activities in the coordination of the Department's yearly planning cycle included:

- development of a three-year corporate plan for the Department
- development of a three-year Departmental planning framework
- implementing a strategic framework to improve business planning across the Department following a review of the 2006–07 process
- developing divisional and regional business plans
- better supporting divisions and regions to plan and assess risk through capacity-building professional development activities
- developing the Department's budget submissions, culminating in the 2008–09 State Budget
- evaluating major activities and programs within the Department
- preparing presentations and briefings to the Public Accounts and Estimates Committee of the Victorian Parliament
- managing the preparation of half-yearly performance reports for the purpose of revenue certification
- managing the preparation of the portfolio annual reports for 2006–07
- supporting the operation of the portfolio statutory authorities.

# Financial report

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## Department of Education and Early Childhood Development (formerly Department of Education)

This financial report covers the Department of Education and Early Childhood Development as an individual entity.

The Department of Education and Early Childhood Development is a government department of the State of Victoria. Its principal address is:

Department of Education and Early Childhood Development  
2 Treasury Place  
East Melbourne Victoria 3002

A description of the nature of the Department's operations and its principal activities is included in the report of operations (see Appendix 1).



# Operating statement for the financial year ended 30 June 2008

	Note	2008 \$'000	2007 \$'000
<b>Income</b>			
Revenue from government	4(a)	6,428,131	6,391,699
Other revenue	4(b)	697,445	667,929
Resources received free of charge or for nominal consideration		–	2,214
		<b>7,125,576</b>	<b>7,061,842</b>
<b>Expenses</b>			
Grants and other payments	4(c)	(644,558)	(942,751)
Employee benefits	4(d)	(4,012,018)	(3,823,760)
Depreciation and amortisation	4(e)	(216,726)	(211,338)
Capital asset charge		(727,270)	(762,036)
Supplies and services	4(f)	(1,485,003)	(1,224,119)
Resources provided free of charge or for nominal consideration	4(g)	(6,476)	(1,907)
Finance costs	4(h)	(390)	(378)
Other expenses	4(i)	(15,574)	(31,072)
		<b>(7,108,015)</b>	<b>(6,997,361)</b>
<b>Net result from continuing operations</b>		<b>17,561</b>	<b>64,481</b>
<b>Net result for period</b>		<b>17,561</b>	<b>64,481</b>

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

# Balance sheet as at 30 June 2008

	Note	2008 \$'000	2007 \$'000
<b>Current assets</b>			
Cash and cash equivalents	7	769,943	699,607
Receivables	8	770,477	674,476
Other	9	32,888	4,336
		1,573,308	1,378,419
Non-current assets classified as held for sale	10	38,624	23,873
<b>Total current assets</b>		1,611,932	1,402,292
<b>Non-current assets</b>			
Receivables	8	48,194	37,221
Other financial assets		24,772	14,266
Intangible assets	11	–	2,907
Property, plant and equipment	12	11,473,672	9,254,941
<b>Total non-current assets</b>		11,546,638	9,309,335
<b>Total assets</b>		13,158,570	10,711,626
<b>Current liabilities</b>			
Payables	13	453,068	332,185
Interest-bearing liabilities	14	3,694	3,034
Provisions	15	906,495	876,367
Other	17	49,361	45,202
<b>Total current liabilities</b>		1,412,618	1,256,787
<b>Non-current liabilities</b>			
Interest-bearing liabilities	14	2,859	3,094
Provisions	15	77,814	66,905
<b>Total non-current liabilities</b>		80,673	69,999
<b>Total liabilities</b>		1,493,291	1,326,786
<b>Net assets</b>		11,665,279	9,384,840
<b>Equity</b>			
Contributed capital	18(a)	5,242,010	5,046,130
Reserves	18(b)	5,083,697	3,016,699
Accumulated surplus	18(c)	1,339,572	1,322,011
<b>Total equity</b>		11,665,279	9,384,840
Contingent liabilities and contingent assets	23	12,159	12,555
Commitments for expenditure	24	328,347	278,483

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 2008

	Note	2008 \$'000	2007 \$'000
Total equity at the beginning of financial year		9,384,840	9,103,556
Effects of changes in accounting policy		–	27,025
		9,384,840	9,130,581
Gain on property revaluation	18(b)	2,149,310	87
Impairment adjustment to building values		(82,312)	(33,188)
<b>Net income/(loss) recognised directly in equity</b>		<b>2,066,998</b>	<b>(33,101)</b>
Net result for the period	18(c)	17,561	64,481
<b>Total recognised income and expense for the period</b>		<b>2,084,559</b>	<b>31,380</b>
Transactions with the State in its capacity as owner	18(a)	195,880	222,879
<b>Total equity at the end of financial year</b>		<b>11,665,279</b>	<b>9,384,840</b>

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 2008

	Note	2008 \$'000	2007 \$'000
<b>Cash flows from operating activities</b>			
<b>Receipts</b>			
Receipts from government		6,325,316	6,374,213
Receipts from other entities		674,953	647,234
Goods and Services Tax recovered from the ATO		213,506	130,194
Interest received		44,468	37,550
<b>Total receipts</b>		<b>7,258,243</b>	<b>7,189,192</b>
<b>Payments</b>			
Payments of grants and transfer payments		(644,558)	(942,751)
Payments to suppliers and employees		(5,575,634)	(5,139,442)
Goods and Services Tax paid to the ATO		(21,976)	(16,855)
Finance costs		(390)	(378)
Capital asset charge		(727,270)	(762,036)
<b>Total payments</b>		<b>(6,969,828)</b>	<b>(6,861,462)</b>
<b>Net cash flows from/(used in) operating activities</b>	26	<b>288,415</b>	<b>327,729</b>
<b>Cash flows from investing activities</b>			
Payments for property, plant and equipment		(397,631)	(346,526)
Payment for intangible assets		(8,745)	(5,241)
Movements of investments		(10,506)	(5,353)
Proceeds from sale of property, plant and equipment		2,497	1,689
Finance lease receipts (proceeds from finance leases)		3,910	3,596
<b>Net cash flows from/(used in) investing activities</b>		<b>(410,475)</b>	<b>(351,835)</b>
<b>Cash flows from financing activities</b>			
Proceeds from capital contributions by State Government		195,880	222,879
Finance lease repayments		(3,485)	(3,484)
<b>Net cash flows from financing activities</b>		<b>192,395</b>	<b>219,395</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>70,335</b>	<b>195,288</b>
Cash and cash equivalents at the beginning of the financial year		699,607	477,294
Adjustment to opening balance as a result of change in accounting policies		–	27,025
<b>Cash and cash equivalents at the end of the financial year</b>	7	<b>769,942</b>	<b>699,607</b>

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

# Notes to the financial statements

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## Note 1 Summary of significant accounting policies

### (a) 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 Australian Accounting Standards (AAS), which includes the *Australian Accounting Standards* issued by the *Australian Accounting Standards Board* (AASB), AAS 29 *Financial Reporting by Government Departments*, interpretations and other mandatory professional requirements.

The financial report also complies with relevant *Financial Reporting Directions* (FRDs) issued by the Department of Treasury and Finance, and relevant Standing Directions (SD) authorised by the Minister for Finance.

The financial statements were authorised for issue by Claire Britchford, Chief Finance Officer, on 3 September 2008.

### (b) Basis of preparation

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

In the application of AASs, management is required to make judgments, 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 and, the results of which, form the basis of making judgments. 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.

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 2008 and the comparative information presented for the year ended 30 June 2007.

The accrual basis of accounting has been applied.

### (c) Reporting entity

The financial report covers the Department of Education and Early Childhood Development as an individual reporting entity. The Department is a government department of the State of Victoria, established pursuant to an order made by the Premier under the *Administrative Arrangements Act 1983*. Its principal address is:

Department of Education and Early Childhood Development  
2 Treasury Place  
East Melbourne Victoria 3002

The Department is an administrative agency acting on behalf of the Crown.

The financial report includes all the controlled activities of the Department Education and Early Childhood Development.

A description of the nature of the Department's operations and its principal activities is included in the Report of Operations, which does not form part of this financial report.

The financial report includes all transactions of the Department and the State's 1587 primary



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and secondary schools. All transactions between the Department and schools have been eliminated as required by *Australian Accounting Standards*.

### ***Administered resources***

The Department administers but does not control certain resources on behalf of the Crown. It is accountable for the transactions involving those administered resources, but does not have the discretion to deploy the resources for achievement of the Department's objectives. For these resources, the Department acts only on behalf of the Crown. Such administered transactions include Commonwealth funds on-passed by the Department to Victorian non-government schools. Administered resources are accounted for using the accrual basis of accounting.

Transactions and balances relating to these administered resources are not recognised as Departmental revenues, expenses, assets or liabilities within the body of the financial statements but are disclosed in 'Administered Items' (see note 3). Except as otherwise disclosed, administered items are accounted for on the same basis and using the same accounting policies as for Departmental items.

Specific financial disclosures related to administered items can be found in notes 3 and 5.

### ***Other trust activities on behalf of parties external to the Victorian Government***

The Department has responsibility for transactions and balances relating to trust funds on behalf of third parties external to the Victorian Government. The Department has received monies in a trustee capacity for various trusts including prizes and scholarships. Revenues, other income, expenses, assets and liabilities managed on behalf of third parties are not recognised in these financial statements as they are managed on a fiduciary and custodial basis,

and therefore not controlled by the Department or the Victorian Government.

## **(d) Objectives and funding**

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

The Department provides support and advisory services to the Minister for Education and the Minister for Children and Early Childhood Development, as well as a number of statutory bodies.

The Department is predominantly funded by accrual-based parliamentary appropriations for the provision of outputs.

## **(e) Outputs of the Department**

Information about the Department's output activities and the expenses, income, assets and liabilities which are reliably attributable to those output activities is set out in the Departmental Outputs Schedule (note 2). Information about expenses, income, assets and liabilities administered by the Department are given in the Schedule of Administered Items (note 3).

As a consequence of machinery-of-government administrative changes announced on 2 August 2007, financial statements of the Department reflect the actual period of responsibility for the outputs, being for the period 1 September 2007 to 30 June 2008 for the received output Early Childhood Development. Comparative amounts for the prior year have not been adjusted.

Details of assets and liabilities transferred into the Department of Education and Early Childhood Development and other information relating to machinery-of-government changes are reflected in note 6.

## (f) Events after reporting date

Assets, liabilities, income or expenses arise from past transactions or other past events. Where the transactions result from an agreement between the Department and other parties, the transactions are only recognised when the agreement is irrevocable at or before balance date. Adjustments are made to amounts recognised in the financial statements for events which occur after the reporting date and before the date the statements are authorised for issue, where those events provide information about conditions which existed at the reporting date. Note disclosure is made about events between the balance date and the date the statements are authorised for issue where the events relate to conditions which arose after the reporting date and which may have a material impact on the results of subsequent years.

## (g) Goods and Services Tax (GST)

Income, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the taxation authority. In this case it is recognised as part of the cost of acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the taxation authority is included with other receivables or payables in the balance sheet.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the taxation authority, are presented as operating cash flow.

## (h) Income recognition

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

Income becomes controlled and is recognised by the Department when it is appropriated from the Consolidated Fund by the Victorian Parliament and applied to the purposes defined under the relevant *Appropriation Act*. Additionally, the Department is permitted under section 29 of the *Financial Management Act 1994* to have certain revenue annotated to the annual appropriation. The revenue, which forms part of a Section 29 agreement, is recognised by the Department and the receipts are paid into the Consolidated Fund as an administered item. At the point of revenue recognition, Section 29 provides for an equivalent amount to be added to the annual appropriation. In respect to revenue from Commonwealth grants and sales of non-current physical assets, the Department may be permitted under section 29 of the *Financial Management Act 1994* to have this revenue initially paid into the Consolidated Fund and an equivalent amount is provided by appropriation. In these instances the revenue 'received' by the Department is administered and disclosed in note 3.

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

### *Output appropriations*

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

### *Special appropriations*

Under section 34 of the *Education Act 1958*, revenue related to Volunteer Workers Compensation is recognised when the amount appropriated for that purpose is due and payable by the Department.

Under section 10 of the *Financial Management Act 1994*, revenue related to Drought Assistance is recognised when the amount appropriated for that purpose is due and payable by the Department.

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### ***Resources received free of charge or for nominal consideration***

Contributions of resources received free of charge or for nominal consideration are recognised at their fair value when the transferee obtains control over them, irrespective of whether restrictions or conditions are imposed over the use of the contributions, unless received from another government department or agency as a consequence of a restructuring of administrative arrangements. In which case, such transfer will be recognised at carrying 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.

### ***Other revenue***

Amounts disclosed as revenue are, where applicable, net of returns, allowances and duties and taxes. All amounts of revenue over which the Department does not have control are disclosed as administered income in the schedule of administered income and expenses (see note 3). Revenue is recognised for each of the Department's major activities as follows:

#### **Revenue from the provision of services**

Revenue from the provision of services is recognised by reference to the stage of completion of the contract. The revenue is recognised when:

- the amount of the revenue, stage of completion and transaction costs incurred can be reliably measured; and
- it is probable that the economic benefits associated with the transaction will flow to the entity or department.

The stage of completion is measured by reference to labour hours incurred to date as a percentage of estimated total labour hours for each contract.

#### **Revenue from sale of goods**

Revenue from the sale of goods relates mainly to revenue derived from schools and set out below are the policies adopted for recognition.

Revenue from the sale of goods is recognised by the Department when:

- the significant risks and rewards of ownership of the goods have transferred to the buyer;
- the Department retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be reliably measured;
- it is probable that the economic benefits associated with the transaction will flow to the Department; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

#### **Interest revenue**

Interest revenue includes interest received on bank term deposits, interest from investments, and other interest received. Interest revenue is recognised on a time-proportionate basis that takes into account the effective yield on the financial asset.

### ***Other income***

Other income consists of gains/losses on disposal of property, plant and equipment, disposal of investments and disposal of business. Any gain or loss on disposal is recognised at the date control of the asset is passed to the buyer and is determined after deducting from the proceeds the carrying value of the asset at that time.

### ***Administered income***

#### **Taxes, fines and regulatory fees**

The Department does not gain control over assets arising from taxes, fines and regulatory fees, therefore no income is recognised in the Department's financial statements.

The Department collects these amounts on behalf of the Crown. Accordingly, the amounts are disclosed as income in the schedule of Administered Items (see note 3).

Commonwealth grants

Grants payable by the Commonwealth Government are recognised as income when the Department gains control of the underlying assets. Where such grants are payable into the Consolidated Fund, they are reported as administered income. For reciprocal grants, the Department is deemed to have assumed control when the performance has occurred under the grant. For non-reciprocal grants, the Department is deemed to have assumed control when the grant is received or receivable. Conditional grants may be reciprocal or non-reciprocal depending on the terms of the grant. Commonwealth grants are disclosed as income in the schedule of administered items (see note 3).

(i) Expenses

Grants and other payments

Grants and other payments to third parties are recognised as an expense in the reporting period in which they are paid or payable. They include transactions such as grants, subsidies and other transfer payments.

Employee benefits

Employee benefits expenses include all costs related to employment including wages and salaries, leave entitlements, redundancy payments and superannuation contributions. These are recognised when incurred, except for contributions in respect of defined benefit plans.

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 by the Department to the superannuation plan in respect to the current services of current Department staff. Superannuation contributions are made to the plans based on the relevant rules of each plan.

The Department of Treasury and Finance centrally recognises the defined benefit liability or surplus of most Victorian government employees in such funds.

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 expected useful life to its estimated residual value. Leasehold improvements are depreciated over the period of the lease or estimated useful life, whichever is the shorter, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each annual reporting period

The expected useful lives for the financial years ended 30 June 2008 and 30 June 2007 and depreciation rates are as follows:

	Useful life Years	2008 %	2007 %
Buildings – permanent	60	1.7	1.7
Buildings – relocatable and other Improvements	40	2.5	2.5
Plant and equipment	3–33	3–33	3–33

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

Leasehold improvements held at the reporting date are being amortised over 10 years at a rate of 10 per cent.

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## ***Amortisation***

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

Intangible assets with indefinite useful lives are not amortised, but are tested for impairment annually or whenever there is an indication that the asset may be impaired. The useful lives of intangible assets that are not being amortised are reviewed each period to determine whether events and circumstances continue to support an indefinite useful life assessment for that asset.

## ***Resources provided free of charge or for nominal consideration***

Resources provided free of charge or for nominal consideration are recognised at their fair value.

## ***Capital asset charge***

The capital asset charge represents the opportunity cost of capital invested in the non-current physical assets used in the provision of outputs. The charge is calculated on the budgeted carrying amount of non-current physical assets.

## ***Finance costs***

Finance costs are recognised as expenses in the period in which they are incurred and include finance lease charges.

## ***Impairment of assets***

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

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

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

## ***Supplies and services***

Supplies and services generally represent cost of goods sold and the day-to-day running costs, including school requisites and maintenance costs, incurred in the normal operations of the Department. These items are recognised as an expense in the reporting period in which they are incurred. The carrying amount of any inventories held for distribution is expensed when distributed.



## (j) Assets

All non-current assets, including Crown Land, controlled by the Department are reported in the balance sheet.

### *Cash and cash equivalents*

Cash and cash equivalents comprise cash on hand and cash at bank, deposits at call and highly liquid investments with an original maturity of three months or less, which are readily convertible to known amounts of cash and are subject to insignificant risk of changes in value (note 7). Amounts held by schools include term investments one year or less are treated as cash and cash equivalents.

For the cash flow statement presentation purposes, cash and cash equivalents includes bank overdrafts, which are included as current interest bearing liabilities on the balance sheet.

### *Receivables*

Receivables consist predominantly of debtors in relation to goods and services, accrued investment income and GST input tax credits recoverable.

Receivables are recognised initially at fair value and subsequently measured at amortised cost, using the effective interest rate method, less any accumulated impairment.

A provision for doubtful receivables is made when there is objective evidence that the debts will not be collected. Bad debts are written off when identified.

### *Other financial assets*

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

The Department classifies its other investments in the following categories: financial assets at fair value through profit

or loss, loans and receivables, held-to-maturity investments, and available-for-sale financial assets. The classification depends on the purpose for which the investments were acquired. Management determines the classification of its investments at initial recognition.

The Department assesses at each balance sheet date whether a financial asset or group of financial assets is impaired.

### **Financial assets at fair value through profit or loss**

Investments held for trading purposes are classified as current assets and are stated at fair value, with any resultant gain or loss recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any dividend or interest earned on the financial asset. Fair value is determined in the manner described in note 19.

### **Loans and receivables**

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

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

### **Held-to-maturity investments**

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

### **Available-for-sale financial assets**

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



at which time the cumulative gain or loss previously recognised in equity is included in profit or loss for the period. Fair value is determined in the manner described in note 19.

### Intangible assets

Intangible assets represent identifiable non-monetary assets without physical substance. Intangible assets are initially recognised at cost. Subsequently, intangible assets with finite useful lives are carried at cost less accumulated amortisation and accumulated impairment losses. Costs incurred subsequent to initial acquisition are capitalised when it is expected that additional future economic benefits will flow to the Department.

#### Research and development costs

Expenditure on research activities is recognised as an expense in the period in which it is incurred. An internally generated intangible asset arising from development (or from the development phase of an internal project) is recognised if, and only if, all of the following are demonstrated:

- (a) the technical feasibility of completing the intangible asset so that it will be available for use or sale
- (b) an intention to complete the intangible asset and use or sell it
- (c) the ability to use or sell the intangible asset
- (d) the intangible asset will generate probable future economic benefits
- (e) the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset
- (f) the ability to measure reliably the expenditure attributable to the intangible asset during its development.

Where no internally generated intangible asset can be recognised, development expenditure is recognised as an expense in the period as incurred.

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

Capitalised software development costs	3–5 years
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### Property, plant and equipment

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

Assets such as Crown land and heritage asset are measured at fair value with regard to the property's highest and best use after due consideration is made for any legal or constructive restrictions imposed on the asset, public announcements or commitments made in relation to the intended use of the asset.

Theoretical opportunities that may be available in relation to the asset are not taken into account until it is virtually certain that the restrictions will no longer apply.

Cultural depreciated assets and collections, heritage assets and other non-current physical assets that the State intends to preserve because of their unique historical, cultural or environmental attributes are measured at the cost of replacing the asset less, where applicable, accumulated depreciation calculated on the basis of such cost to reflect the already consumed or expired future economic benefits of the asset.

### Restrictive nature of cultural and heritage assets, Crown land and infrastructure

During the reporting period, the Department may hold cultural assets, heritage assets, Crown land and infrastructure.

Such assets are deemed worthy of preservation because of the social rather than financial benefits they provide to the community.

The nature of these assets means that there are certain limitations and restrictions imposed on their use and/or disposal.

### Revaluations of non-current assets

Non-current physical assets measured at fair value are revalued in accordance with FRD 103C. This revaluation process normally occurs every five years, based upon the asset's Government Purpose Classification. Revaluation increments or decrements arise from difference between carrying value and fair value.

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

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

Revaluation increases and revaluation decreases relating to individual assets within an asset class are offset against one another within that class but are not offset in respect of assets in different classes.

Revaluation reserves are not normally transferred to accumulated surplus on de-recognition of the relevant asset.

In accordance with FRD 103C all schools sites were subject to a detailed valuation in the current financial year (2006–07: nil school sites as the Department reviewed the land price index movement in relation to its properties and believed that there were no material movement in those valuations) (refer note 12).

### Non-current assets classified as held for sale

Non-current assets (and disposal group) classified as held for sale are measured at the lower of carrying amount and fair value less costs to sell, and are not subject to depreciation.

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

### Non-current assets constructed by the Department

The cost of non-current assets constructed by the Department includes the cost of all materials used in construction, direct labour on the project, and an appropriate proportion of variable and fixed overheads.

### Leases

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

### Department as lessee

Finance leases are recognised as assets and liabilities at amounts equal to the fair value of the lease property or, if lower, the present value of the minimum lease payment, each determined at the inception of the lease. The lease asset is depreciated over the shorter of the estimated useful life of the asset or the term of the lease. Minimum lease payments are allocated between the principal component of the lease liability, and the interest expense

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calculated using the interest rate implicit in the lease, and charged directly to the operating statement. Contingent rentals associated with finance leases are recognised as an expense in the period in which they are incurred.

Operating lease payments, including any contingent rentals, are recognised as an expense in the operating statement on a straight-line basis over the lease term, except where another systematic basis is more representative of the time pattern of the benefits derived from the use of the leased asset.

The cost of leasehold improvements is capitalised as an asset and depreciated over the remaining term of the lease or the estimated useful life of the improvements, whichever is the shorter.

## (k) Liabilities

### *Payables*

Payables consist predominantly of creditors, employee benefits and other sundry liabilities.

Payables are initially recognised at fair value, then subsequently carried at amortised cost and represent liabilities for goods and services provided to the Department prior to the end of financial year that are unpaid, and arise when the Department becomes obliged to make future payments in respect of the purchase of these goods and services. Fair value is determined in the manner described in note 13.

### *Provisions*

Provisions are recognised when the Department has a present obligation, the future sacrifice of economic benefits is probable, and the amount of the provision can be measured reliably.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at reporting date, taking into account the risks and uncertainties

surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

### *Employee benefits*

#### **(i) Salaries and wages, annual leave and sick leave**

Liabilities for salaries and wages, including non-monetary benefits, annual leave and accumulating sick 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 not 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 the liabilities are settled using the remuneration rate expected to apply at the time of settlement.

#### **(ii) Long service leave**

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

**Current liability – unconditional LSL** is disclosed as a current liability even where the Department does not expect to settle the liability within 12 months because it will not have the unconditional right to defer the settlement of the entitlement should an employee take leave within 12 months.

The components of this current LSL liability are measured at:

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

**Non-current liability – conditional LSL** 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.

#### (iii) 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 separately under provision.

### (l) Commitments

Commitments include those operating, capital and other outsourcing commitments arising from non-cancellable contractual or statutory sources and are disclosed at their nominal value.

### (m) Contingent assets and contingent liabilities

Contingent assets and contingent liabilities are not recognised in the balance sheet, but are disclosed by way of a note and, if quantifiable, are measured at nominal value.

### (n) Equity

#### **Contributions by owners**

Additions to net assets which have been designated as contributions by owners are recognised as contributed capital. Other transfers that are in the nature of contributions or distributions have also been designated as contributions by owners.

Transfers of net assets arising from administrative restructurings are treated as distributions to or contributions by owners.

### (o) Cash flow statement

For the purposes of the cash flow statement, cash comprises cash on hand, cash at bank,

bank overdrafts and deposits at call, and highly liquid investments with short periods to maturity that are readily convertible to cash on hand and are subject to an insignificant risk of changes in value.

### (p) Functional and presentation currency

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

### (q) Rounding of amounts

Amounts in the financial report have been rounded to the nearest thousand dollars, unless otherwise stated.

### (r) Prospective accounting changes

#### **GAAP–GFS convergence**

The AASB has recently approved AASB 1049 *Whole of Government and General Government Sector Financial Reporting*, which will apply to future financial reports of the Victorian general government sector. In October 2007, the AASB extended AASB 1049 to also apply to financial reports of the Whole of Government economic entity. The standard, which will be applicable for annual reporting periods beginning on or after 1 July 2008, merges *Australian Generally Accepted Accounting Principles* (GAAP) and *Government Finance Statistics* (GFS) reporting. It also includes additional disclosure requirements. The effect of any changes to recognition or measurement requirements as a result of this new standard is being evaluated.

#### **Service Concessions**

In February 2007, the AASB approved Australian Interpretation 12 Service Concession Arrangements, applicable only to private sector operators from the 2008–09

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reporting period, and AASB 2007–2 that made consequential reference changes to affected standards. The AASB is still to consider how public sector grantors should account for service concession arrangements, and has appointed an advisory panel to make recommendations.

Due to the lack of applicable accounting guidance on the recognition and measurement by the State of assets arising from certain service concession arrangements, there has been no change in policy and those assets are currently not recognised.

The impact of any changes that may be required cannot be reliably estimated and is not accounted for in the financial statements.

### ***Review of AAS 27, 29 and 31***

The AASB has made the following pronouncements arising from its short-term review of the AAS 27, AAS 29 and AAS 31:

- AASB 1050 *Administered Items*
- AASB 1051 *Land Under Roads*
- AASB 1052 *Disaggregated Disclosures*
- revised AASB 1004 *Contributions*; AASB 2007–9 *Amendments to Australian Accounting Standards arising from the Review of AAS 27, AAS 29 and AAS 31*

- revised Interpretation 1038 *Contributions by Owners made to Wholly-Owned Public Sector Entities*.

These pronouncements are to be applicable for the reporting period beginning on or after 1 July 2008 with the exception of AASB 2007–9, which is effective from 1 January 2009. Broadly, the requirements transferred from AAS 27, AAS 29 and AAS 31 to the relevant new and existing topic-based standards are unchanged. Therefore, there will be no major changes to the Department's financial report when these standards become applicable.

Certain new accounting standards and interpretations have been published that are not mandatory for 30 June 2008 reporting period. The Department of Treasury and Finance assesses the impact of these new standards and advises departments and other entities of their applicability and early adoption where applicable.

As at 30 June 2008, the following standards and interpretations (applicable to departments) had been issued but were not mandatory for financial years ending 30 June 2008. The Department has not, and does not intend to, adopt these standards early.



Standard / Interpretation	Summary	Applicable for annual reporting periods beginning or ending on	Impact on Departmental Financial statements
Interpretation 12 <i>Service Concession Arrangements</i> .	AASB approved an Australian Interpretation 12, equivalent to IFRIC 12, applying to private sector operators, but explicitly excludes accounting for public sector grantors.	Beginning 1 July 2008	The impact of any changes that may be required cannot be reliably estimated and is not disclosed in the financial report.
AASB 2007-2 <i>Amendments to Australian Accounting Standards arising from AASB Interpretation 12</i> .	Amendments arise from the release in February 2007 of Interpretation 12 Service Concession Arrangements.	Beginning 1 July 2008	As above.
Revised AASB 1004 <i>Contributions</i>	AASB decided to relocate requirements on contributions from AAS 27, 29 and 31, substantively unamended, into AASB 1004 as part of its short-term review of AAS 27, AAS 29 and AAS 31.	Beginning 1 January 2008	Impact expected to be insignificant.
AASB 1050 <i>Administered Items</i>	As part of the short-term review of AAS 27, AAS 29 and AAS 31, AASB decided to relocate the requirements for the disclosure of administered items from AAS 29, substantively unamended (with some exception as noted in Appendix A) into a new topic-based standard AASB 1050.	Beginning 1 July 2008	Impact expected to be insignificant.
AASB 1050 <i>Administered Items</i>	As part of the short-term review of AAS 27, AAS 29 and AAS 31, AASB decided to relocate the requirements for the disclosure of administered items from AAS 29, substantively unamended (with some exception as noted in Appendix A) into a new topic-based standard AASB 1050.	Beginning 1 July 2008	Impact expected to be insignificant.
AASB 1051 <i>Land Under Roads</i>	The new pronouncement AASB 1051 <i>Land Under Roads</i> provides the option to recognise or not recognise land under roads acquired before the end of the first reporting period ending on or after 31 December 2007. Land under roads acquired after 31 December 2007 should be accounted for following requirements of AASB 116 <i>Property, Plant and Equipment</i> .  The State is yet to decide whether to change its policy. Until a conclusion is reached, the current default position is that land under roads will not be recognised.	Beginning 1 July 2008	Impact is being evaluated.
AASB 1052 <i>Disaggregated Disclosures</i>	AASB decided to relocate requirements relating to reporting of disaggregated information from AAS 27 and AAS 29 into AASB 1052, a new topic-based standard, as part of its short-term review of AAS 27, AAS 29 and AAS 31.	Beginning 1 July 2008	Impact expected to be insignificant.
AASB 2007-09 <i>Amendments to Australian Accounting Standards arising from the review of AAS 27, AAS 29 and AAS 31</i>	An accompanying amendment standard to amend existing accounting standards as part of the short-term review of AAS 27, AAS 29 and AAS 31 in December 2007.	Beginning 1 July 2008	Impact expected to be insignificant.
Revised Interpretation 1038 Contributions by Owners made to Wholly-Owned Public Sector Entities	Editorial amendments to Interpretation 1038 due to changes to AASB 1004.	Beginning 1 July 2008	Impact expected to be insignificant.
AASB 8 <i>Operating Segments</i> .	Supersedes AASB 114 <i>Segment Reporting</i> .	Beginning 1 January 2009	Not applicable.
AASB 2007-3 <i>Amendments to Australian Accounting Standards arising from AASB 123 [AASB 5, AASB 6, AASB 102, AASB 107, AASB 119, AASB 127, AASB 134, AASB 136, AASB 1023 and AASB 1038]</i> .	An accompanying amending standard also introduced consequential amendments into other standards.	Beginning 1 January 2009	Impact expected to be insignificant.
AASB 2007-6 <i>Amendments to Australian Accounting Standards arising from AASB 123 [AASB 1, AASB 101, AASB 107, AASB 111, AASB 116 &amp; AASB 138 and Interpretations 1 &amp; 12]</i>	Option to expense borrowing cost related to a qualifying asset has been removed. Entities are now required to capitalise borrowing costs relevant to qualifying assets.	Beginning 1 January 2009	All Australian government jurisdictions are currently still actively pursuing an exemption for government from capitalising borrowing costs.
AASB 2007-8 <i>Amendments to Australian Accounting Standards arising from AASB 101</i>	Editorial amendments to Australian Accounting Standards to align with IFRS terminology.	Beginning 1 January 2009	Impact expected to be insignificant.



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## Note 2 Departmental (controlled) outputs

A description of Departmental outputs performed during the year ended 30 June 2008, and the objectives of these outputs, are summarised below.

### Compulsory Years

The outputs for compulsory years involve the provision of education and associated services designed to improve the quality of student learning of those in Prep–Year 9 in government and non-government schools. It comprises two outputs: Early Years and Middle Years.

#### *Early Years*

This output involves provision of education and other associated services designed to improve the quality of student learning of those in Prep–Year 4 in government and non-government schools. The Early Years of schooling output is concerned with developing the essential skills necessary for ongoing progress in education and providing learning experiences to engage young minds. Literacy and numeracy are foremost among the skills learnt during these foundation years.

#### *Middle Years*

This output involves provision of education and other associated services designed to improve the quality of student learning of those in Years 5–9 in government and non-government schools. The Middle Years of schooling output refers to a fundamental stage of learning where students growing from childhood to adolescence consolidate competency in literacy and numeracy, and their physical, social, emotional and intellectual development. It is also a stage when they attain a greater breadth of knowledge and learning, including extending their capacity for creative and critical thinking.

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

### Later Years and Youth Transitions

The Later Years and Youth Transitions output involves provision of education and other associated services designed to improve the quality of student learning of those in Years 10–12 in government and non-government schools. It also covers the provision of cross-sectoral services to improve the transition of young people to further education, training and employment.

### Services to Students

This consists of one output which covers student welfare and support, services to students with disabilities, education maintenance allowance, school start-up payments and student transport. It involves the provision of:

- education services relating to student welfare, including drug education and mental health issues
- student support services in the area of student wellbeing, including speech pathology, visiting teacher services for hearing, visually, health and physically impaired students, curriculum services and alternative programs
- education services for students with disabilities in regular and specialist schools
- the education maintenance allowance to eligible parents of school students up to the age of 16 years in government and non-government schools
- the school start-up payment to students in the preparatory year and Year 7
- student conveyance allowances and the transport of government and non-government school students, including those attending specialist schools
- school-focused youth services.

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## Policy and Regulation

The Policy and Regulation output involves provision of policy, administrative support and strategy advice to the Ministers in relation to their parliamentary and legislative responsibilities. It also covers provision of administrative support services for the various statutory authorities, including the Victorian Curriculum and Assessment Authority and Victorian Registration and Qualifications Authority, regulation and advisory bodies and international education. It includes provision of information services about education to the community, including dissemination of information through public promotions, telephone services, publications and advertising services. It covers:

- regulatory activities such as school registration
- services for international education, including recruitment, assessment, student placement, marketing, organisation of study tours, and international teacher and principal exchange programs.

## Adolescent Health Services (schools)

This consists of one output and involves the provision of school nursing services for secondary school-aged children.

## Early Childhood Services

Early Childhood Services outputs, through the funding of a range of services, provide support to children in the early years, including kindergarten and child-care, maternal and child health, school nursing for primary school-aged children, and early intervention services for children with a disability.

## Child Health and Support Services

Community-based maternal and child health services are available to all families with children aged 0 to 6 years, and school nursing services for primary school-aged children, that provide developmental health surveillance, early intervention, parenting support and health education.

## Early Childhood Education and Care

The provision of kindergarten and child-care services includes the licensing and monitoring of centre-based children's services, and specialist services to improve access to kindergartens for disadvantaged children.

## Departmental outputs schedule – controlled income and expenses for the year ended 30 June 2008

	Compulsory Years	Later Years and Youth Transitions	Services to Students	Policy and Regulation	Adolescent Health Services*	Early Childhood Services*	Departmental total
	2008	2008	2008	2008	2008	2008	2008
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Income</b>							
Revenue	566,234	125,424	3,710	2,077	–	–	697,445
Appropriations	4,063,173	1,360,773	718,165	36,312	7,978	241,730	6,428,131
Resources received free of charge or for nominal consideration	–	–	–	–	–	–	–
<b>Total income</b>	<b>4,629,407</b>	<b>1,486,197</b>	<b>721,875</b>	<b>38,389</b>	<b>7,978</b>	<b>241,730</b>	<b>7,125,576</b>
<b>Expenses</b>							
Grants and other payments	(260,738)	(203,383)	(145,860)	(13,666)	–	(20,911)	(644,558)
Employee benefits expense	(2,774,548)	(733,128)	(452,299)	(11,559)	(7,295)	(33,189)	(4,012,018)
Depreciation and amortisation expense	(159,662)	(42,607)	(14,026)	(94)	(16)	(322)	(216,726)
Finance costs	(306)	(79)	–	(4)	–	–	(390)
Capital asset charge	(478,090)	(218,731)	(30,274)	(175)	–	–	(727,270)
Supplies and services	(922,657)	(283,753)	(77,960)	(12,659)	(667)	(187,308)	(1,485,003)
Resources provided free of charge or for nominal consideration	(4,784)	(534)	(1,121)	(37)	–	–	(6,476)
Other expenses	(14,852)	(296)	(335)	(92)	–	–	(15,574)
<b>Total expenses</b>	<b>(4,615,637)</b>	<b>(1,482,511)</b>	<b>(721,875)</b>	<b>(38,284)</b>	<b>(7,978)</b>	<b>(241,730)</b>	<b>(7,108,015)</b>
<b>Net result for period</b>	<b>13,770</b>	<b>3,686</b>	<b>–</b>	<b>105</b>	<b>–</b>	<b>–</b>	<b>17,561</b>

<sup>1</sup> Includes income and expenditure for 10 months only due to machinery of government for the Office for Children transfer being effective 1 September 2007.

## Departmental outputs schedule – items of controlled income and expense recognised directly in equity for the year ended 30 June 2008

	Compulsory Years	Later Years and Youth Transitions	Services to Students	Policy and Regulation	Adolescent Health Services	Early Childhood Services	Departmental total
	2008	2008	2008	2008	2008	2008	2008
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Gain/loss on property valuation	1,508,816	464,251	176,243	–	–	–	2,149,310
<b>Total</b>	<b>1,508,816</b>	<b>464,251</b>	<b>176,243</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>2,149,310</b>

## Departmental outputs schedule – controlled assets and liabilities as at 30 June 2008

	Compulsory Years	Later Years and Youth Transitions	Services to Students	Policy and Regulation	Adolescent Health Services	Early Childhood Services	Departmental total
	2008	2008	2008	2008	2008	2008	2008
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Assets and liabilities</b>							
<b>Assets</b>							
Current assets	1,124,384	346,888	132,501	6,448	–	1,711	1,611,932
Non-current assets	7,984,859	2,636,469	925,010	237	–	63	11,546,638
<b>Total assets</b>	<b>9,109,243</b>	<b>2,983,357</b>	<b>1,057,511</b>	<b>6,685</b>	<b>–</b>	<b>1,774</b>	<b>13,158,570</b>
<b>Liabilities</b>							
Current liabilities	977,809	303,430	115,976	5,509	1,783	8,111	1,412,618
Non-current liabilities	55,358	17,328	6,623	323	1,783	1,041	80,673
<b>Total liabilities</b>	<b>1,033,167</b>	<b>320,758</b>	<b>122,599</b>	<b>5,832</b>		<b>9,152</b>	<b>1,493,291</b>
<b>Net assets/(liabilities)</b>	<b>8,076,076</b>	<b>2,662,599</b>	<b>934,912</b>	<b>853</b>	<b>(1,783)</b>	<b>(7,378)</b>	<b>11,665,279</b>

## Departmental outputs schedule – controlled income and expenses for the year ended 30 June 2007

	Compulsory Years	Post-compulsory Years	Services to Students	Portfolio Management Services	Departmental total
	2007	2007	2007	2007	2007
	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Income</b>					
Revenue	386,308	269,670	1,837	10,114	667,929
Appropriations	3,909,534	1,773,666	681,908	26,591	6,391,699
Resources received free of charge or for nominal consideration	–	2,214	–	–	2,214
<b>Total revenue</b>	<b>4,295,842</b>	<b>2,045,550</b>	<b>683,745</b>	<b>36,705</b>	<b>7,061,842</b>
<b>Expenses</b>					
Grants and other payments	(243,114)	(578,201)	(108,374)	(13,062)	(942,751)
Employee benefits expense	(2,665,800)	(770,927)	(376,060)	(10,973)	(3,823,760)
Depreciation and amortisation expense	(156,022)	(41,547)	(13,678)	(91)	(211,338)
Finance costs	(297)	(77)	–	(4)	(378)
Impairment of assets	–	–	–	–	–
Assumption of liabilities	–	–	–	–	–
Capital asset charge	(396,164)	(331,502)	(34,187)	(183)	(762,036)
Supplies and services	(761,980)	(299,644)	(150,424)	(12,071)	(1,224,119)
Resources provided free of charge or for nominal consideration	(1,400)	(154)	(342)	(11)	(1,907)
Other expenses	(29,629)	(579)	(681)	(183)	(31,072)
<b>Total expenses</b>	<b>(4,254,406)</b>	<b>(2,022,631)</b>	<b>(683,745)</b>	<b>(36,578)</b>	<b>(6,997,361)</b>
<b>Net result for period</b>	<b>41,436</b>	<b>22,919</b>	<b>–</b>	<b>127</b>	<b>64,481</b>

## Departmental outputs schedule – controlled assets and liabilities as at 30 June 2007

	Compulsory Years	Post-compulsory Years	Services to Students	Portfolio Management Services	Departmental total
	2007 \$'000	2007 \$'000	2007 \$'000	2007 \$'000	2007 \$'000
<b>Assets and liabilities</b>					
<b>Assets</b>					
Current assets	982,446	301,773	115,268	2,805	1,402,292
Non-current assets	6,437,405	2,126,252	745,678	–	9,309,335
<b>Total assets</b>	<b>7,419,851</b>	<b>2,428,025</b>	<b>860,946</b>	<b>2,805</b>	<b>10,711,627</b>
<b>Liabilities</b>					
Current liabilities	878,746	269,958	103,182	4,901	1,256,788
Non-current liabilities	48,936	15,036	5,747	280	69,999
<b>Total liabilities</b>	<b>927,682</b>	<b>284,994</b>	<b>108,929</b>	<b>5,181</b>	<b>1,326,786</b>
<b>Net assets/(liabilities)</b>	<b>6,492,169</b>	<b>2,143,031</b>	<b>752,017</b>	<b>(2,376)</b>	<b>9,384,841</b>

## Note 3 Administered (non-controlled) items

In addition to the specific Departmental operations which are included in the operating statement, balance sheets, and cash flow statement, the Department administers or manages activities on behalf of the State. The transactions relating to these State activities are reported as administered items in this note. Administered transactions give rise to income, expenses, assets and liabilities and are

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

	School education		Early childhood services		Departmental total	
	2008 \$'000	2007 \$'000	2008 \$'000	2007 \$'000	2008 \$'000	2007 \$'000
<b>Administered income</b>						
Commonwealth on-passing to non-government schools:						
General recurrent grant	1,502,952	1,412,816	7,420	–	1,502,952	1,412,816
Other	145,094	137,709	–	–	152,514	137,709
Prizes and scholarships	251	236	–	–	251	236
Proceeds from sale of assets	9,558	23,127	–	–	9,558	23,127
Commonwealth general recurrent grants government schools	438,140	417,502	–	–	438,140	417,502
Other grants	233,586	305,843	–	–	233,586	305,843
<b>Total</b>	<b>2,329,581</b>	<b>2,297,233</b>	<b>7,420</b>	<b>–</b>	<b>2,337,001</b>	<b>2,297,233</b>
<b>Administered expenses</b>						
Commonwealth on-passing to non-government schools:						
General recurrent grant	1,502,952	1,413,586	–	–	1,502,952	1,413,586
Other	145,388	138,502	–	–	145,388	138,502
Prizes and scholarships	230	370	–	–	230	370
Written down value of assets sold *	61,167	42,629	–	–	61,167	42,629
Amounts paid to Consolidated Fund **	629,995	725,729	–	–	629,995	725,729
<b>Total</b>	<b>2,339,732</b>	<b>2,320,816</b>	<b>–</b>	<b>–</b>	<b>2,339,732</b>	<b>2,320,816</b>
<b>Revenue less expenses</b>	<b>(10,151)</b>	<b>(23,583)</b>	<b>7,420</b>	<b>–</b>	<b>(2,731)</b>	<b>(23,583)</b>

\* Revenue associated with the sale of these assets is recorded in the Financial Statements of the Department of Treasury and Finance.

\*\* This amount relates to Commonwealth and other monies received by the Department and paid to the Consolidated Fund.



	School education		Early childhood services		Departmental total	
	2008 \$'000	2007 \$'000	2008 \$'000	2007 \$'000	2008 \$'000	2007 \$'000
<b>Administered assets</b>						
Receivables	2,063	883	–	–	2,063	883
Investments	1,769	5,778	–	–	1,769	5,778
Prepayments	3,915	3,301	–	–	3,915	3,301
Property, plant and equipment	–	–	–	–	–	–
<b>Total</b>	<b>7,747</b>	9,962	–	–	<b>7,747</b>	9,963
<b>Administered liabilities</b>						
Creditors and accruals	3,915	3,309	–	–	3,915	3,309
<b>Total</b>	<b>3,915</b>	3,309	–	–	<b>3,915</b>	3,309

## Note 4 Net result from continuing operations

	2008 \$'000	2007 \$'000
<b>Income</b>		
<b>(a) Revenue from Government</b>		
Output appropriations	6,422,264	6,391,449
Special appropriations	5,867	250
<b>Total revenue received from Government</b>	<b>6,428,131</b>	<b>6,391,699</b>
<b>(b) Other revenue</b>		
Schools revenue	556,029	572,024
Provision of services	2,306	1,135
Interest	44,468	37,550
Other revenue	94,642	57,220
<b>Total other revenue</b>	<b>697,445</b>	<b>667,929</b>
<b>Expenses</b>		
<b>(c) Grants and other payments</b>		
Grants to Victorian Curriculum and Assessment Authority	44,587	34,764
Grants to Victorian Learning and Employment Skills Commission (i)	–	337,255
Grants to Victorian Registration and Qualifications Authority (VRQA)	3,978	3,082
Grants to Victorian Institute of Teaching	1,257	1,226
Grants to Adult Community and Further Education Board (ii)	–	16,236
Grants to non-government schools		
– primary	147,333	137,632
– secondary	232,528	214,367
– other	19,968	11,758
Grants to external organisations	140,334	131,120
Conveyance and Education Maintenance Allowance payments	54,573	55,311
<b>Total grants and other payments</b>	<b>644,558</b>	<b>942,751</b>

(i) Victorian Learning and Employment Skills Commission was transferred to Department of Innovation, Industry and Regional Development (DIIRD) in machinery-of-government changes of December 2006.

(ii) Adult Community and Further Education Board was transferred to Department of Planning and Community Development in machinery-of-government changes of December 2006.

	2008 \$'000	2007 \$'000
<b>(d) Employee benefits*</b>		
Salary and wages – Departmental employees	3,032,201	2,896,173
Salary and wages – staff employed by school councils	213,031	187,358
Superannuation	337,616	330,882
Annual leave and long service leave expense	207,379	187,927
Other on-costs (fringe benefits tax, payroll tax and workcover levy)	221,791	221,420
<b>Total employee benefits</b>	<b>4,012,018</b>	<b>3,823,760</b>

\* The new Enterprise Bargaining Agreement (EBA) for teachers was effective as of 11 May 2008.

	2008 \$'000	2007 \$'000
<b>(e) Depreciation and amortisation</b>		
<b>Depreciation</b>		
Buildings	135,360	109,145
Plant and equipment	69,860	98,329
	205,220	207,474
<b>Amortisation</b>		
Plant and leasehold improvements	–	1,137
Software	11,506	2,727
	11,506	3,864
<b>Total depreciation and amortisation</b>	<b>216,726</b>	<b>211,338</b>
<b>(f) Supplies and services</b>		
Administration	153,433	140,615
Maintenance	506,425	446,157
School requisites	600,300	566,465
Service agreement payments	178,330	–
Other	17,500	34,407
	1,455,988	1,187,644
Rental expense relating to operating leases		
Minimum lease payments	29,015	36,475
<b>Total supplies and services</b>	<b>1,485,003</b>	<b>1,224,119</b>
<b>(g) Resources provided free of charge or for nominal consideration</b>		
<b>Victorian Curriculum and Assessment Authority (VCAA)</b>	<b>1,512</b>	<b>1,827</b>
Rent provided free of charge at 189 Urquhart Street, Coburg and 41 St Andrews Place, East Melbourne, (2007: 1 Railway Parade, Camberwell and 41 St Andrews Place, East Melbourne)		
<b>Victorian Registration and Qualifications Authority (VRQA)</b>	<b>216</b>	<b>80</b>
Rent provided free of charge at Level 6, 35 Spring Street, Melbourne, (2007: Level 2, 33 St Andrews Place, East Melbourne)		
<b>Office for Children</b>	<b>4,748</b>	<b>–</b>
Employee entitlements		
<b>Total resources provided free of charge or for nominal consideration</b>	<b>6,476</b>	<b>1,907</b>
<b>(h) Finance costs</b>		
Finance lease costs	390	378
<b>(i) Other expenses</b>		
<b>(Gain)/loss on disposal of property, plant and equipment</b>		
Consideration from disposals	(2,497)	(1,689)
Carrying amount of assets disposed	16,690	5,498
	14,193	3,809
<b>Other</b>		
Bad and doubtful debts – debtors	(6)	220
Write-off of purchase cost of assets under \$5,000 (iii)	–	25,913
Other expenses	1,387	1,130
<b>Total other expenses</b>	<b>15,574</b>	<b>31,072</b>

(iii) During 2006–07 the Department reassessed the threshold for capitalisation of certain items of plant and equipment used in schools in order to be consistent with the treatment of other plant and equipment assets held by the Department. The threshold for capitalisation was raised from \$1000 to \$5000. The net financial effect of this reassessment was an expense for the Department of \$90 million. \$25.9 million of this was recorded in the operating statement for assets purchased in the current financial year and \$64.1 million in the Statement of recognised income and expense for assets purchased prior to 1 July 2006.

## Note 5 Summary of compliance with annual parliamentary and special appropriations

### (a) Summary of compliance with annual parliamentary appropriations

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

Appropriation Act		Financial Management Act 1994																								
	Annual appropriation \$'000	2007	2008	Advance from Treasurer \$'000	Section 3(2) \$'000	2007	2008	Section 29 \$'000	2007	2008	Section 30 \$'000	2007	2008	Section 32 \$'000	2007	2008	Section 35 advances \$'000	2007	2008	Total Parliamentary authority \$'000	2007	2008	Appropriations applied \$'000	2007	2008	Variance \$'000
Controlled		2008																								
		6,373,695	6,836,695	7,172	-	39,016	-	120,981	99,109	(55,852)	-	35,400	7,866	-	6,520,412	6,943,670	6,422,264	6,391,449	98,148	552,221						
		104,668	100,207	-	-	-	-	121,076	220,826	55,852	-	58,530	-	2,000	342,126	321,033	256,475	254,014	85,651	67,019						
Administered																										
		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total	6,478,363	6,936,902	7,172	-	39,016	-	242,057	319,935	-	93,930	7,866	2,000	-	6,862,538	7,264,703	6,678,739	6,645,463	183,799	619,240							

The provision for outputs variance of \$98.148 million is due to:

- 12 months of annual appropriation for Early Childhood Development transferred from the Department of Human Services to the Department of Education and Early Childhood Development on 1 September 2007 being recognised, of which \$39.646 million was applied by the Department of Human Services in July and August
- carryover of provision of outputs appropriation for projects totalling \$58.502 million.

The additions to net assets variance of \$85.651 million are due to:

- carryover of additions to net asset base appropriation for projects totalling \$45.005 million
- appropriation returned to the Consolidated Fund as there was sufficient depreciation equivalent funding in the Department's State Administrative Unit of \$26.908 million
- appropriation for capital programs re-phased to 2009-10 financial year of \$13.738 million.

## (b) Summary of compliance with special appropriations

Authority	Purpose	Appropriations applied	
		2008 \$'000	2007 \$'000
Controlled			
Section 5.6.8 of the <i>Education and Training Reform Act 2006</i>	Volunteers workers compensation	250	250
Section 10 of the <i>Financial Management Act 1994</i>	Drought assistance	5,617	–
Total		5,867	250

## Note 6 Restructuring of administrative arrangements

In August 2007, the Government issued an administrative order restructuring certain of its activities via machinery-of-government changes. As part of the machinery-of-government restructure the Department of Education assumed responsibility for the Office for Children output from the Department of Human Services (DHS).

The Department has recognised appropriation income of \$247.9 million (which includes \$29 income of \$5.8 million) and expenses of \$242.6 million during the reporting period in respect of the Office for Children.

The revenue and expenses for the Office for Children output for the reporting period are as follows:

Office for Children output	Department of Education and Early Childhood Development (transferee) \$'000	Department of Human Services (transferor) \$'000	Total \$'000
<b>Department's revenue and expenses</b>			
Income	247,872	42,900	290,772
Expenses	(242,635)	(43,643)	(286,278)
<b>Administered</b>			
Income	7,420	–	7,420
Expenses	–	–	–

The net liabilities assumed by the Department for the Office for Children output as a result of the administrative restructure are recognised in the balance sheet at the carrying amount of those assets and liabilities in the transferor's (Department of Human Services) balance sheet immediately prior to the transfer.

The net liability transfer was treated as a resource free of charge by the Crown in compliance with the accounting requirements

of AASB Interpretation 1038 *Contributions by Owners Made to Wholly Owned Public Sector Entities* and FRD 2A *Contributions by Owners* (refer note 1(n)). An expense has been recognised by the Department in respect of the net liability transferred from the Department of Human Services.

In respect of the activities assumed, the following assets and liabilities were recognised at the date of transfer:

Office for Children output	DHS \$'000	Total \$'000
<b>Assets</b>		
Cash	4,000	<b>4,000</b>
Equipment	345	<b>345</b>
Motor vehicles under VicFleet	1,081	<b>1,081</b>
<b>Liabilities</b>		
Employee provisions	(8,748)	<b>(8,748)</b>
Interest-bearing liabilities	(1,094)	<b>(1,094)</b>
<b>Net liabilities recognised at the date of transfer</b>	<b>(4,416)</b>	<b>(4,416)</b>

## Note 7 Cash and cash equivalents

	2008 \$'000	2007 \$'000
Amounts held by schools	667,428	641,984
Departmental operating bank accounts	99,176	63,887
Other bank accounts	3,339	(6,264)
<b>Total cash</b>	<b>769,943</b>	<b>699,607</b>
The figures above are reconciled to cash at the end of the financial year as shown in the cash flow statement as follows:		
Balances as above	769,943	699,607
Balances per cash flow statement	769,943	699,607

### Cash at Bank

Due to the State of Victoria's investment policy and government funding arrangements, government departments generally do not hold a large cash reserve in their bank accounts. The Departmental operating bank accounts hold funds on behalf of trusts. Cash received by a department from the generation of revenue is generally paid into the State's bank account, known as the Public Account. Similarly, any Departmental expenditure, including those payments for goods and services to the Department's suppliers and creditors, are made via the Public Account. The process is such that, the Public Account would remit to the

Department the cash required to cover its transactions. This remittance by the Public Account occurs upon the electronic transfer of funds and the presentation of the cheques by the Department's suppliers or creditors.

The cash at bank held by schools includes term investments of one year duration or less. The 2008 balance of \$124,579,256 is reported as cash or cash equivalents. The 2007 balance was \$109,035,183.

Any term investments with a duration of more than one year are treated as other financial assets. The \$2008 balance was \$24,771,505 compared with \$14,262,636 in 2007.



## Note 8 Receivables

	2008 \$'000	2007 \$'000
<b>Current</b>		
Amounts owing from Victorian Government (i)	658,738	579,867
GST receivables	25,273	22,361
Schools' receivables	71,415	64,238
Other debtors (ii)	23,787	15,433
	779,213	681,899
Allowance for doubtful debts (ii)	(8,736)	(7,423)
<b>Total current receivables</b>	<b>770,477</b>	<b>674,476</b>
<b>Non-current</b>		
Amounts owing from Victorian Government (i)	47,814	36,905
Other debtors (ii)	452	423
	48,266	37,328
Allowance for doubtful debts (ii)	(72)	(107)
<b>Total non-current receivables</b>	<b>48,194</b>	<b>37,221</b>
<b>Aggregate carrying amount of receivables</b>		
Current	770,477	674,476
Non-current	48,194	37,221
<b>Total aggregate carrying amount of receivables</b>	<b>818,671</b>	<b>711,697</b>

(i) The amounts recognised from Victorian Government represent funding for all commitments incurred through the appropriations and are drawn from the Consolidated Fund as the commitments fall due.

(ii) The average credit period on sales of goods is 30 days. No interest is charged on other receivables for the first 30 days from the date of the invoice. A provision has been made for estimated irrecoverable amounts from the sale of goods, salary overpayments and Workcover debtors, determined by reference to past default experience. The \$577,000 reduction was recognised in the operating result for the current financial year.

### (a) Movement in the allowance for doubtful debts

	2008 \$'000	2007 \$'000
<b>Balance at beginning of the year</b>	(7,530)	(3,550)
Amounts written off during the year		
Amounts recovered during the year		
Increase/(decrease) in allowance recognised in profit or loss	(577)	(3,980)
<b>Balance at end of the year</b>	<b>(8,107)</b>	<b>(7,530)</b>

### (b) Ageing analysis of receivables

Refer to Table 19.2 in note 19 for the ageing analysis of receivables.

### (c) Nature and extent of risk arising from receivables

Refer to note 19 for the nature and extent of credit risk arising from receivables.

## Note 9 Other assets

	2008 \$'000	2007 \$'000
<b>Prepayments</b>		
Operating expenses	32,888	4,336
<b>Total prepayments</b>	<b>32,888</b>	<b>4,336</b>

## Note 10 Non-current assets classified as held for sale

	2008 \$'000	2007 \$'000
Buildings	6,731	7,516
Land	31,427	16,157
Plant and equipment	466	200
<b>Total non-current assets classified as held for sale</b>	<b>38,624</b>	<b>23,873</b>

## Note 11 Intangible assets

	2008 \$'000	2007 \$'000
Software (at cost)	13,283	12,891
Less: accumulated amortisation	(13,283)	(9,984)
<b>Total intangible assets</b>	<b>–</b>	<b>2,907</b>

<b>Movement in reconciliation</b>	<b>\$'000</b>
<b>Carrying amount at 1 July 2006</b>	2,515
Additions	5,241
Amortisation expense (i)	(2,727)
Disposals	(2,122)
<b>Carrying amount at 30 June 2007</b>	2,907
Additions	8,745
Amortisation expense (i)	(11,506)
Disposals	(146)
<b>Carrying amount at 30 June 2008</b>	<b>–</b>

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

## Note 12 Property, plant and equipment – Education Purpose Group<sup>(i)</sup>

	2008 \$'000	2007 \$'000
<b>Land</b>		
Crown land		
At cost	71,633	127,454
At independent valuation	6,342,429	4,417,462
<b>Total land</b>	<b>6,414,062</b>	<b>4,544,916</b>
<b>Buildings</b>		
At cost	–	408,344
Less accumulated depreciation	–	(10,142)
	–	398,202
At valuation	4,271,979	3,851,674
Less accumulated depreciation	(835)	(235,460)
	4,271,144	3,616,214
Total buildings	4,271,979	4,260,018
Less total accumulated depreciation	(835)	(245,602)
<b>Total written down value of buildings</b>	<b>4,271,144</b>	<b>4,014,416</b>
Leasehold improvements – at cost	885	842
Less accumulated depreciation	–	–
	885	842
<b>Total land and buildings</b>	<b>10,686,091</b>	<b>8,560,174</b>
<b>Plant and equipment</b>		
At cost	662,056	611,294
Less accumulated depreciation	(484,814)	(450,073)
	177,241	161,221
Plant and equipment under finance lease	8,379	7,397
Less accumulated amortisation	(2,325)	(1,617)
	6,054	5,780
<b>Total plant and equipment</b>	<b>183,295</b>	<b>167,001</b>
<b>Work in progress</b>		
Buildings	546,640	498,854
Plant and equipment	57,646	28,912
	604,286	527,766
<b>Total property, plant and equipment</b>	<b>11,473,672</b>	<b>9,254,941</b>

(i) Property, plant and equipment are classified primarily by the 'purpose' for which the assets are used, according to one of six Purpose Groups based upon Government Purpose Classifications (GPC). All assets within a Purpose Group are further sub-categorised according to the asset's nature (i.e. buildings, plant and equipment, etc), with each sub-category being classified as a separate class of asset for financial reporting purposes.

## Valuations of land and buildings

An independent valuation of the Department's land and buildings was performed by the Victorian Valuer-General to determine the fair value of the land and buildings. The valuation, which conforms to *Australian Valuation Standards*, was determined by reference to the amounts for which assets could be exchanged between knowledgeable willing parties in an arm's length transaction. The valuation was based on independent assessments. The effective date of the valuation is 30 June 2008.

The basis of valuation of land and buildings adopted for those assets revalued as at 30 June 2007 is fair value, being the depreciated current replacement cost of the assets' remaining future economic benefits.

## Reconciliations

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

2008	Land	Buildings	Leasehold improvements	Plant and equipment	Work in progress	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Opening balance	4,544,916	4,014,416	842	167,001	527,766	9,254,941
Additions	56,384	–	153	103,000	290,025	449,562
Impairment adjustment	–	(82,312)	–	–	–	(82,312)
Transfers to completed assets	–	213,505	–	–	(213,505)	–
Disposals	(3,906)	(57,261)	(110)	(16,580)	–	(77,857)
Assets written off as a result of the change in accounting policy	–	–	–	–	–	–
Revaluation increments	1,831,939	317,371	–	–	–	2,149,310
Re-classified as held for sale	(15,271)	785	–	(266)	–	(14,752)
Depreciation/amortisation	–	(135,360)	–	(69,861)	–	(205,221)
<b>Closing balance</b>	<b>6,414,062</b>	<b>4,271,144</b>	<b>885</b>	<b>183,294</b>	<b>604,286</b>	<b>11,473,671</b>

2007	Land	Buildings	Leasehold improvements	Plant and equipment	Work in progress	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Opening balance	4,486,507	4,050,631	7,240	240,205	373,060	9,157,643
Additions	68,472	132,102	34	95,591	286,578	582,777
Impairment adjustment	–	(33,188)	–	–	–	(33,188)
Transfers to completed assets	–	–	–	–	(131,872)	(131,872)
Disposals	(6,743)	(24,621)	(5,295)	(5,498)	–	(42,157)
Assets written off as a result of the change in accounting policy	–	–	–	(64,768)	–	(64,768)
Revaluation increments	–	87	–	–	–	87
Re-classified as held for sale	(3,320)	(1,450)	–	(200)	–	(4,970)
Depreciation/amortisation	–	(109,145)	(1,137)	(98,329)	–	(208,611)
<b>Closing balance</b>	<b>4,544,916</b>	<b>4,014,416</b>	<b>842</b>	<b>167,001</b>	<b>527,766</b>	<b>9,254,941</b>

## Note 13 Payables

	2008 \$'000	2007 \$'000
Salaries, wages and on-costs	205,449	99,541
Accrued payments to non-government schools	104,673	90,911
Accrued grants and transfer payments	7,967	6,035
Other accruals	1,623	–
Schools' creditors	12,556	10,493
Capital expenditure	40,774	62,028
Operating expenditure	65,530	50,152
Advance from public account	14,496	13,025
	453,068	332,185

### (a) Maturity analysis of payables

Refer to Table 19.2 in note 19 for the ageing analysis of payables.

### (b) Nature and extent of risk arising from payables

Refer to note 19 for the nature and extent of risks arising from payables.

## Note 14 Interest-bearing liabilities

	2008 \$'000	2007 \$'000
Secured		
<b>Aggregate carrying amount of interest-bearing liabilities</b>		
Current	3,694	3,034
Non-current	2,859	3,094
<b>Total aggregate carrying amount of provisions</b>	6,553	6,128

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

	2008 \$'000	2007 \$'000
<b>Finance lease</b>		
Motor vehicles under finance lease	6,054	5,780
<b>Total non-current assets pledged as security</b>	6,054	5,780

### (a) Maturity analysis of interest-bearing liabilities

Refer to Table 19.2 in note 19 for the ageing analysis of interest-bearing liabilities.

## (b) Nature and extent of risk arising from interest-bearing liabilities

Refer to note 19 for the nature and extent of risks arising from interest-bearing liabilities.

## (c) Defaults and breaches

During the current and prior year, there were no defaults or breaches of any of the loans.

## Note 15 Provisions

	2008 \$'000	2007 \$'000
<b>Current</b>		
Employee benefits (i) (note 15(a) and (b))		
Unconditional and expected to be settled within 12 months (ii)	146,005	139,343
Unconditional and expected to be settled after 12 months (iii)	606,102	585,644
Provisions related to employee benefit oncost	752,107	724,987
Unconditional and expected to be settled within 12 months (ii)	28,547	27,681
Unconditional and expected to be settled after 12 months (iii)	124,190	122,048
	152,737	149,729
Legal expenses	221	221
Sabbatical leave	1,430	1,430
<b>Total current</b>	<b>906,495</b>	<b>876,367</b>
<b>Non-current</b>		
Employee benefits (i)	64,581	55,367
Provisions related to employee benefit on-costs	13,233	11,538
<b>Total non-current</b>	<b>77,814</b>	<b>66,905</b>
<b>Total provision</b>	<b>984,309</b>	<b>943,272</b>
<b>(a) Employee benefits and related on-costs</b>		
<b>Current employee benefits</b>		
Annual leave entitlements	58,789	53,233
Unconditional long service leave entitlements	686,634	665,236
Others	6,684	6,518
	752,107	724,987
<b>Non-current employee benefits</b>		
Conditional long service leave entitlements	64,581	55,367
<b>Total employee benefits</b>	<b>816,688</b>	<b>780,354</b>
Current on-costs	152,737	149,730
Non-current on-costs	13,233	11,538
<b>Total on-costs</b>	<b>165,970</b>	<b>161,268</b>
<b>Total employee benefits and related on-costs</b>	<b>982,658</b>	<b>941,622</b>

(i) Provisions for employee benefits consist of amounts for annual leave and long service leave accrued by employees, not including on-costs.

(ii) The amounts disclosed are nominal amounts.

(iii) The amounts disclosed are discounted to present values.



## (b) Movements in provisions

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

	On-costs \$'000	Legal expenses \$'000	Sabbatical leave \$'000	Total \$'000
Carrying amount at start of year	161,268	221	1,430	162,919
Additional provisions recognised	41,362	–	–	41,362
Payments and other sacrifices of economic benefits	(36,660)	–	–	(36,660)
Carrying amount at end of year	165,970	221	1,430	167,621

## Note 16 Superannuation

	2008 Rate	2007 Rate
<b>Superannuation</b>		
Name of scheme		
State Superannuation Scheme – Revised Scheme	17.3%	17.0%
State Superannuation Scheme – New Scheme – 0% contributor	7.3%	7.5%
State Superannuation Scheme – New Scheme – 3% contributor	8.6%	8.8%
State Superannuation Scheme – New Scheme – 5% contributor	9.4%	9.7%
State Superannuation Scheme – New Scheme – 7% contributor	10.2%	10.5%
VicSuper*	9.0%	9.0%
State Employees Retirement Benefit Scheme	12.8%	12.8%
Other private schemes**	n/a	n/a

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

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

## Government employees' superannuation funds

No liability is recognised in the balance sheet for the Department's share of the State's unfunded superannuation liability. The State's unfunded superannuation liability has been reflected in the financial statements of the Department of Treasury and Finance. However, superannuation contributions for

the reporting period are included as part of salaries and associated costs in the operating statement of the Department.

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

Funds	Contribution for the year	Contribution for the year	Contribution outstanding at year end	Contributions outstanding at year end
	2008 \$'000	2007 \$'000	2008 \$'000	2007 \$'000
State Superannuation Schemes (defined benefit scheme)	157,226	166,559	7,232	5,938
VicSuper (accumulation scheme)	143,240	131,600	6,589	4,692
State Employees Retirement Benefits Scheme (defined benefit scheme)	2,459	3,406	113	866
Other private schemes	10,171	6,571	468	234
<b>Total</b>	<b>313,096</b>	<b>308,136</b>	<b>14,402</b>	<b>11,730</b>

The bases for contributions are determined by the various schemes.

The above amounts are measured as at 30 June of each year. Employer contributions relate to the years ended 30 June.

All employees of the Department are entitled to benefits on retirement, disability or death from the above superannuation schemes.

## Note 17 Other current liabilities

	2008 \$'000	2007 \$'000
Unearned revenue	49,361	45,202
<b>Total other current liabilities</b>	<b>49,361</b>	<b>45,202</b>

## Note 18 Equity and movements in equity

	2008 \$'000	2007 \$'000
<b>(a) Contributions by owners</b>		
Balance as at beginning of financial year period	5,046,130	4,823,251
Capital contribution by Victorian State Government	257,046	254,013
Capital contribution by other entities	–	230
Equity transfers to administered entity	(61,166)	(31,364)
<b>Balance at end of financial year</b>	<b>5,242,010</b>	<b>5,046,130</b>
<b>(b) Reserves</b>		
Asset revaluation	5,083,697	3,016,699
	<b>5,083,697</b>	<b>3,016,699</b>
<b>Movements</b>		
Asset revaluation reserve		
Balance at beginning of financial year	3,016,699	3,049,800
Revaluation increment of land during the year	1,831,939	–
Revaluation increment of buildings during the year	317,371	87
Impairment adjustment to building values	(82,312)	(33,188)
<b>Balance at end of financial year</b>	<b>5,083,697</b>	<b>3,016,699</b>
The asset revaluation reserves are used to record increments and decrements on the revaluation of non-current assets, as described in note 1(j).		
<b>(c) Accumulated surplus</b>		
Accumulated surplus as at beginning of reporting period	1,322,011	1,230,505
Changes in accounting policies	–	27,025
Net result for the financial year	17,561	64,481
<b>Balance at end of financial year</b>	<b>1,339,572</b>	<b>1,322,011</b>
<b>Total equity at the end of the financial year</b>	<b>11,665,279</b>	<b>9,384,840</b>

# Note 19 Financial instruments

## (a) Significant accounting policies

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

## (b) Table 19.1: Categorisation of financial instruments

			Carrying amount	
	Note	Category	2008 \$'000	2007 \$'000
Financial assets				
Cash and cash equivalents	7	n/a	769,943	699,607
Receivables (i)	8	Loans and receivables (at amortised cost)	82,700	60,463
Other financial assets		Held-to-maturity investments (at amortised cost)	24,772	121,058
Financial liabilities				
Payables	13	Financial liabilities measured at amortised cost	453,068	332,185
Interest-bearing liabilities	14	Financial liabilities measured at amortised cost	6,553	6,129

(i) The amount of receivables disclosed here excludes statutory receivables (i.e. amounts owing from Victorian Government and GST input tax credit recoverable).

## (c) Credit risk

Credit risk arises when there is the possibility of the Department's debtors defaulting on their contractual obligations resulting in financial loss to the Department. The Department measures credit risk on a fair value basis and monitors risk on a regular basis.

Credit risk associated with the Department's financial assets is minimal because the main debtor is the Victorian Government. For debtors other than government, it is the Department's policy to only deal with entities with high credit ratings and to obtain sufficient collateral or credit enhancements where appropriate. Financial assets obtained by the Department are normally fixed interest in nature.

The Department does not engage in any hedging for its financial assets.

*Financial assets that are either past due or impaired*

As at the reporting date, there is no event to indicate that any of the financial assets are impaired.

## (d) Interest rate risk

The Department's exposure to interest rate risk and the effective weighted average interest rate by maturity periods are set out in Table 19.2. For interest rates applicable to each class of asset or liability refer to individual notes to the financial statements.

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

Table 19.2 discloses the ageing only of financial assets that are past due but not impaired and the contractual maturity analysis for the Department's financial liabilities.

Table 19.2 Interest rate exposure and ageing analysis of financial assets and liabilities <sup>(i)</sup>

2008	Notes	Interest rate exposure						Past due but not impaired				Impaired financial assets
		Weighted average interest rate	Carrying amount	Fixed interest rate	Variable interest rate	Non-interest bearing	Not past due and not impaired	Less than 1 month	1–3 months	3 months – 1 year	1–5 years	
		%	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	
Financial assets												
Cash and cash equivalents – Department	7		102,515	–	–	102,515	102,515	–	–	–	–	–
Cash and cash equivalents – schools	7	6.26%	667,428	124,579	542,849		667,428		–	–	–	–
Receivables	8		82,700		–	82,700	82,011	126	–	559	4	–
Other financial assets		5.55%	24,772	21,222	3,177	373	24,772	–	–	–	–	–
			877,415	145,801	546,026	185,588	876,726	126	–	559	–	–
Financial liabilities								Maturity dates				
								Less than 1 month	1–3 months	3 months – 1 year	1–5 years	
								\$'000	\$'000	\$'000	\$'000	
Payables	13		453,068		–	453,068		–	–	–	–	
Finance lease liabilities	14	6.94%	6,553	6,553	–	–	6,553	1,039	665	2,448	2,401	
			459,621	6,553	–	453,068	6,553	1,039	665	2,448	2,401	
Net financial assets (liabilities)			417,794	139,248	546,026	(267,480)	870,173					

(i) Ageing analysis of financial assets must exclude the types of statutory receivables (e.g. amounts owing from Victorian Government and GST input tax credit recoverable).

Table 19.2 (cont.)

2007	Notes	Weighted average interest rate	Interest rate exposure			Maturity <sup>(ii)</sup>		
			Carrying amount	Fixed interest rate	Variable interest rate	Non-interest bearing	1 year or less	1–5 years
			\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Financial assets							–	–
Cash and cash equivalents – Department	7		57,623	–	–	57,623	–	–
Cash and cash equivalents – schools	7	5.33%	641,984	109,035	532,949	–	109,035	–
Receivables	8		60,463	–	–	60,463	–	–
Other financial assets		4.49%	14,263	12,023	1,880	360	–	12,023
			774,333	121,058	534,829	118,446	109,035	12,023
Financial liabilities								
Payables	13		332,184	–	–	332,184	–	–
Finance lease liabilities	14	6.6%	6,129	6,129	–	–	3,034	3,095
			338,313	6,129	–	332,184	3,034	3,095
Net financial assets (liabilities)			436,020	114,929	534,829	(213,738)	106,001	8,928

(ii) The amounts disclosed are the contractual undiscounted cash flows of each class of financial liabilities

## (e) Liquidity risk

Liquidity risk arises when the Department is unable to meet its financial obligations as they fall due. The Department operates under the Government fair payments policy of settling financial obligations within 30 days and in the event of a dispute, makes payments within 30 days from the date of resolution.

## (f) Market risk

The Department's exposure to market risk is primarily through interest rate risk with no exposure to foreign currency and other price risks. Objectives, policies and processes used to manage each of these risks are disclosed in the paragraphs below.

### Foreign currency risk

The Department's has no exposure to foreign currency risk.

### Interest rate risk

Exposure to interest rate risk is insignificant and might arise primarily through the Department's interest-bearing liabilities. Minimisation of risk is achieved by mainly undertaking fixed rate or non-interest bearing financial instruments. For financial liabilities, the Department mainly undertakes financial liabilities with relatively even maturity profiles. The Department's interest-bearing liabilities are managed by the Treasury Bank of Victoria and any movement in interest rates is monitored on a daily basis.

The Department's exposure to interest rate risk is set out in the Table 19.3.

### Sensitivity disclosure analysis

Taking into account past performance, future expectations, economic forecasts, and management's knowledge and experience of the financial markets, the Department believes the



following movements are ‘reasonably possible’ over the next 12 months (base rates are sourced from the Reserve Bank of Australia):

- A parallel shift of +0.5 per cent and –0.5 per cent in market interest rates (AUD) from year-end rates of 6.4 per cent.

The Victorian Department of Treasury and Finance has obtained expert advice on the applicability of the AASB 7 paragraph 40 sensitivity analysis disclosure in relation to VicFleet financial leases. The expert advice is that, because the interest rates applied to the vehicle leases are not variable or floating

in nature, the vehicle leases are not subject to the sensivity analysis prescribed under this standard. The adjustment to the interest rate that is made upon the settlement of the VicFleet leases is regarded as nothing more than a recovery by the lessor of their borrowing costs. Hence the underlying interest rates in these leases are based on fixed interest rate exposure.

Table 19.3 discloses the impact on net operating result and equity of interest rate risk for financial instruments held by the Department at year-end as presented to key management personnel, if the above movement was to occur.

Table 19.3 Market risk exposure

	Carrying amount	Interest rate risk			
		–0.5% (50 basis points)		0.5% (50 basis points)	
		Net result \$'000	Equity \$'000	Net result \$'000	Equity \$'000
<b>2008</b>					
<b>Financial assets</b>					
Cash and cash equivalents (iii)	769,943	2,714	2,714	(2,714)	(2,714)
Receivables	818,671	–	–	–	–
Other financial assets	24,772	–	–	–	–
<b>Financial liabilities</b>					
Payables	453,070	–	–	–	–
Interest-bearing liabilities (vi)	6,553	–	–	–	–
<b>Total increase/(decrease)</b>	<b>1153,763</b>	<b>2,714</b>	<b>2,714</b>	<b>(2,714)</b>	<b>(2,714)</b>

(iii) Sensitivity of cash and cash equivalents to a +0.5% movement in rates: [\$542,848,516.40 x 0.069] - [\$542,848,516.40 x 0.064] = \$2,714,242.58. Similarly for a -0.5% movement in interest rate, impact = -\$2,714,242.58.

### (g) Net fair value of financial assets and liabilities

The fair values and net fair values of financial assets and financial liabilities are determined as follows:

- the fair value of financial assets and financial liabilities with standard terms and conditions and traded in active liquid markets are determined with reference to quoted market prices
- the fair value of other financial assets and financial liabilities are determined in

accordance with generally accepted pricing models based on discounted cash flow analysis.

The Department considers the carrying amount of financial assets and financial liabilities recorded in the financial report to be a fair approximation of their fair values because of the short-term nature of the financial instruments and the expectation that they will be paid in full.

## Note 20 Ministers and Accountable Officers (Responsible Persons)

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

### Names

The persons who held the positions of Ministers and Accountable Officers in the Department are as follows:

Minister for Education	John Lenders, MP	1 July 2007 to 3 August 2007
	Bronwyn Pike, MP	3 August 2007 to 30 June 2008
Acting Minister for Education	Maxine Morand, MP	5 September to 11 September 2007
	Maxine Morand, MP	15 October to 28 October 2007
	Tim Holding, MP	4 January 2008 to 13 January 2008
	Tim Pallas, MP	14 January to 25 January 2008
	Maxine Morand, MP	30 June 2008
Minister for Skills, Education Services and Employment	Jacinta Allan, MP	1 July 2007 to 5 August 2007
Acting Minister for Skills, Education Services and Employment	John Lenders, MP	1 July to 8 July 2007
Minister for Children and Early Childhood Development	Maxine Morand, MP	3 August 2007 to 30 June 2008
Acting Minister for Children and Early Childhood Development	Bronwyn Pike, MP	1 October to 7 October 2007
	Tim Holding, MP	2 January to 13 January 2008
	Tim Pallas, MP	14 January to 25 January 2008
	Bronwyn Pike, MP	19 March to 30 March 2008
Secretary	Peter Dawkins	1 July to 30 June 2008
Acting Secretary	Jeff Rosewarne	6 July to 15 July 2007
	Darrell Fraser	28 September to 3 October 2007
	Jeff Rosewarne	14 October to 28 October 2007
	Jeff Rosewarne	22 December 2007 to 6 January 2008
	Jeff Rosewarne	21 March to 30 March 2008
	Jeff Rosewarne	30 June 2008

## Remuneration

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

	2008	2007
\$40,000–\$49,999	–	1
\$340,000–\$359,999	–	1
\$390,000–\$399,999	1	–

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

## Other transactions

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

## Related party transactions included in the reconciliation amount

The Secretary is an ex-officio member of the Board of the Victorian Registration and Qualifications Authority and the Victorian Curriculum and Assessment Authority to which the Department paid grants during the financial year. As these roles are ex officio the Secretary receives no remuneration to perform these roles.

# Note 21 Remuneration of executives

The numbers of executive officers, other than Ministers and Accountable Officers, and their total remuneration during the reporting period are shown in the first two columns in the table on page 114 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, longservice leave payments, redundancy payments and retirement benefits.

Several factors have affected total remuneration payable to executives over the year. A number of employment contracts were completed during the year and renegotiated, and a number of executives received bonus payments during the year. These bonus payments depend on the terms of individual employment contracts. Some contracts provide for an annual bonus payment whereas other contracts only include the payment of bonuses on the successful

completion of the full term of the contract. A number of these contract completion bonuses became payable during the year.

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

The 2008 figures include executive officers transferred from the Department of Human Services on the creation of the Office for Children and Early Childhood Development within the Department.

The 2007 comparative figures include the remuneration of executive officers of the Adult, Community and Further Education Board and the Victorian Learning and Employment Skills Commission for the period 1 July 2006 to 31 December 2006.

Income band	Total remuneration		Base remuneration	
	2008 Number	2007 Number	2008 Number	2007 Number
\$0,000–\$9,999	1	–	2	2
\$10,000–\$19,999	2	4	1	4
\$20,000–\$29,999	–	2	–	1
\$30,000–\$39,999	–	1	–	2
\$40,000–\$49,999	3	2	4	1
\$50,000–\$59,999	–	1	–	1
\$60,000–\$69,999	–	2	–	4
\$70,000–\$79,999	1	3	1	2
\$80,000–\$89,999	2	3	1	1
\$90,000–\$99,999	–	3	–	4
\$100,000–\$109,999	–	1	–	2
\$110,000–\$119,999	–	1	1	2
\$120,000–\$129,999	1	3	1	1
\$130,000–\$139,999	3	2	7	6
\$140,000–\$149,999	5	3	5	9
\$150,000–\$159,999	4	6	6	3
\$160,000–\$169,999	5	5	7	15
\$170,000–\$179,999	7	10	13	5
\$180,000–\$189,999	10	8	5	2
\$190,000–\$199,999	5	3	1	–
\$200,000–\$209,999	3	1	1	–
\$210,000–\$219,999	–	2	–	–
\$220,000–\$229,999	–	–	1	–
\$230,000–\$239,999	2	–	–	1
\$240,000–\$249,999	2	1	–	–
\$250,000–\$259,999	–	–	–	2
\$260,000–\$269,999	–	–	–	1
\$270,000–\$279,999	–	–	3	–
\$280,000–\$289,999	–	1	–	–
\$290,000–\$299,999	1	2	–	–
\$300,000–\$309,999	3	–	–	–
\$310,000–\$319,999	–	1	–	–
Total number	60	71	60	71
Total amount (\$'000)	\$9,938	\$10,138	\$8,960	\$9,060

## Note 22 Remuneration of auditors

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

	2008	2007
Paid as at 30 June	25	7
Payable as at 30 June	315	297
<b>Total audit fees</b>	<b>340</b>	<b>304</b>

## Note 23 Contingent liabilities and contingent assets

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

### Quantifiable contingent liabilities

	2008 \$'000	2007 \$'000
Claims for damages	12,159	12,555
<b>Total quantifiable contingent liabilities</b>	<b>12,159</b>	<b>12,555</b>

### Unquantifiable contingent liabilities

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

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

- (c) Indemnities provided by Department of Education and Early Childhood Development to members of schools councils. The Education Act provides a comprehensive indemnity to members of school councils for any legal liability, whether in contract, negligence, defamation etc.
- (d) The Government also provides an indemnity for persons employed under the *Public Sector Management and Employment (PSME) Act 1998*.

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

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

### Contingent assets

The Department does not have any quantifiable or unquantifiable contingent assets.

## Note 24 Commitments for expenditure

	2008 \$'000	2007 \$'000
<b>(a) Capital commitments</b>		
Commitments for the acquisition of buildings, plant and equipment contracted for at the reporting date but not recognised as liabilities:		
Within one year	171,260	117,965
Later than one year but not later than 5 years	42,226	15,400
Later than 5 years	–	–
<b>Total capital commitments</b>	<b>213,486</b>	<b>133,365</b>
<b>(b) Operating leases</b>		
Commitments for minimum lease payments in relation to non-cancellable operating leases are payable as follows:		
Within one year	41,986	62,161
Later than one year but not later than 5 years	59,740	67,099
Later than 5 years	13,135	15,858
<b>Total operating leases</b>	<b>114,861</b>	<b>145,118</b>
<b>Total commitments</b>	<b>328,347</b>	<b>278,483</b>
The Department leases equipment, including photocopiers, computers, motor vehicles and property, with varying lease terms.		
<b>(c) Finance leases</b>		
Commitments in relation to finance leases are payable as follows:		
Within one year	4,001	3,312
Later than one year but not later than 5 years	2,970	3,213
Later than 5 years	–	–
Minimum lease payments	6,971	6,525
Less: Future finance charges	(418)	(397)
Present value of minimum lease payments	6,553	6,128
Add: Lease incentives on non-cancellable operating leases included in lease liabilities	–	–
Total lease liabilities	6,553	6,128
Representing lease liabilities:		
Current (note 14)	3,694	3,034
Non-current (note 14)	2,859	3,094
	6,553	6,128

The weighted average interest rate implicit in the leases is 6.94% (2007: 6.59%)



## Note 25 Ex-gratia payments

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

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

	2008 Number	2007 Number
\$0–\$9,999	48	41
\$10,000–\$19,999	–	6
\$20,000 –\$29,999	1	5
\$30,000–\$39,999	–	6
\$40,000–\$49,999	1	8
\$50,000–\$59,999	3	3
\$60,000–\$69,999	1	1
\$70,000–\$79,999	1	–
\$80,000–\$89,999	1	2
\$90,000–\$99,999	–	1
\$100,000–\$109,999	–	1
\$110,000–\$119,999	–	2
\$120,000–\$129,999	–	–
\$130,000–\$139,999	–	–
\$140,000–\$149,999	–	–
\$150,000–\$159,999	1	–
\$160,000–\$169,999	1	1
\$170,000–\$179,999	–	–
\$180,000–\$189,999	–	–
\$190,000–\$199,999	–	–
\$200,000–\$209,999	1	–
\$210,000–\$219,999	–	–
\$220,000–\$229,999	–	–
\$230,000–\$239,999	1	–
\$240,000–\$249,999	–	–
\$250,000–\$259,999	–	–
\$260,000–\$269,999	–	1
\$270,000–\$279,999	–	–
\$280,000–\$289,999	–	–
\$290,000–\$299,999	–	1
\$300,000–\$399,999	1	–
<b>Total number of payments</b>	<b>61</b>	<b>79</b>
<b>Total amount of payments</b>	<b>\$1,556,734</b>	<b>\$2,289,598</b>

## Note 26 Cash inflow information

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

	2008 \$'000	2007 \$'000
Net result for the reporting period	17,561	64,481
<b>Non-cash movements</b>		
Net (gain)/loss on sale of non-current assets	14,193	3,809
Depreciation and amortisation	216,726	211,338
Net transfers of resources provided free of charge or for nominal consideration	6,476	(307)
<b>Movements in operating assets and liabilities</b>		
Decrease (increase) in current receivables	(96,002)	(169,641)
Decrease (increase) in other current operating assets	(28,552)	1,752
Decrease (increase) in non-current receivables	(10,973)	118,287
Decrease (increase) in other non-current operating assets	2,907	(392)
Increase (decrease) in current payables	120,883	43,648
Increase (decrease) in other current liabilities	4,159	33,867
Increase (decrease) in current employee entitlements	30,128	6,789
Increase (decrease) in non-current payables	–	–
Increase (decrease) in other non-current liabilities	–	–
Increase (decrease) in non-current employee entitlements	10,909	14,097
<b>Net cash inflow from operating activities</b>	<b>288,415</b>	<b>327,729</b>

## Note 27 Subsequent events

The Department of Education and Early Childhood Development has no material or significant events occurring after the reporting date to the date of this report that would affect significantly the figures included in this report.

## Note 28 Annotated receipt agreements

The following is a listing of Section 29 Annotated receipt agreements approved by the Treasurer.

	2008 \$'000	2007 \$'000
<b>Sales of goods and services</b>		
Alarm monitoring	146	145
Schools hostels – food & other taxable supplies	–	–
Schools hostels – accommodation	–	–
Housing rent (input taxed)	938	911
Registered Schools Board	–	3
Unwanted alarms	219	152
Copyright	391	219
	1,694	1,430
<b>Asset sales</b>		
Sale of land	9,558	23,127
	9,558	23,127
<b>Commonwealth Specific Purpose Payments</b>		
Indigenous education strategic initiatives	7,154	3,602
Literacy and numeracy special learning needs	70,393	67,306
Capital school buildings	75,809	71,376
Investing in our Schools	35,709	126,324
ESL New Arrivals	28,837	19,688
Language other than English (LOTE)	4,345	4,269
Country Areas Programme (CAP)	2,734	2,605
Aboriginal pre-schools services	309	–
Special Education Program	5,491	–
Literacy & Numeracy Week	24	208
	230,805	295,378
<b>Total annotated receipts (note 5)</b>	<b>242,057</b>	<b>319,935</b>

## Note 29 Trust account balances

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

	2008 \$'000	2007 \$'000
<b>Controlled trusts</b>		
Suspense	5	96
State Treasury Trust	83,683	58,656
Vehicle lease trust account	—	—
Commonwealth Treasury Trust	15,488	5,135
<b>Total controlled trusts</b>	<b>99,176</b>	<b>63,887</b>
<b>Administered trusts</b>		
Prizes & scholarships	1,621	1,600
Commuter club	(93)	(65)
Onpassing from the Commonwealth	334	7
<b>Total administered trusts</b>	<b>1,862</b>	<b>1,542</b>

The following is a list of trust accounts opened and closed by the Department during 2007–08.

Trust accounts opened	Nil
Trust accounts closed	Nil

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

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

We further state that, in our opinion, the information set out in the Operating Statement, Balance Sheet, Statement of 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 2008 and financial position of the Department at 30 June 2008.

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

We authorise the attached financial report for issue on 3 September 2008.



C Britchford  
Chief Finance and Accounting Officer  
Department of Education and Early Childhood Development

Melbourne  
3 September 2008



P Dawkins  
Secretary  
Department of Education and Early Childhood Development

Melbourne  
3 September 2008

# VAGO

Victorian Auditor-General's Office

## INDEPENDENT AUDITOR'S REPORT

### To the Secretary, Department of Education and Early Childhood Development

#### *The Financial Report*

The accompanying financial report for the year ended 30 June 2008 of the Department of Education and Early Childhood Development which comprises operating statement, balance sheet, statement of changes in equity, cash flow 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 Secretary's Responsibility for the Financial Report*

The Secretary is 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 entity's 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 entity's internal control. An audit also includes evaluating the appropriateness of the accounting policies used, and the reasonableness of accounting estimates made by the Secretary, as well as evaluating the overall presentation of the financial report.

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

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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](mailto:comments@audit.vic.gov.au) Website [www.audit.vic.gov.au](http://www.audit.vic.gov.au)

*Auditing in the Public Interest*



# VAGO

Victorian Auditor-General's Office

## Independent Auditor's Report (continued)

### *Matters Relating to the Electronic Presentation of the Audited Financial Report*

This auditor's report relates to the financial statements published in both the annual report and on the website of the Department of Education and Early Childhood Development for the year ended 30 June 2008. The Secretary is 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 above. 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 the Department of Education and Early Childhood Development web site.

### *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. In conducting the audit, the Auditor-General, his staff and delegates complied with all applicable independence requirements of the Australian accounting profession.

### *Audit Opinion*

In my opinion, the financial report presents fairly, in all material respects, the financial position of the Department of Education and Early Childhood Development as at 30 June 2008 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  
5 September 2008



D D R Pearson  
Auditor-General

# Appendices

## APPENDIX 1

### Consistency of budget and financial reporting

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

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

The financial statements provided in this appendix are consistent with those published in the 2007–08 State Budget Paper Number 4 – Budget Estimates. Provision of the statements in this appendix allows comparison of the actual financial results of the Department consolidated budget sector agencies with the estimates published in the State Budget Papers. This is consistent with the Government's commitment to more transparent financial reporting.

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

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

The financial statements on the following pages support the Department's provision of outputs. The information provided includes the operating statement, balance sheet and cash flows for the Department, and are presented in the format consistent with the AAS29 Accounting Standard. However, for

the purposes of this report they have been divided into controlled and administered items.

Controlled items reflect those resources applied by the Department to carry out its functions and provide outputs. Administered items refer to those resources over which the Department cannot exercise direct control. Authority is provided through an appropriation for payments made on behalf of the state. Under the AAS29 Standard, these items would normally appear as notes to the financial statements.

Due to machinery-of-government changes in 2007–08, responsibility for part of the Office for Children in DHS moved to the Department.

The Department has assumed responsibility for Adolescent Health Services, Child Health and Support Services, Early Childhood Education and Care and Early Childhood Intervention Services.

The financial information consolidates information for the following portfolio entities for 12 months:

- Department of Education (including government schools)
- Merit Protection Boards
- VCAA.

The financial information consolidates information for the following responsibility for nine months from September 2007:

- Children and Early Childhood Development.

*Operating statement for the year ended 30 June 2008*

Controlled items	Notes	2007–08 Actual (\$ million)	2007–08 Budget (\$ million)	Variation <sup>(a)</sup> (%)
<b>Revenue from ordinary activities</b>				
Output appropriations	1	6422.3	6,213.3	3.4%
Special appropriations		5.9	0.3	n/a
Resources received free of charge or for nominal consideration		0.0	0.0	n/a
Sale of goods and services	2	204.0	163.7	24.6%
Commonwealth grants	3	34.0	6.6	n/a
Other revenue and revenue from other parties <sup>(b)</sup>	2	452.4	307.6	47.1%
<b>Total</b>		<b>7,118.5</b>	<b>6,691.4</b>	<b>6.4%</b>
<b>Expenses from ordinary activities</b>				
Employee benefits <sup>(c)</sup>		4,042.8	4,044.6	-0.04%
Depreciation and amortisation	4	217.2	277.9	-21.8%
Resources provided free of charge or for nominal consideration	5	4.7	0.0	n/a
Grants and other payments		597.3	598.9	-0.3%
Capital asset charge		727.3	727.3	n/a
Supplies and services <sup>(d)</sup>	6	1,504.1	883.0	70.3%
Other expenses from ordinary activities		0.0	0.0	n/a
Borrowing costs		0.9	0.5	69.6%
<b>Total</b>		<b>7,094.3</b>	<b>6,532.1</b>	<b>8.6%</b>
<b>Result from ordinary activities</b>		<b>24.2</b>	<b>159.3</b>	<b>-84.8%</b>
<b>Net result for the reporting period</b>		<b>24.2</b>	<b>159.3</b>	<b>-84.8%</b>
Net increase in asset revaluation reserve		2,067.0	0.0	n/a
Total revenues, expenses and revaluation adjustments recognised directly in equity		2,067.0	0.0	n/a
<b>Total changes in equity other than those resulting from transactions with Victorian State Government in its capacity as owner on behalf of the Crown</b>		<b>2,091.2</b>	<b>159.3</b>	<b>n/a</b>

## Operating statement for the year ended 30 June 2008

Administered items	Notes	2007–08 Actual (\$ million)	2007–08 Budget (\$ million)	Variation <sup>(a)</sup> (%)
<b>Administered income</b>				
Sale of goods and services		1.7	1.5	13.6%
Commonwealth grants	7	2,324.2	2,175.4	6.8%
Other	8	(50.1)	9.9	n/a
<b>Total</b>		<b>2,275.8</b>	<b>2,186.8</b>	<b>4.1%</b>
<b>Administered expenses</b>				
Grants and other payments	7	1,647.9	1,541.4	6.9%
Supplies and services		0.6	0.0	n/a
Payments into the Consolidated Fund		630.0	645.4	-2.4%
<b>Total</b>		<b>2,278.6</b>	<b>2,186.8</b>	<b>4.2%</b>
<b>Revenue less expenses</b>		<b>(2.7)</b>	<b>0.0</b>	<b>n/a</b>

<sup>(a)</sup> Variation between 2007–08 Actual and 2007–08 State Budget.

<sup>(b)</sup> Includes investment revenue, gains on disposal of physical assets, revenue for services delivered to parties outside of government.

<sup>(c)</sup> Includes salaries and allowances, superannuation contributions and payroll tax.

<sup>(d)</sup> Includes payments to non-government organisations for delivery of services.

The variances for controlled items can be explained as follows:

During the year there was a machinery-of-government transfer effective from 1 September 2007. As a result, the Office for Children was transferred from the DHS to the Department. This resulted in the Department's name being changed to the Department of Education and Early Childhood Development.

### Note 1

The variance mainly reflects an increase in additional appropriation funding due to the machinery-of-government transfer of Office for Children from DHS effective from 1 September 2007.

### Note 2

The variance is mainly due to understated initial published budget for schools' third party revenue and lower actual revenues raised by schools from non-government sources. Offset by an increase in actual revenue collected for international education fees in 2007–08.

### Note 3

The variance reflects increased revenue from the Commonwealth Government for new

programs introduced into Schools such as national testing, Even Start National Tuition program and Digital Education Revolution which were not included in the initial budget.

### Note 4

The variance is mainly due to a change in the Department's policy threshold for capitalisation of schools' plant and equipment. The threshold for capitalisation was raised from \$1000 to \$5000 and asset purchases less than \$5000 in 2007–08 are recorded as an expense under supplies and services.

### Note 5

The variance is due to the machinery-of-government transfer of employee benefits for the Office for Children from DHS effective from 1 September 2007.

### Note 6

The variance is mainly due to machinery-of-government transfer of Office for Children and the effect of the change in the Department's policy threshold for capitalisation of schools' plant and equipment. In addition, schools' expenditure was greater than budgeted for in most areas, especially for maintenance.

The variances for administered items can be explained as follows:

**Note 7**

The variance reflects additional operating and capital grants from the Commonwealth for government and non-government schools

associated with the extension of the Investing in our Schools program, enrolment growth and indexation.

**Note 8**

The variance is due to recognition of a loss on the sales of land and buildings in schools.

*Balance sheet as at 30 June 2008*

Controlled items	Notes	2007–08 Actual (\$ million)	2007–08 Budget (\$ million)	Variation <sup>(a)</sup> (%)
<b>Assets</b>				
Current assets				
Cash assets	1	776.1	719.6	7.9%
Other financial assets	2	0.0	57.3	-100.0%
Receivables		821.6	831.9	-1.2%
Inventories		0.0	0.0	n/a
Prepayments	3	33.2	4.6	n/a
Other assets		0.0	0.0	n/a
		<b>1,630.9</b>	<b>1,613.3</b>	<b>1.1%</b>
Non-current assets classified as held for sale	4	38.6	23.9	61.8%
<b>Total current assets</b>		<b>1,669.5</b>	<b>1,637.2</b>	<b>2.0%</b>
<b>Non-current assets</b>				
Receivables <sup>(b)</sup>		0.4	0.3	19.9%
Other financial assets	1	24.8	19.3	28.3%
Property, plant and equipment	5	11,478.8	9,582.0	19.8%
Intangible assets		0.0	4.4	-100.0%
<b>Total non-current assets</b>		<b>11,504.0</b>	<b>9,605.9</b>	<b>19.8%</b>
<b>Total assets</b>		<b>13,173.5</b>	<b>11,243.1</b>	<b>17.2%</b>
<b>Liabilities</b>				
<b>Current liabilities</b>				
Payables	6	251.4	323.3	-22.2%
Interest-bearing liabilities		3.7	3.1	21.0%
Employee provisions	7	1,070.8	949.5	12.8%
Other		89.1	85.7	4.0%
<b>Total current liabilities</b>		<b>1,415.1</b>	<b>1,361.6</b>	<b>3.9%</b>
<b>Non-current liabilities</b>				
Interest-bearing liabilities		2.9	3.2	-10.1%
Employee provisions		77.8	73.9	5.3%
Amounts owing to other departments		0.0	0.0	n/a
<b>Total non-current liabilities</b>		<b>80.7</b>	<b>77.1</b>	<b>4.7%</b>
<b>Total liabilities</b>		<b>1,495.8</b>	<b>1,438.7</b>	<b>4.0%</b>
<b>Net assets</b>		<b>11,677.6</b>	<b>9,804.4</b>	<b>19.1%</b>

### Balance sheet as at 30 June 2008

Administered items	Notes	2007–08 Actual (\$ million)	2007–08 Budget (\$ million)	Variation <sup>(a)</sup> (%)
<b>Assets</b>				
<b>Current assets</b>				
Cash assets		0.3	0.1	n/a
Receivables		2.1	5.1	-59.7%
Other financial assets		1.6	1.5	2.3%
Prepayments		3.9	3.3	18.6%
<b>Total current assets</b>		<b>7.8</b>	<b>10.0</b>	<b>-21.7%</b>
<b>Non-current assets</b>				
<b>Property, plant and equipment</b>		0.0	0.0	0.0%
Total non-current assets		<b>0.0</b>	<b>0.0</b>	<b>0.0%</b>
Total administered assets		<b>7.8</b>	<b>10.0</b>	<b>-21.7%</b>
<b>Current liabilities</b>				
Other		3.9	3.3	18.2%
Total current liabilities		<b>3.9</b>	<b>3.3</b>	<b>18.2%</b>
Total administered liabilities		<b>3.9</b>	<b>3.3</b>	<b>18.2%</b>
Net assets		<b>3.9</b>	<b>6.7</b>	<b>-41.3%</b>

<sup>(a)</sup> Variation between 2007–08 Actual and 2007–08 State Budget.

<sup>(b)</sup> Includes cash balance held in trust in the Public Account.

<sup>(c)</sup> Includes employee benefits and superannuation.

During the year there was a machinery-of-government transfer effective from 1 September 2007. As a result, the Office for Children was transferred from DHS to the Department. This resulted in the Department's name being changed to the Department of Education and Early Childhood Development.

#### Note 1

The variance is due to higher cash and investment balances being greater than expected due to an increase in schools' third party revenue, rising interest rates and unspent capital funding for schools.

#### Note 2

The variance is due to the redemption of a short-term investment that was transferred to the Department of Innovation, Industry and Regional Development due to the machinery-of-government transfer in 2006–07, and a decrease in short-term deposits held by the VCAA.

#### Note 3

The variance reflects early payment of service fees to kindergartens prior to 30 June 2008. Other items that contributed increase in prepayments in 2007–08 are for expenses relating to notebook leasing and copyright which were higher than budgeted for.

#### Note 4

The variance reflects the increase in assets to be transferred to the Department of Innovation, Industry and Regional Development due to the machinery-of-government transfer in 2006–07. This is offset by a decrease in the level of activity associated with land and buildings held for sale for the Department.

#### Note 5

The variance mainly reflects the impact of the re-valuation of the Department's land and buildings. This is offset by a decrease in plant and equipment used in schools due to policy change in the capitalisation threshold.

## Note 6

The variance represents overstatement of budget for creditors due to the machinery-of-government transfer in 2006–07 of the Victorian Learning and Employment Skills Commission to the Department of Innovation, Industry and Regional Development.

## Note 7

The variance represents the impact of the teachers' Enterprise Bargaining Agreement beginning 11 May 2008 and current estimate of commitments in relation to oncost balances, and the machinery-of-government transfer in 2007–08 with recognition of employee entitlements for the Office for Children.

### Cash flow statement for the year ended 30 June 2008

Controlled items	Notes	2007–08 Actual (\$ million)	2007–08 Budget (\$ million)	Variation <sup>(a)</sup> (%)
<b>Cash flows from operating activities</b>				
Receipts from Government	1	5,529.0	6,158.3	-10.2%
Receipts from other entities	2	194.1	118.9	63.2%
Payments for supplies, grants and employees	3	(6,088.9)	(5,509.3)	10.5%
		<b>(365.8)</b>	<b>767.9</b>	<b>n/a</b>
Interest received	4	45.1	27.6	63.8%
Other receipts	5	419.4	295.6	41.9%
Capital asset charge		(727.3)	(727.3)	0.0%
Borrowing costs expense		(0.9)	(0.5)	69.6%
<b>Net cash inflow (outflow) from operating activities</b>		<b>(629.4)</b>	<b>363.2</b>	<b>n/a</b>
<b>Cash flows from investing activities</b>				
Payments for non-financial assets	6	(487.3)	(633.1)	-23.0%
Proceeds from sale of non-financial assets	7	2.6	2.4	7.3%
Payments for investments	3	850.7	0.0	n/a
Repayment of financial investments by other entities	8	46.8	(5.0)	n/a
<b>Net cash inflow/(outflow) from investing activities</b>		<b>412.8</b>	<b>(635.7)</b>	<b>n/a</b>
<b>Cash flows from financing activities</b>				
Net proceeds from capital contribution by State Government		(727.3)	(727.3)	0.0%
Net proceeds of borrowings		(1.7)	0.0	n/a
<b>Net cash inflow/(outflow) from financing activities</b>		<b>(729.0)</b>	<b>(727.3)</b>	<b>0.2%</b>
<b>Net increase (decrease) in cash held</b>		<b>(945.6)</b>	<b>(999.8)</b>	<b>-5.4%</b>
Cash at beginning of the financial year		639.5	639.5	0.0%
<b>Cash at the end of the financial year</b>		<b>776.1</b>	<b>719.6</b>	<b>7.9%</b>

<sup>a)</sup> Variation between 2007–08 Actual and 2007–08 State Budget.



The variances for controlled items can be explained as follows:

During the year there was a machinery-of-government transfer effective from 1 September 2007. As a result, the Office for Children was transferred from DHS to the Department. This resulted in the Department’s name being changed to the Department of Education and Early Childhood Development.

**Note 1**

Refer to note 1 of the operating statement.

**Note 2**

Refer to note 2 of the operating statement.

**Note 3**

Refer to note 6 of the operating statement and note 3, 6 and 7 of the balance sheet.

**Note 4**

The variance reflects a higher return on schools’ investments than originally budgeted.

**Note 5**

Refer to note 2 of the operating statement.

**Note 6**

Refer to note 4 of the operating statement and note 5 of the balance sheet.

**Note 7**

Refer to note 8 of the operating statement.

**Note 8**

Refer to note 1 and 2 of the balance sheet.

# APPENDIX 2

## Portfolio statistics

### School education

*FTE government school students by year level, February 2007 and February 2008*

Year level	2007	2008
<b>Preparatory</b>	43,490.1	43,967.5
Year 1	43,378.0	42,880.8
Year 2	43,780.8	43,291.5
Year 3	43,713.6	43,771.8
Year 4	43,813.3	43,683.4
Year 5	43,906.9	43,523.2
Year 6	44,134.3	43,886.3
Ungraded	6.2	1.4
<b>Primary total</b>	<b>306,223.2</b>	<b>305,005.9</b>
Year 7	38,737.7	37,882.0
Year 8	39,417.7	38,959.7
Year 9	39,931.8	39,772.5
Year 10	37,991.8	38,921.9
Year 11	37,523.9	36,867.3
Year 12	29,663.5	30,792.7
Ungraded	24.0	135.0
<b>Secondary total</b>	<b>223,290.4</b>	<b>223,331.1</b>
Special	8,005.3	8,579.2
Language	1,339.0	1,200.0
<b>Total</b>	<b>538,857.9</b>	<b>538,116.2</b>

*FTE students by student type and sector, February 2005–08*

Student type	Government				Catholic				Independent				All schools			
	2005	2006	2007	2008	2005	2006	2007	2008	2005	2006	2007	2008	2005	2006	2007	2008
Primary	309,972.6	307,576.5	306,223.2	305,005.9	98,406.6	98,373.0	98,307.1	98,978.9	41,117.5	42,310.3	43,282.0	44,706.8	449,496.7	448,259.8	447,812.3	448,691.6
Secondary	221,618.3	222,826.7	223,290.4	223,331.1	82,921.3	84,375.2	85,604.2	87,016.0	67,074.0	68,694.4	70,293.1	72,622.6	371,613.6	375,896.3	379,187.7	382,969.7
Special	7,219.4	7,756.1	8,005.3	8,579.2	160.4	170.0	153.6	182.3	356.4	408.6	445.6	430.4	7,736.2	8,334.7	8,604.5	9,191.9
Language	1,142.0	1,184.0	1,339.0	1,200.0	–	–	–	–	–	–	–	–	1,142.0	1,184.0	1,339.0	1,200.0
<b>Total</b>	<b>539,952.3</b>	<b>539,343.3</b>	<b>538,857.9</b>	<b>538,116.2</b>	<b>181,488.3</b>	<b>182,918.2</b>	<b>184,064.9</b>	<b>186,177.2</b>	<b>108,547.9</b>	<b>111,413.3</b>	<b>114,020.7</b>	<b>117,759.8</b>	<b>829,988.5</b>	<b>833,674.8</b>	<b>836,943.5</b>	<b>842,053.2</b>
% of all students	65.1	64.7	64.4	63.9	21.9	21.9	22.0	22.1	13.1	13.4	13.6	14.0	100.0	100.0	100.0	100.0

*Number of schools by school type and sector, February 2005–08*

School type	Government				Catholic				Independent				All schools			
	2005	2006	2007	2008	2005	2006	2007	2008	2005	2006	2007	2008	2005	2006	2007	2008
Primary	1,222	1,213	1,206	1,201	380	378	378	379	54	52	51	47	1,656	1,643	1,635	1,627
Primary–secondary	50	48	50	53	12	13	13	12	132	134	133	139	194	195	196	204
Secondary	261	263	258	253	84	84	86	87	19	20	21	21	364	367	365	361
Special	80	78	76	76	7	7	7	8	12	12	12	13	99	97	95	97
Language	4	4	4	4	–	–	–	–	–	–	–	–	4	4	4	4
<b>Total</b>	<b>1,617</b>	<b>1,606</b>	<b>1,594</b>	<b>1,587</b>	<b>483</b>	<b>482</b>	<b>484</b>	<b>486</b>	<b>217</b>	<b>218</b>	<b>217</b>	<b>220</b>	<b>2,317</b>	<b>2,306</b>	<b>2,295</b>	<b>2,293</b>
% of all schools	69.8	69.6	69.5	69.2	20.8	20.9	21.1	21.2	9.4	9.5	9.5	9.6	100	100	100	100

## APPENDIX 3

### Human resources policies

#### Human resources

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

The Department applies the standards issued by the Public Sector Standards Commissioner, which set out the essential requirements for managers and principals to apply the public sector values and employment principles under the *Public Administration Act 2004*. The standards stipulate that:

- employment decisions are based on merit
- public sector employees are treated fairly and reasonably
- equal employment opportunity is provided
- public sector employees have a reasonable avenue of redress against unfair or unreasonable treatment
- in the case of the Public Service Bodies, the development of a career public service is fostered.

The Department's human resources policies go beyond the minimum requirements set by these standards and reflect best practice, consistent with the Commissioner's non-binding guidelines documents.

#### Key policies

The Department is committed to developing and supporting its workforce by:

- building leadership capacity
- building the future workforce through enhancing workforce capacity
- actively shaping supply and managing employee relations
- creating and supporting a culture of health, safety and wellbeing

- creating and supporting a performance and development culture
- implementing robust human resource management systems.

#### Staff development

Development of the Victorian Public Service (VPS) staff is focused on the human resources strategic priorities of building leadership capacity (particularly on improving the development of senior leaders within the VPS) and building the future workforce by enhancing workforce capacity through the building of corporate workforce capabilities.

Projects established to review and update the Department VPS Accountability and Capability Framework resulted in revised corporate leadership and VPS behavioural capability frameworks designed to underpin the key human resource functions of attraction, selection, development and retention.

A range of learning and development opportunities were provided, with a greater emphasis being placed on development through on-the-job, experience-based activities and the building of beneficial working relationships.

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

Development for VPS staff continued through a range of programs from project management and presentation skills to Certificate IV in Assessment and Training. The induction and orientation program, strongly supported by senior executives, was well received by new staff.

Professional development for school staff is discussed on pages 44–46 of this report.

### *Focus on women*

Women represented 74.2 per cent of the Department's workforce in June 2008.

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

Women represented 70.1 per cent of teaching staff and 89.2 per cent of non-teaching staff in government schools in June 2008. The percentage of women in the principal class in government schools continued to rise, with an increase from 51.1 per cent in June 2007 to 52.6 per cent in June 2008.

Women represented 67.8 per cent of VPS staff in central and regional offices. The percentage of women at executive officer level increased from 36.2 per cent in June 2007 to 36.6 per cent in June 2008.

The Eleanor Davis School Leadership program, a Women in Leadership initiative, is a key component of the Department's Focus on Women strategy. The program, available to women seeking to move into school leadership positions, continued to attract a high number of applicants. The program was successful in supporting aspiring school leaders and providing experienced principals with opportunities to assist in the development of future leaders. On average, 17 (56 per cent) of the 30 participants each year receive promotion to the principal class within three years.

To support the increased participation of women in leadership roles, the Julia Flynn program was revived in 2007, offering 15 scholarships to women identified as potential leaders.

The program provides for enrolment in an accredited graduate certificate course designed around public sector management capabilities. In 2008, 16 scholarships were awarded.

### *Diversity and equal opportunity*

The Department continued to demonstrate leadership in the application of equal opportunity principles and encouragement of diversity across all its workplaces and services.

Initiatives were undertaken to strengthen systems and processes supporting diversity and equity, aligned to strategic education and early childhood objectives and outcomes.

These initiatives ranged from reviews of human resource policies to production and communication of publications such as *Non-discriminatory and Harassment Free Workplaces* to all schools and Departmental workplaces. Further diversity plans were incorporated in the Department's business planning processes. The employee survey ('Your Job, Your Say') addressed employee diversity information, which enables the Department to plan future inclusion strategies for recruitment, retention and building capability.

The Department continued promotion of the workplace behaviour and sexual harassment online training for all employees and maintained an active partnership with the Victorian Equal Opportunity and Human Rights Commission. The Department's compliance responsibilities with regard to the *Human Rights and Responsibilities Act 2006* were a focus of activity.

The Disability Action Plan 2005–08 continued to be progressively implemented under the stewardship of the Disability Action Plan Committee, which included active participation of staff with a disability. A highlight was the publication of the *Accessible Communication Workplace Guide* as a resource for managers and employees.

To increase the participation of people with a disability in the Department's workforce,

a disability employment scheme was implemented in partnership with Disability Works Australia. Modification of buildings and facilities and other reasonable adjustments were undertaken to ensure improved access by and accommodation of people with a disability.

The Department continued to maintain its commitment to promoting flexible work–life balance arrangements, in particular to assist staff with family responsibilities. Flexible hours, part-time employment, job-share arrangements and telecommuting were implemented in both schools and corporate workplaces.

Staff participated in various diversity awareness celebration events including Cultural Diversity Week, Day of People with a Disability and Reconciliation Week.

The Department is proud of supporting and valuing Victoria’s culturally and linguistically diverse communities and this is reflected in the development of the Cultural Diversity Plan 2008–10. This plan promotes activities to improve access by such communities to education and early childhood services. Commitments in the plan promote social inclusion, recognise the disadvantage experienced by some communities and focus on the provision of culturally sensitive services.

### Employee relations

Extensive support was provided to managers and staff to ensure that comprehensive consideration was given to the industrial relations and human resource policy perspectives associated with implementation of the new Departmental organisational structure.

Negotiations in respect to the Victorian Government Schools – School Services Officers Agreement commenced in March 2008 while the Nurses Agreement negotiations commenced in May 2008.

In-principle agreement on key issues for the Victorian Government Schools Agreement was reached with the Australian Education Union in May 2008.

## Human resources systems and services

The Department provided high-quality personnel services, including staffing, employment and payroll administration, together with advice on performance management, conduct and ethics.

### Workforce planning

The Department continued work to enhance the capacity and capability of the Department’s current and future workforce.

During 2007–08, the Department implemented two new initiatives focusing on mathematics and science. These complemented a range of teacher supply initiatives announced by the Government in January 2004 in the report *Teacher Supply and Demand for Government Schools*.

### Highlights

- The Career Change program continued in 2008 with a fourth intake of 30 non-teaching professionals. Priority was given to schools with vacancies in mathematics and science. The program combines supervised classroom teaching experience with part-time study towards gaining a teaching qualification.
- Fifty-five of the 63 trainees from the 2005 and 2006 Career Change intakes successfully completed the two-year school-based training program, while 32 trainees from the 2007 intake continued into the second year of their program.
- Fifty mathematics and science graduate scholarships were made available to graduates to undertake studies in pre-service education courses.
- The Special Education Scholarship enabled 34 participants to commence special education studies in 2008.
- The Rural Retraining program enabled 256 teachers, mainly in rural schools, to commence studies in curriculum areas experiencing teacher recruitment difficulties.



Eighty-eight teachers completed their courses, 53 during 2007–08.

- A total of 238 student teachers and more than 140 schools benefited from the Student Teacher Practicum Scheme. The scheme provides student teachers with financial incentives to undertake their practicum in targeted schools, predominantly in rural areas.
- The promotion of teaching as a career option in non-traditional areas of recruitment was pursued via career fairs, university career expos and visits. This was enhanced by the publicity generated as a result of advertising Career Change and the Mathematics and Science Scholarship programs.
- Links continued to be strengthened between the Department and universities, particularly education faculties delivering pre-service teacher education courses, both through formal forums, such as the Teacher Supply and Demand Reference Group and the Victorian Council of Deans of Education meetings, and through informal dialogue on a range of teacher supply issues.
- Other initiatives designed to assist schools in filling vacancies in specialist subject areas and in particular geographic locations resulted in:
  - the appointment of more than 1466 recent teacher graduates through the Teacher Graduate Recruitment program
  - 150 scholarships being awarded to student teachers and new graduates under the Teaching Scholarship Scheme.

In 2007–08, there were eight exemptions from advertisements for VPS recruitment approved by the Secretary or his delegate, consistent with the requirements of the Public Sector Standards Commissioner. These exemptions related to the appointment of staff at the conclusion of the Graduate Recruitment Scheme and the appointment of staff from a disadvantaged group.

### *Employee health, safety and wellbeing*

The Health, Safety and Wellbeing strategy 2007–09 continues to support the integration of employee health, safety and wellbeing in schools and other Departmental workplaces. The strategy focuses on Occupational Health and Safety (OHS) accountability through the development and implementation of OHS systems, training and targeted hazard and risk reduction programs. This strategy aims to ensure that the Department meets legislative compliance requirements and strengthens OHS and injury management systems.

#### **Highlights**

- A joint mediation pilot with Dispute Settlements Centre Victoria to deliver consistent standards and quality mediation service to Departmental employees commenced.
- Return to Work training by the Department and the Department's WorkCover agent (CGU Workers' Compensation) for principals and business managers was developed and delivered.
- The Healthy Schools are Effective Schools resource package was revised to integrate WorkCover's Stresswise and provide an effective tool for use with the School Climate Survey.
- The Machine Safety in Technology training course and assessment for all government school technology teachers was delivered.
- The Occupational Violence training course for government schools was delivered.
- Regional funding allocations to cover OHS mandated training such as Health and Safety Representative and Management Nominee training was significantly increased.
- The first phase of a pilot examining positive behaviour support as a way of addressing student challenging behaviour in special schools was completed. The eight pilot schools provided feedback on the program and its impact in improving student engagement and addressing challenging behaviour.



## Key performance indicators

The Department is committed to reporting on the Victorian WorkCover Authority’s lag and lead indicators. The tables on pages 137 and 138 provide measurements against the 14 agreed OHS key performance indicators.

### People Matters survey of OHS

People Matters survey of OHS	Questions	Average per cent who ‘Agree’ and ‘Strongly agree’ (%)
Management commitment	My manager is committed to health and safety improvements.	93
Organisational commitment	My organisation is committed to health and safety improvements.	93
Health and safety representatives	Elected health and safety representatives regularly take up health and safety issues with management in my organisation.	84
Consultation	There is meaningful employee consultation in my organisation on health and safety matters.	84
Policy awareness	Matters that can affect health and safety in my organisation are addressed by work instructions, policies and procedures.	90
Proactive OHS action	My organisation regularly undertakes proactive action to improve health and safety.	82
OHS reporting	Employees in my organisation are encouraged to report health and safety incidents and injuries.	93
Corrective action	Corrective action is taken by my organisation when unsafe conditions are identified through incident and/or injury reports.	93

## Conduct and ethics

### Criminal record checks

In 2007–08, the Department conducted over 5500 criminal record checks in collaboration with the Commonwealth CrimTrac Agency via the Department’s online criminal record check system. Of these checks, approximately 50 per cent were for people wishing to perform volunteer work in schools. The number of criminal record checks conducted through the Department has decreased from the previous year due to the introduction of the Working with Children Check.

The *Working with Children Act 2005* introduced a minimum mandatory checking standard, the Working with Children Check, for those who are employed or volunteer in child-related work in educational institutions in Victoria. From 31 December 2007, suitability to be employed in a non-teaching role or perform volunteer work in government schools has been demonstrated by a Working with Children Card issued by the Department of Justice.

Since 1 January 2008, criminal record checks for teachers in government schools have been conducted through the Victorian Institute of Teaching.

## Occupational Health and Safety measures

Measure	OHS lag key performance indicators	2007–08 Target	2007–08 Actual	
			Number	Rate
Claims	Number and rate of standardised WorkCover claims <sup>1</sup> , including sprains and strains, stress, other	816	917	1.697
	Number and rate of lost-time WorkCover claims <sup>2</sup>	302	369	0.683
	Number and rate of claims exceeding 13 weeks <sup>3</sup>	149	175	0.357
Fatalities	Fatality claims <sup>1</sup>	No fatalities	0	
Claims costs	Average cost per WorkCover claim <sup>4</sup>	\$44,497	\$42,947	

Measure	OHS lead key performance indicators	2007–08 Target	2007–08 Actual
Management commitment	Evidence of OHS policy statement; OHS objectives	Reported quarterly and/or annually Empirical evidence of OHS plans, policies and reporting processes	Department's OHS policy including objectives at <www.eduweb.vic.gov.au/hrweb/ohs/accp/riskm.htm> Quarterly health, safety and wellbeing reports to Departmental Leadership Team regarding OHS trends, issues and project plans, achievements and milestones
	Regular reporting to senior management of OHS, and OHS plans (signed by CEO or equivalent)		
Consultation and participation	Evidence of OHS criteria in purchasing guidelines (including goods, services and personnel)	Reported quarterly and/or annually Empirical evidence of OHS criteria in purchasing guidelines	Schedule 21 Part D of the Department tender documents addresses health and safety management Part E – Ethical purchasing requires tenderers to declare any OHS legislative breaches
	Evidence of agreed structure of Designated Work Groups, Health and Safety representatives, and issue resolution procedures	Reported quarterly and/or annually	The Department's OHS consultation policy outlines the structure for Designated Work Groups, Health and Safety Representatives and issue resolution procedures <http://www.education.vic.gov.au/hrweb/ohs/accp/riskm.htm>
Risk management	Per cent of internal audits/inspections conducted as planned	80 per cent of planned internal audits conducted	100 per cent
	% of issues identified actioned arising from: • internal audits • Health and Safety Representatives Improvement Notices • WorkSafe notices • OHS Committee recommendations • OHS projects		71 per cent issues actioned in internal audits
Training	Per cent of OHS representatives trained	75 per cent of representatives trained	78 per cent
	Percentage of managers and staff who have received OHS training		65 per cent of schools have management nominee with some OHS training (2006) Staff risk-specific training: • 61 per cent special education • 55 per cent science, arts and technology • 56 per cent physical education

<sup>1</sup> Standardised claims are those that have exceeded the employer excess (days or dollars) or are registered as a standard claim and are open with no payments at the time of extraction. Fatality claims are also based on the same definition of standardised claims. Date for standardised claims and death claims is at 30 June each financial year.

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

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

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

# APPENDIX 4

## Workforce statistics and senior officers

### Workforce data

The following workforce data is based on business unit (cost centre) and charge location. It includes:

- staff on pay (including paid leave) who were employed in the Department in the last fortnight of June 2008
- ongoing and fixed-term staff.

It excludes:

- VPS staff who ceased employment with the Department in the last fortnight of June 2008
- school-based staff who ceased employment prior to the last fortnight of June 2008
- staff on leave without pay (including family leave) or absent on secondment
- external contractors/consultants and temporary staff employed by employment agencies
- staff employed directly by individual school councils.

*FTE of teaching service staff in schools by classification and sex on pay as at June 2008*

Classification		Males	Females	Total
Primary	Principal Class	842.5	1,038.5	1,881.0
	Teaching staff	3,272.2	15,383.7	18,655.9
	Instructors	11.0	10.7	21.7
	<b>Total</b>	<b>4,125.7</b>	<b>16,432.9</b>	<b>20,558.6</b>
Secondary	Principal Class	493.8	445.3	939.1
	Teaching staff	7,273.9	11,440.5	18,714.4
	Instructors	165.0	70.1	235.1
	<b>Total</b>	<b>7,932.7</b>	<b>11,955.9</b>	<b>19,888.6</b>
<b>Total</b>		<b>12,058.4</b>	<b>28,388.8</b>	<b>40,447.2</b>

*FTE of non-teaching staff in schools by classification and sex on pay as at June 2008*

Classification	Level	Males	Females	Total
<b>School Services Officer (SSO)</b>	SSO3–8	17.6	55.1	72.7
	SSO3–7	28.4	94.1	122.5
	SSO3–6	47.0	276.1	323.1
	SSO2–5	64.9	451.2	516.2
	SSO2–4	106.6	557.7	664.3
	SSO2–3	136.3	910.0	1,046.2
	SSO1–2	224.4	1,759.4	1,983.7
	SSO1–1	549.7	5,762.5	6,312.1
<b>Subtotal</b>		<b>1,174.8</b>	<b>9,866.0</b>	<b>11,040.8</b>
<b>VPS staff</b>	Allied Health 4	27.2	78.2	105.4
	Allied Health 3	23.9	166.7	190.6
	Allied Health 2	5.0	80.3	85.3
	VPSG6	–	6.0	6.0
	VPSG5	6.2	29.3	35.5
	VPSG4	1.6	4.1	5.7
	VPSG3	–	4.7	4.7
	VPSG2	1.0	5.6	6.6
	VPSG1	1.0	1.0	2.0
<b>Subtotal</b>		<b>65.9</b>	<b>375.9</b>	<b>441.8</b>
<b>Other</b>		–	0.1	0.1
<b>Total</b>		<b>1,240.7</b>	<b>10,242.0</b>	<b>11,482.7</b>

*FTE of staff on pay by location as at June 2008*

Location	FTE
<b>School</b>	
Teaching	40,447.2
Non-teaching	11,482.7
<b>Subtotal</b>	<b>51,929.9</b>
Central office and regions	2,091.4
<b>Total</b>	<b>54,021.3</b>

*FTE of staff in non-school locations and statutory authorities by classification and sex on pay as at June 2008*

Classification		Males	Females	Total
<b>Teaching staff</b>		54.1	72.0	126.1
<b>Executive officer</b>	Secretary	1.0	–	1.0
	EO1	2.0	1.0	3.0
	EO2	24.0	12.0	36.0
	EO3	12.8	10.0	22.8
	<b>Subtotal</b>	<b>39.8</b>	<b>23.0</b>	<b>62.8</b>
<b>VPS staff</b>	Senior technical specialists	1.8	2.0	3.8
	VPSG6	113.7	106.6	220.3
	VPSG5	181.2	357.9	539.1
	VPSG4	95.9	184.3	280.2
	VPSG3	88.6	240.7	329.3
	VPSG2	38.9	138.4	177.3
	VPSG1	2.8	7.8	10.6
	Graduate recruits	–	6.0	6.0
	Allied Health 4	–	9.1	9.1
	Allied Health 3	2.8	59.9	62.7
	Allied Health 2	2.7	59.1	61.8
	Allied Health 1	–	1.8	1.8
	<b>Subtotal</b>	<b>528.4</b>	<b>1,173.5</b>	<b>1,701.9</b>
<b>Nurse</b>		11.0	176.5	187.5
<b>Ministerial staff</b>		1.0	1.0	2.0
<b>Other</b>		2.0	9.1	11.1
<b>Total</b>		<b>636.3</b>	<b>1,455.1</b>	<b>2,091.4</b>

**Note**

A total of 22.8 FTE casual staff who were employed for the last pay period in June in central and regional locations and classified as VPSG1–6, AH2–3 or Nurse have not been included in the above table.

‘Other’ includes child protection workers, juvenile justice workers, senior medical advisor, LOTE advisor, other miscellaneous classifications and appointees to a statutory office, as defined in the *Public Administration Act 2004* (for example, persons appointed to a non-executive board member role, to an office of Commissioner, or to a judicial office).

# Victorian Public Service staff on pay as at June 2008

	Ongoing			Fixed-term and casual	
	Employees (headcount)	Full-time (headcount)	Part-time (headcount)	FTE	FTE
June 2008	2,284	1,690	594	2,066	358
June 2007	1,699	1,367	332	1,578	255

	June 2008			June 2007		
	Ongoing Employee (headcount)	FTE	Fixed-term and casual FTE	Ongoing Employee (headcount)	FTE	Fixed-term and casual FTE
<b>Gender</b>						
Male	606	590	67	579	569	56
Female	1,678	1,476	291	1,120	1,009	199
<b>Age</b>						
Under 25	36	34	60	32	31	43
25–34	376	345	131	263	243	88
35–44	506	447	50	370	335	43
45–54	898	814	64	680	640	37
55–64	435	398	52	327	306	43
Over 64	33	28	1	27	23	1
<b>Classification</b>						
VPSG1	10	10	5	12	12	4
VPSG2	159	147	42	143	133	32
VPSG3	303	283	57	269	255	46
VPSG4	270	258	29	214	207	19
VPSG5	535	510	67	432	416	44
VPSG6	215	211	18	190	187	12
Senior technical specialists	3	3	1	3	2	1
Executives	63	63	–	58	58	–
Graduate recruits	–	–	6	–	–	8
AH1	2	1	–*	–	–	–
AH2	122	98	50	57	46	41
AH3	259	201	53	183	141	45
AH4	131	111	3	136	119	2
Nurses	205	164	26	–	–	–
Other	7	6	1	2	2	1

## Note

'Headcount' means the number of people employed where each person counts as an employee regardless of the number of hours engaged to work.

FTE has been rounded to the nearest whole number.

\*Due to rounding this figure drops to 0.

'Casual' means a person who is subject to clause 25, Casual Employees – Loading of the VPS Agreement 2006, or similar clauses in other relevant agreements. It includes a person employed on a sessional basis where such provision is made under an applicable industrial agreement.

'Other' includes child protection workers, juvenile justice workers, senior medical advisor, LOTE advisor and ministerial drivers.

Age of staff for 2008 is calculated as at pay date 19 June 2008 and for 2007 as at 21 June 2007.

The increase in employment levels from June 2007 to June 2008 is a result of machinery-of-government changes with the transfer of staff from DHS into the Department.

*Number of executive officers classified by 'Ongoing' and 'Special projects'*

Class	All		Ongoing		Special projects	
	Number	Variation	Number	Variation	Number	Variation
Secretary	1	–	1	–	–	–
EO1	3	–	3	–	–	–
EO2	33	+8	32	+8	1	–
EO3	20	-2	20	-2	–	–
<b>Total</b>	<b>57</b>	<b>+6</b>	<b>56</b>	<b>+6</b>	<b>1</b>	<b>–</b>

*Number of executive officers by sex for 'Ongoing' and 'Special projects'*

Class	Ongoing					Special projects				
	Male		Female		Vacancies Number	Male		Female		Vacancies Number
	Number	Variation	Number	Variation		Number	Variation	Number	Variation	
Secretary	1	–	–	–	–	–	–	–	–	–
EO1	2	–	1	–	–	–	–	–	–	–
EO2	21	+4	11	+4	–	1	–	–	–	–
EO3	10	-1	10	-1	6	–	–	–	–	–
<b>Total</b>	<b>34</b>	<b>+3</b>	<b>22</b>	<b>+3</b>	<b>6</b>	<b>1</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>

*Number of executives*

	2008	2007
Executives with remuneration over \$100,000 (refer to note)	47	50
Add vacancies (see table above)	6	7
Executives employed with total remuneration below \$100,000	10	–
Accountable officer (Secretary)	1	1
Less separations	7	7
<b>Total executive numbers at June</b>	<b>57</b>	<b>51</b>

**Note**

Figures above do not include Victorian Curriculum and Assessment Authority and Victorian Registration and Qualifications Authority executives.

Figures include early childhood development staff from DHS who merged with the Department of Education to form the Department of Education and Early Childhood Development as a result of machinery-of-government changes in 2007.

*Number of executive officers in the Department's portfolio entities*

Portfolio agencies	Total		Vacancies		Male		Female	
	Number	Variation	Number	Variation	Number	Variation	Number	Variation
Victorian Curriculum and Assessment Authority	4	-1	1	+1	4	-1	–	–
Victorian Registration and Qualifications Authority	2	+1	–	–	1	–	1	+1
<b>Total</b>	<b>6</b>	<b>–</b>	<b>1</b>	<b>+1</b>	<b>5</b>	<b>-1</b>	<b>1</b>	<b>+1</b>



## Senior officers as at 30 June 2008

The Department's organisational chart as of 30 June 2008 appears on page 15.

Addresses of the Department's key business areas are provided below. The telephone number for all sections of the Department is (03) 9637 2000, except where otherwise specified.

### *Department of Education and Early Childhood Development*

2 Treasury Place  
East Melbourne Victoria 3002  
Professor Peter Dawkins  
Secretary

### *Office for Government School Education*

1st floor, 33 St Andrews Place  
East Melbourne Victoria 3002  
Mr Darrell Fraser  
Deputy Secretary

### **Group Coordination**

Ms Dina Guest  
General Manager

### **Student Wellbeing and Support**

Mr Ian Claridge  
Assistant General Manager  
(\*Acting) Ms Kristine Arcaro  
Assistant General Manager

### **Education Regeneration and Community Partnerships**

Mr John Allman  
General Manager

### **School Workforce Reform and School Improvement**

Ms Judy Petch  
General Manager

Ms Louise McDonald  
(\*Acting) Assistant General Manager  
School Improvement

Ms Raylene Dodds  
(\*Acting) Assistant General Manager  
School Workforce Reform

### **Student Learning Programs**

Ms Dianne Peck  
General Manager

Ms Carol Kelly  
Assistant General Manager  
Targeted Programs

### **Regions**

Regional office contact details appear on page 50.

### **Broadmeadows Regeneration**

Mr David Brooks  
Project Director

### *Office for Policy, Research and Innovation*

Level 3, 33 St Andrews Place  
East Melbourne Victoria 3002  
Dr Dahle Suggett  
Deputy Secretary

### **Education Policy and Research**

Mr Ian Burrage  
General Manager  
  
Ms Kerry Rozenbergs  
Assistant General Manager

### **Youth Transitions**

Mr George McLean  
General Manager  
  
Ms Janet Thompson  
Assistant General Manager

### **System Policy**

Mr John Sullivan  
General Manager  
  
Mr Edmund Misson  
Assistant General Manager

Contents	About this report	Secretary's report	Overview	Outputs and performance measures	Early childhood services	Compulsory years	Later years and youth transitions	Services to students	Adolescent health services (schools)	Policy and regulation	Financial report	Appendices	Acronyms and abbreviations
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### **Education Chief Information Officer**

Mr Adam Todhunter

### **Financial Services**

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Mr Nino Napoli

Assistant General Manager

Schools Resource Allocation

Mr Ron Cooper-Thomas

Assistant General Manager

Accounting Policy and Taxation

Mr Wayne Benbow

Assistant General Manager

Budget and Reporting

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Ms Andrée Butler

Assistant General Manager

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Senior Chairperson

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Mr John Firth

Chief Executive Officer

## ***Victorian Registration and Qualifications Authority***

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(03) 9637 2806

Ms Lynn Glover

Director

\* Acting assignment by a non-substantive executive officer

\*\* Acting assignment by a substantive executive officer

\*\*\* Governor-in-Council appointee

# APPENDIX 5

## Statutory bodies

Statutory bodies are authorities, boards and other entities established under an Act of Parliament for a specific purpose. Five statutory bodies fall under the education portfolio and two fall under the children and early childhood development portfolio. The functions, powers, membership and other details relating to each body are outlined in the relevant Act. Some of the bodies produce separate annual reports for Parliament, while information about the activities of the other bodies is included in this report. The table below lists the statutory bodies within the two portfolios as at 30 June 2008, the Act under which each body was established and the reporting method for each body. Staff of some of these bodies are on the Department's payroll, as reflected in the workforce data on pages 139–146.

The Registered Schools Board and the Victorian Qualifications Authority were abolished on 1 July 2007 when the *Education and Training Reform Act 2006* was proclaimed. The functions of those two bodies are now

carried out by the VRQA. The Children's Services Coordination Board and the Victorian Children's Council were transferred from the human services portfolio as part of the machinery-of-government changes made in August 2007.

### Merit Protection Boards

The Merit Protection Boards were established in 1993 under the *Teaching Service Act 1981* and are currently empowered by the *Education and Training Reform Act 2006* to:

- advise the Minister about principles of merit and equity to be applied in the teaching service
- hear reviews and appeals in relation to decisions made under the *Education Training and Reform Act 2006* (except Part 2.4, Division 10) or any other Act
- advise the Minister or the Secretary about any matter referred to them by the Minister or the Secretary relating to merit and equity in the teaching service

#### Statutory bodies

Body	Act of Parliament	Portfolio(s)	Annual report
Children's Services Coordination Board	<i>Child Wellbeing and Safety Act 2005</i>	Children and Early Childhood Development Community Services*	See page 154
Disciplinary Appeals Boards	<i>Education and Training Reform Act 2006</i>	Education	See page 152
Merit Protection Boards	<i>Education and Training Reform Act 2006</i>	Education	See page 147
Victorian Children's Council	<i>Child Wellbeing and Safety Act 2005</i>	Children and Early Childhood Development Community Services*	See page 153
Victorian Curriculum and Assessment Authority	<i>Education and Training Reform Act 2006</i>	Education Skills and Workforce Participation*	Separate report
Victorian Institute of Teaching	<i>Education and Training Reform Act 2006</i>	Education	Separate report
Victorian Registration and Qualifications Authority	<i>Education and Training Reform Act 2006</i>	Education Skills and Workforce Participation*	Separate report

\* Refer to the administration of Acts in Appendix 10 for details regarding the allocation of responsibilities.

- hear reviews and appeals in relation to any decision prescribed by the regulations or Ministerial Order to be a decision in respect of which there is a right of review by or appeal to a Merit Protection Board
- to hear reviews and appeals in relation to any decision of the Secretary if the Secretary has delegated his or her function or power to hear reviews and appeals to a Merit Protection Board.

The Senior Chairperson, Mr Peter Hibbins, and the Secretary's nominee, Mr Gavan Schwartz, are full-time members of the Merit Protection Boards. Ms Beverly Trease is the Registrar.

There are seven Merit Protection Boards. Each of these Boards comprises a chairperson, nominated by the Minister, a nominee of the Secretary and a teacher nominated by the Minister. Most Board members are part-time.

The Senior Chairperson establishes Review of Action Boards to hear and determine grievances from members of the VPS in the Department. These boards generally comprise three members appointed by the Senior Chairperson and include suitably trained and experienced members of the VPS. The Review of Action Boards make recommendations to the Senior Chairperson who, in turn, makes recommendations to the Secretary of the Department.

The Merit Protection Boards and Review of Action Boards provide an independent

mechanism to hear appeals and grievances for employees of the Department and associated statutory authorities in education.

Appeals and grievances include transfer and promotion, incapacity, grievances of a general personal nature, including sexual harassment and discrimination, and appeals in relation to police records checks. Appeals and grievances can be heard in the metropolitan area and regional centres, as appropriate.

Access to the Merit Protection Boards is available to employees in the Department, including principals, teachers and school-based non-teaching staff. Public servants, excluding executive officers, have access to Review of Action Boards.

## Members of the Merit Protection Boards

In February 2008, after providing 14 years of outstanding service to the Merit Protection Boards, Mr Ian Adams retired and Mr Peter Hibbins was appointed by Governor-in-Council as his replacement.

Members of the Merit Protection Boards and Review of Action Boards have a duty to act as individuals in an independent and objective manner in fairly hearing and determining appeals and grievances. The hearing procedures of both Boards are consistent with the principles of procedural fairness.

Members of the Merit Protection Boards

		Date first appointed	Date term expires
<b>Senior Chairperson (full-time)</b>			
Mr Ian Adams		5 October 1993	Retired February 2008
Mr Peter Hibbins		3 March 2008	31 July 2011
<b>Secretary's nominee (full-time)</b>			
Mr Gavan Schwartz		22 September 2004	21 September 2010
<b>Chairpersons</b>			
Ms Debbie Meirisch	Whealers Hill Primary School	15 April 1997	21 September 2010
Ms Lorraine Dell	Ormond Primary School	01 January 2000	21 September 2010
Ms Catherine Christensen	Rosamond Special School	22 September 2004	21 September 2010
Ms Leonie Fitzgerald	Dandenong South Primary School	22 September 2004	21 September 2010
Mr Wayne Hill	Merrilands College	22 September 2004	21 September 2010
Ms Sharon Walker	Wembley Primary School	22 September 2004	21 September 2010
<b>Secretary's nominees</b>			
Ms Vincenzina Calabro	Noble Park English Language Centre	22 September 2004	21 September 2010
Ms Cheryl Judd	Preston Girls Secondary College	22 September 2004	21 September 2010
Ms Angeliki Karvouni	Southern Metropolitan Region	22 September 2004	21 September 2010
Ms Karen O'Dowd	Altona Green Primary School	22 September 2004	21 September 2010
Mr Wayne Smith	Eumemmerring Secondary College	22 September 2004	21 September 2010
Mr Peter Rock	Cobden Secondary College	22 September 2007	21 September 2010
<b>Minister's nominees</b>			
Ms Jennifer Pringle	Mount Waverley Secondary College	01 January 2001	Resigned March 2008
Mr Robert Bertagnolio	Altona Secondary College	22 September 2004	21 September 2010
Ms Eileen O'Brien	Croydon Secondary College	22 September 2004	21 September 2010
Ms Mary-Anne Pontikis	Meadow Heights Primary School	22 September 2004	21 September 2010
Ms Gail Shaw	Sunshine North Primary School	22 September 2004	21 September 2010
Ms Sandra Greenhill	Montmorency Secondary College	22 September 2007	21 September 2010
Mr Nuccio Gurciullo	Mac.Robertson Girls High School	22 September 2007	21 September 2010
Ms Joanna Young	Keilor Downs Secondary College	22 September 2007	21 September 2010
<b>Secretary's emergency nominees</b>			
Ms Sheryl Skewes	Sandringham Primary School	01 January 2000	21 September 2010
Mr John Baston	Croydon Secondary College	22 September 2004	21 September 2010
Mr Ian Hall	Gippsland Region	22 September 2004	21 September 2010
Mr Mathew Underwood	Campbells Creek Primary School	22 September 2007	21 September 2010
<b>Minister's emergency nominees</b>			
Ms Clare Berger	Gilmore Girls College	22 September 2007	21 September 2010
Mr Shane Crerar	Gisborne Secondary College	22 September 2007	21 September 2010
Ms Janet Evison	Kunying Primary School	22 September 2007	21 September 2010
Mr Michael Rogan	Yarraville West Primary School	22 September 2007	21 September 2010

## Other activities

The Merit Protection Boards provided advice to the Department on merit and equity issues in relation to major policy initiatives in response to requests from the Department as well as advice when existing policies and procedures were being reviewed.

The Senior Chairperson and the Secretary's nominee accepted invitations to address groups of principal class officers, field officers of the principals' associations, school service officer networks and regional personnel.

In October 2007, the Board conducted a seminar in Melbourne for newly appointed and re-appointed Board members at which the roles, structure, membership of Boards, responsibilities of Board members and the hearing process were discussed.

In May 2008, the Board conducted a half-day seminar in Melbourne for all members of the Merit Protection Boards and Review of Action Boards. At this seminar the role, responsibilities and future of the Boards were discussed.

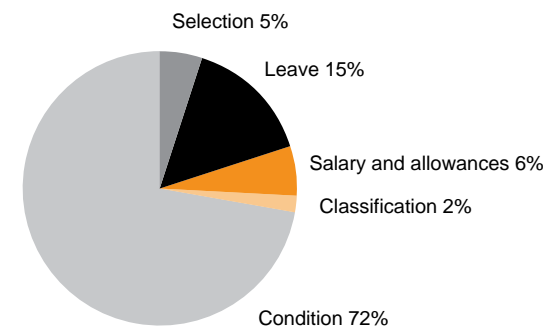
Information is available on the Merit Protection Boards' website in relation to the appeal and grievance process, as well as the Merit Protection accreditation programs. The website address is <www.mpb.vic.gov.au>.

The Senior Chairperson and the Secretary's nominee attended the National Public Sector Appeals Conference held in Perth in September 2007.

## Appeals and grievances

### Teaching service

Breakdown of personal grievances received from teaching service, July 2007 – June 2008



During the year to 30 June 2008, the Merit Protection Boards for the teaching service received a total of 140 appeals and grievances, including 30 selection grievances, one discipline and 109 personal grievances. Of the 140 grievances received, 77 were conciliated, withdrawn, lapsed or pending, or there was no jurisdiction for the Board to hear them. Sixty-three and grievances were heard and 35 (56 per cent) were upheld.

Selection grievances received for this year were approximately the same as in the previous year and, of the 16 heard, 50 per cent were upheld. There were 109 personal grievances received, compared with 110 for the previous year and, of the 46 heard, 58 per cent were upheld.

Teaching service – appeals and grievances, 2007–08

Category	Upheld		Disallowed		Withdrawn		Pending		No jurisdiction, out of time or lapsed		Conciliated		Received		Total
	M	F	M	F	M	F	M	F	M	F	M	F	M	F	
Promotion	3	5	7	1	4	2	1	–	3	4	–	–	18	12	30
Incapacitated officer	–	–	1	–	–	–	–	–	–	–	–	–	1	–	1
Personal	6	21	6	13	11	18	4	5	5	6	2	12	34	75	109
<b>Total</b>	<b>9</b>	<b>26</b>	<b>14</b>	<b>14</b>	<b>15</b>	<b>20</b>	<b>5</b>	<b>5</b>	<b>8</b>	<b>10</b>	<b>2</b>	<b>12</b>	<b>53</b>	<b>87</b>	<b>140</b>



There was a wide range of issues raised in personal grievances. The majority of grievances concerned teachers and school services officers with compassionate transfer status and excess status not being managed in accordance with Department policy. Other matters related to leave, especially the refusal to grant long service leave and leave without pay.

### Public sector

There were 16 grievances received from public servants – four selection and 12 personal grievances, which is almost the same number and type of grievances received in the previous year. Of the 16 grievances received from the VPS, seven were heard and one (14 per cent) was upheld. The majority of the issues raised in personal grievances related to leave, range reviews, redeployment and general employment issues.

### Merit protection accreditation

It is a requirement for all selection panels in the Department to include a merit-accredited employee as a member of any selection panel. To facilitate this requirement, the Merit Protection Boards provide training in the principles of merit and equity for principal class officers, teachers, school services officers and

members of the public service. This year the Boards conducted 31 seminars and provided training for 1116 employees.

Since the inception of these training programs, a total of 31,045 employees have been trained. This figure includes 1803 employees who have retrained.

### Principal class officers

One hundred and twenty-five members of the principal class have been accredited in training programs conducted by the Boards in metropolitan and country centres this year. These accredited principal class officers are available to serve on principal class officer selection panels.

### Teachers and school services officers

Six hundred and eighty-eight members of the teacher class and 122 school services officers were accredited in training programs conducted by the Boards in metropolitan and country centres this year. Teachers and school services officers who have been accredited are available to assist principals with personnel management decision making in schools where panels must include a merit protection accredited teacher.

Public sector – appeals and grievances, 2007–08 Victorian Public Service staff

Category	Upheld		Disallowed		Withdrawn		Pending		Lapsed		Conciliated		Received		Total
	M	F	M	F	M	F	M	F	M	F	M	F	M	F	
Selection	–	–	–	1	1	–	–	–	–	2	–	–	1	3	4
Personal	–	1	1	5	1	1	1	1	–	1	–	–	3	9	12
Total	–	1	1	6	2	2	1	1	–	3	–	–	4	12	16

*Number of employees trained July 2007 – June 2008 by region (includes reaccreditation)*

Region	Teachers	Principal class	SSO	VPS	Total
Barwon South Western	39	4	7	9	59
Central – Corporate	0	0	0	108	108
Eastern Metropolitan	131	21	9	9	170
Gippsland	15	5	7	2	29
Grampians	81	7	21	17	126
Hume	40	16	9	5	70
Loddon Mallee	74	27	17	7	125
Northern Metropolitan	129	28	23	12	192
Southern Metropolitan	55	2	10	5	72
Western Metropolitan	124	15	19	7	165
<b>Total</b>	<b>688</b>	<b>125</b>	<b>122</b>	<b>181</b>	<b>1116</b>

## ***Members of the Victorian Public Service***

During 2007–08, 181 VPS employees were accredited. Accredited VPS employees are available to assist on panels in decision making concerning selection. The Board also ran three training programs for public servants who worked in DHS prior to the establishment of the new Department.

## **Disciplinary Appeals Boards**

The Disciplinary Appeals Boards were established in 2005 following an amendment to the *Teaching Service Act 1981* and are empowered under the *Education and Training Reform Act 2006* to hear and determine appeals in relation to decisions of the Secretary made under section 2.4.6.1.

The Senior Chairperson of the Disciplinary Appeals Boards is the Senior Chairperson of the Merit Protection Boards. In this role the Senior Chairperson administers the Disciplinary Appeals Boards and selects members to constitute the Boards as required. The Merit Protection Boards staff provide administrative support to the Disciplinary Appeals Boards.

In May 2005, the following Board members were appointed for an initial five-year period after calling for expressions of interest through advertisement. All members are called upon on a sessional basis.

The Disciplinary Appeals Boards had two appeals pending at the start of the reporting period. One of these was withdrawn and the other was upheld. Four appeals were received in 2007–08. One of these was withdrawn and three are pending.

Members of the Disciplinary Appeals Boards

	Date appointed	Date term expires
Chairspersons, nominated by the Secretary, were appointed under Sections 75D(2)(a) and 75E of the <i>Teaching Service Act 1981</i> . It is a requirement that they have been admitted to legal practice in Victoria for not less than five years.		
Ms Judith Benson	May 2005	April 2010
Dr Ian Freckelton SC	May 2005	April 2010
Mr Geoffrey Gibson	May 2005	April 2010
Mr Peter Harris	May 2005	April 2010
Ms Clare Lethlean	May 2005	April 2010
Mr Rohan Millar	May 2005	April 2010
Mr Damian Murphy	May 2005	Resigned December 2006
Mr Peter Rose	May 2005	April 2010
Ms Elspeth Strong SC	May 2005	April 2010
Mr Peter Wills	May 2005	April 2010
Minister's nominees, who are officers in the teaching service, were appointed under Sections 75D(2)(b) and 75E of the <i>Teaching Service Act 1981</i> .		
Mr Ross Adamson	May 2005	April 2010
Ms Moira Findlay	May 2005	April 2010
Mr David Finnerty	May 2005	April 2010
Ms Wayne Hill	May 2005	April 2010
Ms Angeliki Karvouni	May 2005	April 2010
Ms Denise Leggett	May 2005	April 2010
Ms Anne Longmire	May 2005	Resigned October 2005
Mr Brian O'Dea	May 2005	April 2010
Ms Mary-Anne Pontikis	May 2005	April 2010
Mr Paul Rose	May 2005	April 2010
Mr Steven Silestean	May 2005	April 2010
Secretary's nominees, who have knowledge and experience in education, education administration or public sector administration, were appointed under Sections 75D(2)(c) and 75E of the <i>Teaching Service Act 1981</i> .		
Mr Brian Burgess	May 2005	April 2010
Mr James Davidson	May 2005	April 2010
Ms Leonie Fitzgerald	May 2005	April 2010
Mr Gregory Gibbs	May 2005	April 2010
Ms Avis Grahame	May 2005	April 2010
Mr Dale Hendrick	May 2005	April 2010
Mr Russell Isaac	May 2005	April 2010
Mr Eric Keenan	May 2005	April 2010
Mr David List	May 2005	April 2010
Mr Ian Martin	May 2005	April 2010
Ms Bronwyn Valente	May 2005	April 2010

Victorian Children’s Council

The Victorian Children’s Council was established by the Victorian Government under the *Child Wellbeing and Safety Act 2005* to support the Premier, the Minister for Children and Early Childhood Development, and the Minister for Community Services with expert independent advice relating to policies and services that enhance the health, wellbeing, development and safety of children.

The Victorian Children’s Council was established in response to the 2004 report of the Premier’s Children’s Advisory Council.

The Victorian Children’s Council is made up of recognised experts in policies and services that underpin and can improve child safety, health, development, learning and wellbeing across Victoria. In 2007–08, the Victorian Children’s Council had 16 members.

The Department’s Statewide Outcomes for Children Division provides secretariat support to the Victorian Children’s Council.

In 2007–08, the Council held regular meetings every two months, as well as additional meetings when needed. Several sub-committees were established to work on various reform areas including:

- implementation and monitoring of the *Children, Youth and Families Act 2005*
- implementation of Victoria’s plan to improve outcomes in early childhood under the National Reform Agenda
- the Children’s Services Legislative and Regulations Review
- enhancing the skills of the early childhood workforce
- the Early Learning and Development Framework.

## Victorian Children's Council members as at 30 June 2008

Ms Lynne Wannan	Chair, Victorian Children's council
Professor Frank Oberklaid (Deputy Chair)	Director, Centre for Community Child Health
Mr Bernie Geary (Ex-Officio Member)	Child Safety Commissioner
Dr Maria Apostolopoulos	Parent advocate and Board member, Kalparrin Early Child Intervention program
Ms Aileen Ashford	Chief Executive Officer, Bethany Community Support
Ms Muriel Bamblett	Chief Executive Officer, Victorian Aboriginal Child Care Agency
Dr Ray Cleary	Chief Executive Officer, Anglicare Victoria
Dr Don Edgar	Social policy and research consultant
Professor Gay Edgecombe	Department of Nursing and Midwifery, RMIT University
Ms Sue Harper	National President, OMEP Australia
Mr Paul Linossier	Chief Executive Officer, MacKillop Family Services
Mr David Pugh	Chief Executive Officer, St Luke's Anglicare
Mr Rob Spence	Chief Executive Officer, Municipal Association of Victoria
Ms Sandi de Wolf	Chief Executive Officer, Berry Street Victoria

## Children's Services Coordination Board

The Children's Services Coordination Board brings together key decision makers in government departments to ensure coordination of activities affecting children. The Board was established in 2005 under the *Child Wellbeing and Safety Act 2005*. It comprises the Chief Commissioner for Police and the Secretaries of the Departments of Premier and Cabinet, Treasury and Finance, Human Services, Justice, Education and Early Childhood Development, and Planning and Community Development.

## The role of the Children's Services

Coordination Board is to coordinate the efforts of different programs and consider how to best deal with cross-portfolio issues. The Board's work therefore includes identifying strategic opportunities for cross-agency collaboration, particularly regarding more integrated service delivery, monitoring Government activities and overseeing interdepartmental mechanisms.

The Children's Services Coordination Board reports annually to the Minister for Children and Early Childhood Development and the Minister for Community Services on Victoria's children and young people. In 2008, the Victorian Government published *The State of Victoria's Young People Report 2007*.

The Statewide Outcomes for Children Division of the Department provides secretariat support to the Children's Services Coordination Board. The Children's Services Coordination Board met three times in 2007.

## Children's Services Coordination Board members as at 30 June 2008

Professor Peter Dawkins (Chairperson)	Secretary, Department of Education and Early Childhood Development
Ms Penny Armytage	Secretary, Department of Justice
Mr Yehudi Blacher	Secretary, Department of Planning and Community Development
Mr Grant Hehir	Secretary, Department of Treasury and Finance
Ms Christine Nixon	Chief Commissioner of Police, Victoria Police
Ms Helen Silver	Secretary, Department of Premier and Cabinet
Ms Fran Thorn	Secretary, Department of Human Services

# APPENDIX 6

## Whole-of-government reporting on target groups

On coming to office, the Government pledged a whole-of-government reporting approach in relation to cultural diversity, women, youth and Indigenous affairs. This appendix provides highlights of the Department's commitments and priorities in these four areas for 2007–08 and the Department's performance against relevant performance outputs and measures.

### Cultural diversity

Education is seen as a key to social inclusion and offers the means to redressing factors contributing to social exclusion. The Department is proud of supporting and valuing Victoria's culturally and linguistically diverse communities by providing accessible and culturally inclusive education and early childhood services.

The Department recognises that some individuals and groups face particular challenges in education and in participating in the community because of their cultural or linguistic background. These individuals and groups often need to be actively supported to participate and achieve learning success.

Schools, including specialist language schools and centres, help build proficiency in English and other languages, and shape student attitudes to cultural diversity through multicultural education.

The Department's workforce management and development practices help to ensure that its workforce reflects the cultural and linguistic diversity (CALD) of the community it serves and is well equipped to work with Victoria's growing culturally, linguistically and faith-diverse community.

### Highlights

- In 2007, 240 full-time equivalent multicultural education aide positions were funded across 458 schools, and 26 positions were funded in English language centres.
- Transition coordinators were provided to all English language schools and centres to assist students with their transition from intensive ESL programs to mainstream schools.
- Over \$980,000 was provided for interpreting and translation services to enable non-English speakers to access information in government schools.
- The Department provided \$40,000 in funding for Australian Breastfeeding Association projects. Some of this funding was used for women from a variety of cultural backgrounds, including Vietnamese, Burmese, Lebanese and Indigenous women. Each project has led to different outcomes. For example, in Shepparton, networks and understanding of issues facing the Arabic-speaking community were developed. In Hobsons Bay, increasing awareness of the importance of breastfeeding and promoting the range of supports available to breastfeeding CALD mothers were the main outcomes.
- The Department also provided \$757,000 in funding for the Supported Parenting and Playgroup initiative. Some of this funding was used to establish supported playgroups targeting CALD families and 12 CALD groups have been established.
- The School Compliance Checklist tools were updated to reflect obligations under the Victorian *Charter of Human Rights and Responsibilities Act 2006* and the *Racial and Religious Tolerance Act 2001*.

- A research project was initiated to identify ways to improve communications with CALD communities, including the development of a training package for Departmental employees.
- The Department's annual cultural diversity calendar included staff celebration and recognition of Victorian Cultural Diversity Week, Refugee Week and Human Rights Day.
- A cultural diversity plan was developed to ensure progress in the Department's engagement with CALD individuals and communities. The plan sets out the Department's key commitments for strengthening social inclusion, services and outcomes for CALD communities over a three-year period. Key strategies include providing culturally appropriate training for staff, ensuring accessible information on the Department's services to CALD communities and building assessment of the effectiveness of services into program evaluation.

### Performance measures

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

In 2007, 91 per cent of eligible primary students in regular schools received ESL support, and 89 per cent of eligible secondary students in regular schools received ESL support.

These performance measures are reported annually in the State Budget Papers.

Further information on programs and achievements relating to cultural diversity is contained in the sections on ESL (page 41) and Multicultural education (page 42), and in the Diversity and equal opportunity section in Appendix 3 (page 134).

## Women

The Department made major contributions to the achievement of the priorities for women. These included those outlined in the Forward Plan: Leading with Victoria's Women 2004–2007 and in the Women's Safety Strategy, in particular the priorities related to education, work and economic independence.

The Department's services for women aim to equip girls and women with the education they need to have high-quality jobs, a full and creative life, and opportunities to contribute to their communities. As an employer, the Department aims to provide a working environment that is responsive to the needs of women.

As part of its strategy to achieve sustainable equality for women, the Department provided family-friendly workplaces and work policies that accommodated women's family and carer responsibilities. Women have been active users of the Department's carer and lactation rooms. Women were also the highest take-up group in many of the Department's flexible work and leave options available in both schools and central and regional offices. Part-time employment, job share, working from home via use of telecommunications, purchased leave and the utilisation of recreation leave on half pay were all popular choices for female staff.

### Highlights

- The Eleanor Davis School Leadership program is a Women in Leadership initiative and, together with programs such as the Julia Flynn program, is a key component of the Department's Focus on Women strategy. Further information on these programs is contained on page 134.
- The Department's funding to the Australian Breastfeeding Association was used to support projects targeting areas of disadvantage and young mothers as well as CALD women to enhance breastfeeding rates.



- In 2007–08, \$30,000 was provided to the Post and Antenatal Depression Association to assist in the establishment of post-natal depression support groups in the initial 13 Best Start sites (as mentioned on page 30).

### Performance measures

Key features of the Department's progress in girls' education include the following:

- the Years 7–12 apparent retention rate for girls in Victoria was 87.24 per cent in August 2007 compared with 80.1 per cent for girls nationally (the apparent retention rate refers to the number of full-time students in Year 12 expressed as a proportion of the number of full-time students in Year 7 five years earlier)
- the Years 10–12 apparent retention rate for girls in Victoria was 87.7 per cent in August 2007 compared with 80.8 per cent for girls nationally.

## Young people

Research shows that young people who are engaged with schooling until Year 12 have better long-term employment and economic and social outcomes. For this reason, the Department recognises the need to develop and provide broad pathways for young people in Victoria. Through the provision of education and training services in schools, the Department makes a major contribution to the achievement of the following priorities for young people:

- inclusion – improving outcomes for all young people while narrowing the gap between those who do well and those who do not
- diversity – recognising and responding to the full diversity of young people and making services more responsive to young people and their needs
- collaboration – involving a wide range of organisations from the public, voluntary,

community and private sectors in order to increase choice and secure the best outcomes for and with young people.

### Highlights

- In 2007, through the Youth Transition Support Initiative, the Department assisted 1108 young people who had disengaged from the education and training system to achieve a sustainable education, training or employment outcome.
- The LLENs re-engaged a further 5089 young people with education or training.
- The Department continued to offer, value and promote the three Victorian Year 12 qualifications, the VCE, the VCAL and the IB Diploma, and the number of students participating in each of these qualifications increased.

Further information on achievements relating to youth is contained on pages 52–57.

### Performance measures

The Department's key performance measures for young people are the Government's targets for education. Details of progress towards the targets are on page 18.

## Indigenous affairs

The Department recognises the importance of working with the Indigenous community to improve Indigenous students' participation and achievement levels in education.

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

### Highlights

- Wannik: Learning Together – Journey to our Future was launched by the Minister for Education. Wannik is the Government's education strategy for Indigenous students.



It aims to reposition the education of Indigenous students within all government schools and, through strong leadership, create a culture of high expectations.

- Consistent with Wannik’s focus on improving attendance and engagement, Portland Secondary College has focused on engaging both students and parents in education through the establishment of its Cultural Resource Centre. This highly successful initiative has resulted in improved attendance rates and a drop in suspensions for Indigenous students.
- Two major projects targeting literacy for Indigenous students have been initiated in Gippsland. Targeted Reading Recovery teachers in central Gippsland have seen marked improvement in the literacy levels of participating students, while literacy support for both students and parents in east Gippsland has also had a positive impact.
- An equally successful approach has been undertaken in the Loddon Mallee Region, where additional Literacy Improvement Team specialists have been employed to work in schools with high numbers of Indigenous students.
- The Department has funded ten hours of free kindergarten for 4-year-old Indigenous

children who hold, or whose parents or guardians hold, an appropriate concession card. In addition, 100 children will benefit in the 2008 school year from free kindergarten for Indigenous 3-year-olds.

- Early childhood scholarships aiming to increase the number of Indigenous early childhood teachers were offered to 13 students.
- The Department provided funding for the Supported Parenting and Playgroup initiative, to establish supported playgroups targeting Indigenous families. Twelve Indigenous groups were been established.

### Performance measures

The Department collects data on the enrolments of Indigenous students in schools, by year level and school type, in August each year. In 2007, there were 7595.1 FTE Indigenous students enrolled in government schools in Victoria, representing 1.4 per cent of the student cohort.

Further information on Indigenous programs and achievements is contained on pages 31–32 and 39–40.

# APPENDIX 7

## Office-based environmental impacts

This appendix discloses the Department's office-based environmental impacts on energy use, waste production, paper use, water consumption, transportation and green purchasing for its central and regional offices, as required by FRD 24 – Reporting of Office-based Environmental Impacts by Government Departments.

Due to the 2007 machinery-of-government change, the Department now includes the Office for Children and Early Childhood Development staff. These staff are currently co-located within DHS. Data for these staff is reported separately to enable comparable performance.

The data for 2006–07 reported central and regional offices separately to enable comparable performance. This data was added together to enable comparison with 2007–08 data. The data is based on 1,253.4 FTE at end June 2008 in central and regional offices. The data does not

include Office for Children and Early Childhood Development staff or contract staff.

The Department has implemented a number of programs to reduce environmental impacts and more comprehensively collect data for non-office facilities (schools). These include AussiVic, Ecologically Sustainable Development Guidelines, Schools Water Efficiency program, Tool for Replication of Energy Efficiency in Schools and the Energy Reporting System.

### Central and regional offices

#### Energy

The Department reports on its energy consumption in office facilities only.

The data represented below was collected through energy retailer billing information and represents 100 per cent of sites and 100 per cent of FTE staff.

	2006–07			2007–08		
	Electricity	Natural gas	GreenPower	Electricity	Natural gas	GreenPower
Total energy usage segmented by primary source (MJ)	7,564,463	225,023	1,324,640	7,914,180	366,009	1,657,170
Greenhouse gas emissions associated with energy use, segmented by primary source and offsets (t CO <sub>2</sub> -e)	2,784	14	0	2,880	21	0
Percentage of electricity purchased as GreenPower	15%	–	–	17%	–	–
Cost of GreenPower (\$)	35,281	–	–	42,139	–	–
Units of energy used per FTE (MJ/FTE)	7,669	–	–	7,928	–	–
Units of energy used per unit of office area (megajoules per m <sup>2</sup> )	292	–	–	341	–	–
<b>Actions undertaken</b>						
Awareness programs	Participant in Earth Hour, educational posters regarding ‘Switch-off’, CFLs and GreenPower.					
Energy Performance Contract	Scoping and tendering for Victorian Government’s Energy Performance Contract. Includes all tenancy and base building energy and water-saving opportunities to be implemented during 2008–09.					

## Targets

- Reduce energy consumption per square metre by 20 per cent of 1999–2000 consumption by 30 June 2010.
- Purchase 25 per cent GreenPower as percentage of total electricity consumption by 30 June 2010.

## Explanatory notes

- The overall increase in energy usage is partly due to the inefficient heating and cooling system in the Gippsland Regional Office.
- The increase in natural gas usage is due to the Northern Metropolitan Regional Office relocating in March 2007 to a site supplied with natural gas.
- Energy and water data for the Northern Metropolitan Regional Office is calculated as a percentage of meter reading for Coburg Senior High School, the Island School and the Victorian Curriculum and Assessment Authority.
- The increase in electricity used per unit of office area is due to down-sizing

the Northern Metropolitan and Barwon South-Western regional offices and associated training facilities.

- The 2007–08 target to reduce energy consumption per square metre by 20 per cent of 1999–2000 consumption by 30 June 2010 will be addressed through energy reduction initiatives.
- The 2007–08 target to purchase 25 per cent of total electricity from GreenPower by 30 June 2010 is on track.

## Waste

The triple waste system within the Department's offices facilitates easy segregation of waste materials for recycling, composting or landfill.

The data presented below is derived from a five-day waste audit conducted at four Central Office sites and a four-day waste audit conducted at Barwon South Western Regional Office, covering over 70 per cent of staff.

Indicator	2006–07			2007–08		
	Landfill	Commingled recycling	Compost	Landfill	Commingled recycling	Compost
Total units of waste disposed of by destination (kg/yr)	135,074			24,339	70,811	13,877
				Total: 109,027		
Units of waste disposed of per FTE by destinations (kg/FTE)	n/a	n/a	n/a	19.42	56.49	11.07
				Total: 86.98		
Recycling rate (% of total waste)	90			78*		
Greenhouse gas emissions associated with waste disposal (t CO <sub>2</sub> -e)	n/a			27		
* This figure would increase to 82 per cent if the following were included: Green Collect, Close the Loop (mobile phone, batteries, corks, toner cartridges) and shredding recycling.						
Actions undertaken						
Triple waste system	The system is in place in all central offices and was introduced as part of Green Star best endeavours at two new regional office sites.					
e-Waste	Over 180 monitors, PCs, servers and printers were sent to Clearhouse Technology for green-friendly recycling. Approximately 900 monitors, PCs, printers and laptops were sent to schools as part of the RePC program.					

## Targets

- Make triple waste system available to 80 per cent of central and regional offices by 30 June 2009.
- Reduce total waste generated per FTE to 85 kilograms by 30 June 2009.
- Divert 70 per cent of waste from landfill by 30 June 2009.

## Explanatory notes

- The recycling rate percentage has decreased. This can partly be explained by improved audit processes. The 2006–07 audit was conducted over one day; the 2007–08 audit was conducted over five days.
- The 2007–08 target to reduce total waste generated per FTE by 10 per cent of 2004–05 data was exceeded. The Department achieved a 50 per cent reduction (173.50 kg/FTE to 86.98 kg/FTE).
- The 2007–08 target to divert 60 per cent of waste from landfill was exceeded. The Department diverted 78 per cent.

## Paper

Paper consumption data is sourced from purchases made through the whole-of-government stationery contract and some independent stationery suppliers. (Some regional offices source paper from independent suppliers to support local business).

The Department is implementing multi-function devices incorporating printing, photocopying and faxing, and an online record management program that will assist paper reduction.

## Targets

- Reduce paper consumption to 20 reams per FTE by 30 June 2009 (approximately 80 per cent of 2007–08 usage).
- Purchase a minimum 95 per cent of copy paper with a recycled content of at least 50 per cent.

## Explanatory notes

- Paper consumption increased from 2006–07 results. This can partly be explained by a miscalculation in 2006–07 independent stationery supplier data.
- The 2007–08 target to reduce paper consumption per FTE by 5 per cent of 2004–05 consumption was exceeded. The Department achieved a 29 per cent reduction.
- The 2007–08 target to purchase a minimum 95 per cent of A4 office paper with a recycled content of at least 50 per cent was not met. However, during 2007–08 the Department increased the purchase of A4 office paper with a recycled content of at least 50 per cent from 18 per cent to 69 per cent.

Indicator	2006–07	2007–08
Total units of copy paper used (reams)	26,158	31,515
Units of copy paper used per FTE (reams per FTE)	22	25
Percentage 75–100% recycled content copy paper purchased (%)	15	48
Percentage 50–74% recycled content copy paper purchased (%)	3	21
Percentage 0–49% recycled content copy paper purchased (%)	82	31
<b>Actions undertaken</b>		
Departmental standards of A4 copy paper	Purchase of A4 copy paper through stationery suppliers is restricted to minimum 50 per cent recycled content.	
Duplex default	Multi-function devices installed throughout the Department are set to duplex default.	

## Water

The data below is based on mains water meter readings at nine Departmental regional office sites covering 30 per cent of Departmental staff. Water consumption for the remaining 70 per cent of staff in the Department's Central Office is reported by the building owner, the Department of Treasury and Finance (DTF). DTF has advised that there has been an approximate 22 per cent decrease in water consumption on the Treasury Precinct in comparison to 2006–07.

### Targets

- Reduce water consumption to 10 kilolitres per FTE by 30 June 2009.
- Install semi-waterless urinals at government-owned Department buildings where appropriate by 30 June 2009.

### Explanatory notes

- The 2007–08 target to implement actions identified in whole-of-government water targets was achieved. Water-flow restrictors and water-efficient showerheads and dishwashers were installed at all central and regional offices.
- The 2007–08 target to improve collection of water data for central office was achieved as indicated in the table below.

## Transport

The Department's fleet comprises 254 vehicles, 81 per cent of which are operational vehicles and the remainder executive fleet. Of the operational vehicles, 60 per cent are LPG, 24 per cent are 4-cylinder petrol-fuelled, 9 per cent are 6-cylinder dual petrol/LPG fuelled and 7 per cent are hybrid. The executive fleet comprises 94 per cent 6-cylinder petrol-fuelled and 6 per cent hybrid/LPG vehicles.

### Targets

- Reduce consumption of unleaded petrol used by the Department's passenger vehicle fleet by 5 per cent compared to 2007–08 by 30 June 2009.
- Make Metcards and V/Line tickets available for business travel to all staff within Departmental divisions and regions by 30 June 2009.

### Explanatory notes

- The 2006–07 transport data was not reported due to its unreliability. Transport data management has since improved.
- The 2007–08 target to optimise the proportion of commuter trips taken on public transport, walking, cycling etc. of 75 per cent of staff, in line with Government commitment, was not met. However, the Department improved the overall percentage of staff commuting sustainably to and from work from 57 per cent to 63 per cent.

Indicator	2006–07	2007–08
Total units of metered water consumed by usage types (KL)	7,098	4,305*
Units of metered water consumed in offices per FTE (KL/FTE)	20	11
Units of metered water consumed in offices per unit of office area (KL/m <sup>2</sup> )	0.4785	0.4171
*The significant reduction in water consumption may be attributed to the elevated water consumption in 2006–07 due to an approximate 2,500,000 litre water leak at the Loddon Mallee Regional Office.		
<b>Actions undertaken</b>		
Smart meters	Installation of smart meters to all buildings and major end-users on the Treasury Precinct.	
Energy Performance Contract	Scoping and tendering for Victorian Government's Energy Performance Contract. Includes all tenancy and base building energy and water-saving opportunities to be implemented during 2008–09.	

Operational vehicles	2006–07	2007–08	
		Petrol	LPG
Total energy consumption by vehicles (MJ)	n/a	10,547,039	12,960,017
Total vehicle travel associated with entity operations (km)	n/a	4,020,497	3,010,454
Total greenhouse gas emissions from vehicle fleet (t CO <sub>2</sub> -e)	n/a	771	841
Greenhouse gas emissions from vehicle fleet per 1000 km travelled (t CO <sub>2</sub> -e)	n/a	0.19	0.30

	2006–07	2007–08
Total distance travelled by aeroplane (km)	n/a	2,117,880**

	2006–07		2007–08	
	CBD	Regional	CBD	Regional
Percentage of employees regularly (>75 per cent of work attendance days) using public transport, cycling, walking or car pooling to and from work or working from home, by locality type	78	12	89	21
<b>Actions undertaken</b>				
Hybrid vehicles	Increased number of Toyota Prius Hybrid vehicles from 3 to 16.			
Dedicated LPG and dual fuel vehicles	Increased numbers of dedicated LPG and dual fuel vehicles.			
Encouraged executive officers to purchase environmental friendly vehicles	Executive officers have purchased one LPG vehicle and four Toyota Prius vehicles.			
Public transport	Encouraged all staff to consider the environment prior to requesting a pool vehicle.			

\*\* Includes statutory authority data

### Greenhouse gas emissions

The data below is taken from the previous sections and brought together here to show the Department's greenhouse footprint.

#### Target

- To reduce the Department's carbon footprint by 50 per cent by 2030.

Indicator	2006–07	2007–08
Total greenhouse gas emissions associated with energy use (t CO <sub>2</sub> -e)	2,798	2,901
Total greenhouse gas emissions associated with waste production (t CO <sub>2</sub> -e)	n/a	27
Total greenhouse gas emissions associated with paper purchases (t CO <sub>2</sub> -e)	n/a	149
Total greenhouse gas emissions associated with water consumption (t CO <sub>2</sub> -e)	n/a	10
Total greenhouse gas emissions associated with vehicle fleet (t CO <sub>2</sub> -e)	n/a	1,612
Total greenhouse gas emissions associated with air travel (t CO <sub>2</sub> -e)	n/a	652
Greenhouse gas emissions offsets purchased (t CO <sub>2</sub> -e)	n/a	1,612*
*In line with the Victorian Government's commitment outlined in <i>Our Environment, Our Future 2006</i> , the Department of Sustainability and Environment will purchase offsets equivalent to the Department's passenger vehicle emissions for the 2007–08 financial year.		
<b>Actions undertaken</b>		
All the actions undertaken in the energy, waste and transport sectors will help to reduce the Department's greenhouse gas emissions.		

## Purchasing

The Department met the 2007–08 target to incorporate environmental purchasing in procurement planning and tender procedures. For example, environmental criteria and their respective weighting were applied to the Department’s Notebook and CASES Refresh tenders. Both tenders included energy efficiency, reduced and recyclable packaging and product recycling criteria. The Department also met the 2007–08 target to improve its consideration of environmental impacts in the selection of goods and services. For example:

- the online purchasing system now restricts the purchase of copy paper to those with a minimum 50 per cent recycled content
- the Department hosted a contracted supplier roadshow to demonstrate environmentally friendly stationery options, and worked with the contracted supplier to ensure environmentally friendly stationery products were easily identifiable in the online stationery catalogue
- the Department’s internal catering service replaced polystyrene cups with crockery and paper cups.

### Target

- Development and implementation of the Department’s procurement policy by 30 June 2009.

## Office for Children and Early Childhood Development

Due to the machinery-of-government change, the Office for Children and Early Childhood Development (OCECD) was transferred from DHS to the new Department. OCECD staff are located in DHS-owned and leased buildings.

Data for OCECD is based on information provided by DHS. OCECD comprises 7.86 per cent of DHS FRD 24 data. Introductions to each FRD 24 section are based on the whole of DHS.

Actions reported in the FRD 24 data are DHS initiatives at OCECD sites.

Targets apply to all of the Department, including DHS-owned and leased buildings.

## Energy

DHS consumes energy for a number of different uses, including office facilities, storage, archives, call centres, community housing precincts and public lighting.

The data below was collected through energy retailer billing information and represents 100 per cent of office-based sites and 100 per cent of FTE staff.

### Actions undertaken

- Ecotracker: weekly smart metering and base-level energy assessments in Bendigo.
- Delamping: in hallways, offices and toilets in Barwon South Western Region.

	2006–07			2007–08		
	Electricity	Natural gas	GreenPower	Electricity	Natural gas	GreenPower
Total energy usage segmented by primary source (MJ)	n/a	n/a	n/a	4,564,321	231,817	486,304
Greenhouse gas emissions associated with energy use, segmented by primary source and offsets (t CO <sub>2</sub> -e)	n/a	n/a	n/a	1,661	13	0
Percentage of electricity purchased as GreenPower	n/a	–	–	9.63%	–	–
Cost of GreenPower (\$)	n/a	–	–	n/a	–	–
Units of energy used per FTE (MJ/FTE)	n/a	–	–	9,187	–	–
Units of energy used per unit of office area (MJ per m <sup>2</sup> )	n/a	–	–	483	–	–



- Lighting: control system installed in Cheltenham, Footscray and Geelong.
- Retrofitting: T8 lights replaced by T5 adaptors in Cheltenham, Footscray and Geelong.
- Computer night-time shut down initiative: communications of computer audits in Barwon South Western Region.
- Printer rationalisation: reduced numbers of printers and faxes in Barwon South Western Region.
- Hardware default modes: set to power-save modes in all regions.
- Energy audit recommendations: implemented recommendations in Southern Metropolitan, Eastern Metropolitan and Hume regions.

#### Targets

- Reduce energy consumption per square metre by 20 per cent of 1999–2000 consumption by 30 June 2010.
- Purchase 25 per cent GreenPower as percentage of total electricity consumption by 30 June 2010.

#### Waste

The waste generated by processes within DHS is divided into four general classes – landfill, compost, paper and recycling. DHS waste management system was made available to a greater proportion of Departmental staff in 2007–08, with most regional sites ready

for implementation. This program facilitates the easy segregation of waste materials for paper, recycling, composting or landfill within the Department’s offices.

The data below is derived from a one-day waste audit conducted at 19 sites.

#### Actions undertaken

- DHS waste management system: introduced at 12 sites and now covers 20 per cent of sites and 62 per cent of office-based FTE.
- Fluro-tube recycling: introduced in Southern Metropolitan Region.
- Mobile phone recycling: introduced in Southern Metropolitan Region.
- Toner cartridge recycling: cartridges recycled at all sites.
- Secure document waste stream: secure bins available in all DHS offices.
- e-waste: all computers and printers recycled in all regions.

#### Targets

- Make triple waste system available to 80 per cent of central and regional offices by 30 June 2009.
- Reduce total waste generated per FTE to 85 kilograms by 30 June 2009.
- Divert 70 per cent of waste from landfill by 30 June 2009.

Indicator	2006–07			2007–08		
	Landfill	Commingled recycling	Compost	Landfill	Commingled recycling	Compost
Total units of waste disposed of by destination (kg/yr)	n/a	n/a	n/a	10,350	36,800	3,450
				Total 50,600		
Total units of waste disposed of per FTE by destinations (kg/FTE)	n/a			18	64	6
				Total 88		
Recycling rate (% of total waste)	n/a			73		
Greenhouse gas emissions associated with waste disposal (t CO <sub>2</sub> -e)	n/a			12		

## Paper

DHS is becoming more efficient in relation to paper utilisation. Additional programs commenced during the reporting period that provided additional reductions in consumption.

Indicator	2006–07	2007–08
Total units of copy paper used (reams)	n/a	6,857
Units of copy paper used per FTE (reams per FTE)	n/a	11.93
Percentage 75–100% recycled content copy paper purchased (%)	n/a	3%
Percentage 50–74% recycled content copy paper purchased (%)	n/a	83%
Percentage 0–49% recycled content copy paper purchased (%)	n/a	11%

### Actions undertaken

- Default paper: office paper policy to only purchase 50 per cent recycled paper content as a minimum for A4 white copy paper.
- Printer audit: set printer configurations to duplex to cope with non-Windows-based printer drives.

### Targets

- Reduce paper consumption to 20 reams per FTE by 30 June 2009 (approximately 80 per cent of 2007–08 usage).
- Purchase a minimum 95 per cent of copy paper with a recycled content of at least 50 per cent.

## Water

The data below is based on water meter readings at 49 major Departmental sites covering 59.69 per cent of FTE staff.

Indicator	2006–07	2007–08
Total units of metered water consumed by usage types (KL)	n/a	3,953
Units of metered water consumed in offices per FTE (KL/FTE)	n/a	7
Units of metered water consumed in offices per unit of office area (KL/m <sup>2</sup> )	n/a	0.367

### Actions undertaken

- Flow controllers: low-flow restrictors fitted for all taps within DHS tenancies and AAA showerheads installed.
- Water efficient toilets: low-flow restrictors, dual flush and small cisterns installed at Fitzroy.

### Targets

- Reduce water consumption to 10 kilolitres per FTE by 30 June 2009.
- Install semi-waterless urinals at government-owned Departmental buildings where appropriate by 30 June 2009.

## Transport

DHS's fleet comprised 1720 vehicles, 93 per cent of which are operational vehicles, and the remainder executive fleet. Of the operational fleet, 28 per cent are LPG, 8 per cent are hybrid, 37 per cent are 4-cylinder unleaded petrol, 18 per cent are 6-cylinder ULP, 7 per cent are diesel buses and the others include tractors, mowers, motorbikes, and amphibious and emergency vehicles.

### Targets

- Reduce consumption of ULP used by Department passenger vehicle fleet by 5 per cent compared with 2007–08 by 30 June 2009.
- Make Metcards and V/Line tickets available for business travel to all staff within Departmental divisions and regions by 30 June 2009.

### Explanatory notes

- OECD's fleet comprised 62 vehicles, 97 per cent of which are operational vehicles, and the remainder executive fleet. Of the operational vehicles, 41 per cent are LPG, 34 per cent are 4-cylinder petrol-fuelled, 18 per cent are 6-cylinder petrol-fuelled and 7 per cent are hybrid. The executive fleet comprised 50 per cent 6-cylinder petrol-fuelled and 50 per cent hybrid vehicles.

Executive and operational vehicles	2006–07			2007–08		
	Petrol	Diesel	LP gas	Petrol	Diesel	LP gas
Total energy consumption by vehicles (MJ)	n/a	n/a	n/a	5,187,227	540,125	1,799,122
Total vehicle travel associated with entity operations (km)	n/a	n/a	n/a	1,351,693	109,040	509,332
Total greenhouse gas emissions from vehicle fleet (t CO <sub>2</sub> -e)	n/a	n/a	n/a	379	41	117
Greenhouse gas emissions from vehicle fleet per 1000 km travelled (t CO <sub>2</sub> -e)	n/a	n/a	n/a	0.281	0.372	0.229

	2006–07	2007–08
Total distance travelled by aeroplane (km)	n/a	116,012

	2006–07			2007–08		
	CBD	Metropolitan	Regional	CBD	Metropolitan	Regional
Percentage of employees regularly (>75% of work attendance days) using public transport, cycling, walking, or car pooling to and from work or working from home, by locality type.	n/a	n/a	n/a	93	41	42

## Greenhouse gas emissions

The data below is taken from the previous sections and brought together here to show OECD's greenhouse footprint.

### Actions undertaken

- All the actions undertaken in the energy, waste and transport sectors will help to reduce OECD's impacts.

### Target

- To reduce the Department's carbon footprint by 50 per cent by 2030.

## Purchasing

Environmental considerations are incorporated into the DHS purchasing and funding tender template. DHS purchased the desired energy ratings for all major electrical goods and introduced a paper procurement policy with recycled content requirements. Purchase of stationery and office supplies maximises the use of environmentally preferred goods, including paper, printer and toner cartridges, personal computers and laptops.

### Target

- Develop and implement the Department's procurement policy by 30 June 2009.

Indicator	2006–07	2007–08
Total greenhouse gas emissions associated with energy use (t CO <sub>2</sub> -e)	n/a	1674
Total greenhouse gas emissions associated with waste production (t CO <sub>2</sub> -e)	n/a	12
Total greenhouse gas emissions associated with paper purchases (t CO <sub>2</sub> -e)	n/a	32
Total greenhouse gas emissions associated with water consumption (t CO <sub>2</sub> -e)	n/a	n/a
Total greenhouse gas emissions associated with vehicle fleet (t CO <sub>2</sub> -e)	n/a	537
Total greenhouse gas emissions associated with air travel (t CO <sub>2</sub> -e)	n/a	37
Greenhouse gas emissions offsets purchased (t CO <sub>2</sub> -e)	n/a	537*

\*In line with the Victorian Government's commitment in *Our Environment, Our Future 2006*, to offset the Victorian Government's passenger vehicle fleet emissions, the Department of Sustainability and Environment will purchase offsets equivalent to the OECD's passenger vehicle emissions for the 2007–08 financial year.

# APPENDIX 8

## Freedom of Information

During 2007–08, 195 requests were received for documents under the *Freedom of Information Act 1982* (the Act). Full access was granted for 62 requests and partial access for a further 66. Access was denied for 13 requests and documents could not be located or did not exist for 23 requests. Thirteen requests were withdrawn. At the end of the reporting period, there were 18 requests for which no decision had been made.

Where access was not granted to a document, the major exemption categories in the Act used in decision making were:

- section 30 (opinions, advice and recommendations that are against the public interest to release)
- section 32 (legal professional privilege)
- section 33 (to protect the privacy of the personal affairs of others)
- section 34 (documents relating to business or trade secrets)
- section 35 (communications in confidence).

Five applicants sought an internal review. The original decisions of three were fully upheld while one original decision was varied. One internal review had not been completed at the end of the financial year. There was one appeal to the Victorian Civil and Administrative Tribunal for review of a decision made under the Act. This was withdrawn before a hearing was scheduled.

### Publication requirements

The information required to be published pursuant to section 7 of the Act is either contained below or is found in other parts of this report. This information relates to the following agencies:

- Department of Education and Early Childhood Development
- Merit Protection Boards.

Queries about the availability of and charges for other material prepared under Part II of the Act should be directed to the relevant authorised officer (see table on page 169).

### Categories of documents

The Department produces a large number of documents in a decentralised record-keeping environment. Accordingly, the Department does not maintain a single, consolidated list of detailed categories of documents. The Department maintains collections of policy files, transaction files and records and, where necessary, personnel records. A variety of indexes and other search aids are used by agencies. In general, files and records are retrieved through subject descriptors or personal name. Following are the general categories of documents maintained.

#### *Correspondence, administrative and policy documents*

The Department has a number of systems in place for recording, sharing and tracking these records. The Merit Protection Boards are responsible for their own records. Regional offices and schools maintain their own record-keeping systems. These are largely independent of the systems used by the central administration.

#### *Personnel documents*

The Department and the Merit Protection Boards maintain record-keeping systems for their employees, including, where appropriate, records for members of the teaching service and the VPS.

#### *Accounting records*

Accounting records are maintained on a computerised accounting system. The records

deal with general ledger entries, accounts payable, payroll and other accounting functions. Some paper records are also kept.

## Freedom of Information arrangements

### *Access to records*

All requests for access to records held by agencies are dealt with by the authorised officer of the appropriate agency (see table below). Applicants seeking access to documents held by agencies should attempt to specify the topic of interest rather than the file series in which the applicant considers the document might exist. Assistance in specifying the topic is available from the authorised officer.

### *Forms of request for access*

Applicants are required by the Act to submit applications requesting access to documents in writing. No form of application is specified. A letter clearly describing the document(s) sought is sufficient. The letter should specify that the application is a request made under the *Freedom of Information Act 1982* and should not form part of a letter on another subject. The applicant should provide the following information:

- name
- address
- telephone number (business hours)
- details of document(s) requested
- form of access required – copies of documents, inspection of file or other (specify).

#### *Freedom of Information: authorised officers*

Agency	Authorised officer	Postal address	Telephone
Department of Education and Early Childhood Development	Neil Morrow	GPO Box 4367, Melbourne 3001	(03) 9637 2670
Merit Protection Boards	Beverly Trease	Level 9, 35 Spring Street, Melbourne 3000	(03) 9651 0290

### *Correction of personal information*

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

### *Fees and charges*

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

### *Appeals*

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

Further information about Freedom of Information can be found on the Department's website <[www.education.vic.gov.au](http://www.education.vic.gov.au)>.

# APPENDIX 9

## Statement of support to whistleblowers

The Department does not tolerate improper conduct by its employees or officers nor the taking of reprisals against those who come forward to disclose such conduct under the *Whistleblowers Protection Act 2001* (the Act).

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 a substantial risk to public health and safety or the environment. The alleged conduct must be serious enough to constitute, if proven, a criminal offence or reasonable grounds for dismissal to satisfy the Act.

The Department assessed two disclosures under the Act in 2007–08. Of these two disclosures:

- both were protected disclosures
- no matters were declined because the complainant could not substantiate them
- no matters are awaiting substantiation by the complainant.

Of the complaints examined during the year:

- one matter was referred to the Ombudsman, and later declined by the Ombudsman
- one matter was declined by the Department.

There were no matters taken over by the Ombudsman.

### Corrupt conduct

Corrupt conduct means:

- conduct that adversely affects the honest performance of functions
- the dishonest performance of functions or performance with inappropriate partiality
- conduct that amounts to a breach of public trust

- conduct that amounts to the misuse of information/ material acquired in the course of one's duties
- a conspiracy or attempt to engage in the above conduct.

### The reporting system

#### Contact persons within the Department of Education and Early Childhood Development

Disclosures of improper conduct or detrimental action by employees of the Department of Education and Early Childhood Development may be made directly to the following officers:

##### *Protected Disclosure Coordinator*

Mr Colin Twisse

General Manager

External Relations and Strategic Coordination

Telephone: (03) 9637 3535

##### *Protected Disclosure Officer*

Mr Bryan Sketchley

Privacy Officer

Telephone: (03) 9637 3601

All correspondence, telephone calls and emails from internal or external whistleblowers will be referred to the Protected Disclosure Coordinator. Where a person is contemplating making a disclosure and is concerned about confidentiality, he or she can call the Protected Disclosure Coordinator and request a meeting in a discreet location away from the workplace.

Employees can also obtain information about whistleblower policy and procedures from the Departmental regional offices.

#### Alternative contact persons

A disclosure about improper conduct or detrimental action by employees of the Department may also be made directly to the Ombudsman.

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*The Ombudsman Victoria*  
459 Collins Street  
Melbourne Victoria 3000  
(DX 210174)  
Internet: [www.ombudsman.vic.gov.au](http://www.ombudsman.vic.gov.au)  
Email: [ombudvic@ombudsman.vic.gov.au](mailto:ombudvic@ombudsman.vic.gov.au)  
Telephone: (03) 9613 6222



## APPENDIX 10

### Portfolio responsibilities

Until 3 August 2007, the then Minister for Skills, Education Services and Employment, Jacinta Allan, MP, had the following responsibilities within the portfolio:

- international education
- student wellbeing and safety (including truancy and absenteeism, welfare officers and school nurses, immunisation, student critical incidents, school bullying and other duty-of-care issues)
- Program for Students with Disabilities
- Education Maintenance Allowance
- School Start Bonus
- information technology infrastructure (delegated from the Minister for Education)
- youth transition (including LLENs)
- delivery of senior secondary certificates outside of school.

The then Minister for Education, John Lenders, MP, had responsibility for all other matters within the portfolio.

Since 3 August 2007, the Minister for Children and Early Childhood Development, Maxine Morand, MP, has had the following responsibilities within the portfolio:

- birth notification
- early years services
- youth services
- children's policy and research
- Program for Students with Disabilities
- Victorian Children's Council
- Children's Services Coordination Board.

The Minister for Education, Bronwyn Pike, MP, has responsibility for all other matters within the portfolio.

The Acts of Parliament currently administered by each Minister are as follows.

#### *Minister for Education*

- *Education and Training Reform Act 2006* except:
  - Division 5 of Part 2.2 (these provisions are administered by the Minister for Children and Early Childhood Development)
  - Section 2.5.3 insofar as it relates to international education, vocational education and training, and senior secondary certificate delivery by registered education and training organisations and adult, community and further education providers; Chapter 3; Division 3 of Part 4.3 insofar as it relates to courses delivered and qualifications issued to students other than students in schools; Division 4 of Part 4.3; Division 5 of Part 4.3; Division 6 of Part 4.3; sections 4.4.1 and 4.4.2 insofar as they relate to courses delivered and qualifications issued to students other than students in schools; section 4.4.3; section 4.4.4; section 4.4.5 insofar as it relates to courses delivered and qualifications issued to students other than students in schools; Part 4.5 insofar as it relates to courses delivered to overseas students, other than overseas students in schools; section 4.6.3; section 4.6.4; section 4.7.5; section 4.7.6; section 5.2.1(2)(d)(ii); section 5.2.1(2)(d)(iii); section 5.2.1(2)(d)(iv); Divisions 2 and 3 of Part 5.4; Part 5.5; Schedules 3 and 4 (these provisions are administered by the Minister for Skills and Workforce Participation)
  - Sections 4.2.4, 4.2.5 and 4.2.8 are jointly administered with the Minister for Skills and Workforce Participation

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- Chapter 1; Part 4.1; sections 4.2.1, 4.2.2, 4.2.3, 4.2.6, 4.2.7; section 4.6.1; section 4.6.2; Part 4.7 (except sections 4.7.1, 4.7.5 and 4.7.6); Part 4.8; Part 4.9; Part 5.1; Part 5.2 (except subparagraphs (i) to (iv) of section 5.2.1(2)(d) and section 5.2.1(6)); section 5.3.1; section 5.3.2; section 5.3.3; Division 1 of Part 5.4; section 5.7.2; Part 5.8 (except section 5.8.5); Part 5.9; Part 5.10 and Schedules 2, 5 and 6 are jointly and severally administered with the Minister for Skills and Workforce Participation
- *Mildura College Lands Act 1916*
- *Royal Melbourne Hospital (Redevelopment) Act 1992*:
  - Section 7 (the Act is otherwise administered by the Minister for Health)
- *Serpell Joint Schools Act 1981*

## ***Minister for Children and Early Childhood Development***

- *Child Wellbeing and Safety Act 2005* except:
  - Parts 4 and 5 (these Parts are jointly and severally administered with the Minister for Community Services)
  - Part 6 (this Part is administered by the Minister for Community Services)
- *Children's Services Act 1996*
- *Education and Training Reform Act 2006*:
  - Division 5 of Part 2.2 (the remaining provisions of this Act are administered by the Minister for Education and the Minister for Skills and Workforce Participation)
- *Pre-school Teachers and Assistants (Leave) Act 1984*

Source: Administration of Acts General Order of 8 August 2007 and Supplement to the General Order of 8 August 2007

## APPENDIX 11

### Contracts and consultancies

Under the *Financial Management Act 1994* the following distinction is made between contractors and consultants.

Contractors:

- provide goods, works or services that implement a decision
- perform all or part of a new or existing ongoing function to assist an agency carry out its defined activities and operational functions
- perform a function involving skills or perspectives that would normally be expected to reside within the agency but at the time are unavailable.

Consultants:

- provide expert analysis and advice that facilitates decision making
- perform a specific, one-off task or set of tasks
- perform a task involving skills or perspectives that would not normally be expected to reside within the agency.

#### ***Disclosure of major contracts***

The Department has disclosed all contracts greater than \$10 million in value that it entered into in 2007–08. The disclosed contracts can be viewed on <[www.tenders.vic.gov.au](http://www.tenders.vic.gov.au)>.

#### ***Compliance with the Victorian Industry Participation policy***

The *Victorian Industry Participation Policy Act 2003* requires public bodies and departments to report on the implementation of the Victorian Industry Participation policy. Departments are required to apply the policy in all tenders over \$3 million in metropolitan Melbourne and \$1 million in regional Victoria.

During 2007–08, the Department commenced 33 contracts to which the Victorian Industry Participation policy applied, totalling \$274,840,820 in value. The contracts included 25 metropolitan contracts totalling \$251,214,058, and eight regional contracts totalling \$23,626,762.

The commitments under the policy included:

- an average level of local content of 82 per cent of the total value of the contracts
- 705 FTE jobs
- benefits to the Victorian economy through:
  - development and implementation of technology in schools
  - professional development for staff
  - skills development through work on infrastructure projects and participation in related training in OHS and various trade areas.

The Department completed four contracts to which the Victorian Industry Participation policy applied, totalling \$12,607,056 in value. The contracts included two metropolitan contracts totalling \$9,537,809 and two regional contracts totalling \$3,069,247.

Consultancies in excess of \$100,000

Consultant	Particulars	Amount paid in 2007–08	Future commitments as at 30 June 2008
University of South Australia	To review the support of Indigenous students at school, with particular focus on the operation of both the dedicated Indigenous workforce and the broader education workforce.	\$307,105	\$0
Queensland University of Technology	To review culturally inclusive education, with particular focus on dedicated provision for Indigenous students through the Victorian College of Koorie Education.	\$108,240	\$0
Allen Consulting Group	To undertake the Next Phase Schools Workforce Development Research Project.	\$55,732	\$130,042
PriceWaterhouseCoopers	To provide the Department with a methodology about how the impact of school infrastructure investment on student outcomes can be measured.	\$105,050	\$0
<b>Total</b>		<b>\$576,127</b>	<b>\$130,042</b>

Consultancies less than \$100,000

Number engaged	4
<b>Total cost</b>	<b>\$267,756</b>

# APPENDIX 12

## Other statutory requirements and Department policies

### *Building Act 1993*

The Department conforms with the requirements of the *Building Act 1993* and other statutory obligations with respect to the construction of new educational facilities and modernisation. The school modernisation program and building compliance program progressively ensure that existing buildings comply with relevant legislative requirements.

### Purchasing and contracting

The Department promotes consistent rules on probity and ethics in all of its purchasing and contracting arrangements, in line with the Victorian Government Purchasing Board's policy on probity. These rules ensure an equitable and sound purchasing process and the provision of equal opportunity for all parties. Compliance with these rules is guaranteed through routine internal audits and an accredited purchasing process.

The Department promotes staff attendance at training courses in purchasing, tendering and contracting, and ensures that probity and ethics are discussed at each session.

### National Competition Policy

In 1995, the Commonwealth, State and Territory governments agreed to implement the National Competition Policy to promote greater competition and encourage economic growth. Three requirements of the policy are:

- legislative reviews to eliminate restrictions on competition
- assessment of new legislation and regulation to ensure continued compliance with the policy
- competitive neutrality to ensure consistency in pricing of services and/or facilities.

The Department has complied with the requirements of the National Competition Policy and is continuing to report to the Department of Treasury and Finance as required regarding implementation.

### *Legislative reviews*

The Department did not undertake any reviews of legislation under the National Competition Policy in 2007–08.

### *Assessment of new legislation and regulations*

All new legislation and regulations enacted within the portfolio during 2007–08 were subject to assessment against National Competition Policy requirements to ensure continued compliance with the policy.

### *Competitive neutrality*

Competitive neutrality requires government businesses to ensure, where services may compete with the private sector, that any advantages arising from their government ownership are removed if they are not in the public interest. The Department was not involved in any complaints for the year 2007–08.

### Information privacy

The Department is committed to protecting the privacy of personal and health information. Personal and health information is collected and used by the Department to provide services or carry out statutory functions. All of the Department's central and regional offices, schools and funded services have been briefed on privacy laws, provided with tools to assist with compliance and assisted with tailored privacy advice as required.

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All of the Department’s funded service providers are obliged contractually and by Victoria’s privacy laws to ensure that they comply with the requirements of the legislation.

The Department’s Information Privacy policy is reviewed periodically, and is made widely available. The Department works closely with the Office of the Victorian Privacy Commissioner and the Health Services Commissioner in providing privacy advice

and assistance, resources and reference materials to ensure ongoing compliance across the Department.

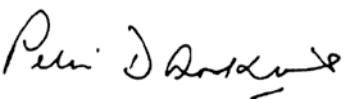
The Department’s Freedom of Information and Privacy Unit investigates and responds to privacy complaints on a regular basis. Complaints are generally resolved at a local level; however, privacy complaints have been conciliated at the Office of the Victorian Privacy Commissioner and the Victorian Civil and Administrative Tribunal.

# APPENDIX 13

## Risk management attestation

I, Professor Peter Dawkins, certify that the Department of Education and Early Childhood Development has risk management processes in place consistent with the Australian/New Zealand Risk Management Standard 4360:2004 and that an internal control system is in place that, subject to testing for operations transferred to the Department in 2007–08, enables the executive to understand, manage and satisfactorily control risk exposures.

The Portfolio Audit Committee verifies this assurance; that the risk profiles of the Department of Education and Early Childhood Development have been critically reviewed within the last 12 months and that steps have been taken to review and manage risks over the next reporting period for operations that have been the subject of machinery-of-government transfer in 2007–08.



Professor Peter Dawkins  
 SECRETARY  
 Department of Education and Early Childhood Development  
 August 2008

### The Portfolio Audit Committee

The Portfolio Audit Committee is a forum for monitoring and oversight of governance, risk management, audit and business assurance activity across the education and early childhood development portfolio, with a focus on functions and processes affecting the entire portfolio.

The committee comprises three independent members and two internal members.

#### Portfolio Audit Committee members

Independent	Internal
Ms Elizabeth Alexander AM (Chair)	Mr John Allman
Mr John Warburton	Mr Jim Miles
Mr John Thomson	

The main responsibilities of the committee are to:

- provide advice to the Secretary that key risk areas within the Department and those included in the Portfolio Audit Plan have appropriate management controls in place
- provide information to the statutory authority audit committees to facilitate monitoring and further action on significant risks to the portfolio that are within their sphere of control
- communicate with and receive reports from the statutory authority audit committees on issues of governance, risk management, audit and business assurance for which the committees have common interest
- advise the Secretary that the internal processes of the Department are operating at an acceptable level of risk
- advise the Secretary that appropriate controls are in place to meet external regulatory and public accountability requirements
- use internal audit to achieve appropriate levels of control and risk tolerance.



# APPENDIX 14

## Disclosure index and additional information

The Annual Report of the Department of Education and Early Childhood Development is prepared in accordance with all relevant Victorian legislation. This index was

prepared to facilitate identification of the Department's compliance with statutory disclosure requirements.

### Disclosure index

Legislation	Requirement	Page
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<b>Charter and purpose</b>		
FRD <sup>1</sup> 22B	Manner of establishment and the relevant Ministers	10
FRD 22B	Objectives, functions, powers and duties	10
FRD 22B	Nature and range of services provided	10
<b>Management and structure</b>		
FRD 22 B	Organisational structure	15
<b>Financial and other information</b>		
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<i>Victorian Industry Participation Policy Act 2003</i>		174

<sup>1</sup> Financial Reporting Direction

<sup>2</sup> Standing Direction

## Additional information

Consistent with the requirements of the *Financial Management Act 1994*, the Department has retained material on the following items which are available on request (subject to freedom of information requirements, if applicable):

- a statement that declarations of pecuniary interests have been duly completed by all relevant officers of the Department

- details of shares held by senior officers as nominees or held beneficially in a statutory authority or subsidiary
- details of publications produced by the Department about the Department and the places where the publications can be obtained
- details of changes in prices, fees, charges, rates and levies charged by the Department for its services
- details of major external reviews carried out on the operation of the Department

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- details of major research and development activities undertaken by the Department
- details of overseas visits undertaken, including a summary of the objectives and outcomes of each visit
- details of major promotional, public relations and marketing activities undertaken by the Department to develop community awareness of the Department and the services it provides
- details of assessments and measures undertaken to improve the occupational health and safety of employees
- a general statement on industrial relations within the Department and details of time lost through industrial accidents and disputes

- a list of major committees sponsored by the Department, the purposes of each committee and the extent to which the purposes have been achieved.

Enquiries regarding this information should be directed to:

Secretary  
Department of Education and Early Childhood Development  
GPO Box 4367  
Melbourne Victoria 3001

# Acronyms and abbreviations

AAS	Australian Accounting Standard
AASB	Australian Accounting Standards Board
ACE	Adult community education
AESOC	Australian Education Senior Officials Committee
AIM	Achievement Improvement Monitor
CALD	Cultural and linguistic diversity
COAG	Council of Australian Governments
DHS	Department of Human Services
DLT	Departmental Leadership Team
DTF	Department of Treasury and Finance
ECIS	Early Childhood Intervention Services
FRD	Financial Reporting Direction
FTE	Full-time equivalent
GAAP	Australian Generally Accepted Accounting Principles
GFS	Government Finance Statistics
GST	Goods and Services Tax
IB	International Baccalaureate
ICT	Information and communications technology
LLEN	Local Learning and Employment Network
LOTE	Languages other than English
MCEETYA	Ministerial Council on Education, Employment, Training and Youth Affairs
OCECD	Office for Children and Early Childhood Development
OHS	Occupational Health and Safety
PMO	Program Management Office
RIS	Regulatory Impact Statement
SD	Standing Direction
SSO	School Services Officer
VCAA	Victorian Curriculum and Assessment Authority
VCAL	Victorian Certificate of Applied Learning
VCE	Victorian Certificate of Education (Years 11 and 12)
VELS	Victorian Essential Learning Standards
VET	Vocational education and training
VPS	Victorian Public Service
VRQA	Victorian Registration and Qualifications Authority

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