



Victorian Curriculum and Assessment Authority

ANNUAL REPORT
2007–08

October 2008

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

Dear Minister

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

Yours sincerely

A handwritten signature in black ink that reads "Peter McPhee". The signature is written in a cursive, slightly slanted style.

Professor Peter McPhee
CHAIR

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Report of the Chair

The VCAA has maintained its level of service to Victorian schools and students with the successful delivery of high-quality curriculum and assessment services. These activities are at the core of Victoria's strong school system.

The changing education landscape at the national level has intensified the collaborative work required between the states, territories and Commonwealth Government. Through the VCAA, Victoria has played a significant role in the work of the interim National Curriculum Board. The VCAA has also contributed significant leadership in the Australian Education Senior Officials Committee (AESOC) National Testing program in Literacy and Numeracy for Years 3, 5, 7 and 9, particularly in regard to the security model applied to the delivery of assessment material to schools and the receipt of the student responses. The successful nationwide implementation of the National Testing program has benefited from VCAA representation on the Project Reference Group.

At the local level, the significant preparatory work undertaken for the introduction of the National Testing program has paid off with the seamless delivery of the tests in Victorian schools during May 2008.

Of fundamental significance to the Australian community is the inclusion of the early years in the quality reform agenda for education. The VCAA has provided significant leadership in the drafting and consultation of the National Early Years Learning Framework 0-5 in parallel with a Victorian framework for the 0-8 years age group.

We complemented the VCAA's core activities by delivering a number of strategic initiatives with positive outcomes for the education community. In the compulsory years of schooling the VCAA provided curriculum support materials to teachers for the Victorian Essential Learning Standards (VELS) curriculum framework. This material, and resources provided by schools, gave the VELS greater relevance for teachers.

Sample units to support teaching, learning and assessment of Employability Skills in the VELS together with work samples illustrating student achievement have been provided to schools. Significant progress has also been made in the implementation of an assessment and reporting tool for Employability Skills in schools.

The Victorian Certificate of Education (VCE) continues to offer strong and diverse educational programs, providing increased opportunities and pathways for meeting student needs with further expansion of access to VCE VET (Vocational Education and Training) programs and the innovative approaches offered by the Victorian Certificate of Applied Learning (VCAL). The On Track destination data published each year shows the successful transitions students make from school to work, further education and training.

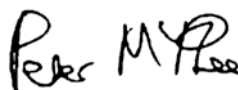
During the year I have attended many events showcasing the marvellous talents and skills of Victorian students. The enthusiasm with which students exhibit the depth and range of their knowledge, and the maturity of their interactions during the VCE Season of Excellence, the VCAL Achievement Awards and the Plain English Speaking

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Awards, are testament to the opportunities provided by the VCAA's programs for young Victorian people.

As Chair, I have been greatly assisted by the commitment and effort of the VCAA staff, members of the VCAA Board and its committees, Professor Peter Dawkins, Secretary of the Department of Education and

Early Childhood Development, and the Chief Executive Officer, Mr John Firth. I also thank outgoing members Peter McMullin and Joanne Roberts for their input to the Board during the past term. During the reporting period I welcomed Mr Tony Coppola and Mr Tony Larkin as new members of the Board, with Professor Sue Willis reappointed for a third term.



Professor Peter McPhee

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Report of the Chief Executive Officer

2007–08 saw significant development work for the VCAA as well as continued successful delivery of curriculum and assessment programs for Victorian students. The newly emerging approach to collaborative federalism provides the opportunity for some exciting initiatives. Successful delivery of the first National Assessment Program in Literacy and Numeracy (NAPLAN), beginning work on the Early Learning and Development Framework, contributing policy advice to the early discussions about national curriculum were highlights of new activities. Continuing growth in VCAL enrolments, timely and accurate delivery of VCE students' results, continuing review of VCE studies and substantially increased uptake of on-demand testing for use in the classroom were highlights of our continuing work.

The VCAA has settled fully into our two-site operation and staff have become increasingly adept and creative at improving communication across the organisation. There is still greater potential to enhance this, especially through more sophisticated use of communications technology. As we move into a more dynamic national environment, both the VCAA Board and staff are required to become even more aware of national and international developments. Our international projects include schools in China and Vanuatu offering the VCE, providing professional services in the United Arab Emirates and quality assurance for school programs in South Africa, and hosting numerous international delegations. All these activities provide invaluable mutual benefits. The VCAA gains great insight from explaining how our curriculum and assessment is designed and how it works, and Victoria's educational reputation is enhanced. Our international partners not only benefit from our advice but also provide unique perspectives on what works best and why it does by testing it in very different circumstances. Internationalisation of education will

undoubtedly continue to inform our own state developments as well as forthcoming national work.

Years 3, 5, 7 and 9 testing

As a result of the timing of the first year of national testing, we undertook two complete rounds of population testing for Years 3, 5 and 7 students this year, as well as the first national testing of Year 9 students in May. We conducted the Achievement Improvement Monitor (AIM) for Years 3, 5 and 7 in August 2007, and results were successfully distributed to all schools in the first week of October. The first national tests in May 2008 adopted a distributed model for implementation. This meant that there was a single, national test-setting process and agreed national protocols that ensured consistent printing, distribution, collection, marking and recording by each of the state and territory testing authorities.

The NAPLAN tests were successfully conducted from 13–15 May. The successful delivery from staff across the organisation of two rounds of testing to some 180,000 students, and a further round to 60,000 Year 9 students in a single year, was outstanding. I would like to thank teachers and principals throughout Victoria for their support, which ensured the success of the testing program. The information available to parents, schools, systems and to the VCAA is invaluable in planning effective teaching and learning.

During the past year, we expanded the range and availability of on-demand tests for classroom teachers from the 1330 Victorian schools registered with this service. Over a 12-month period, 19,000 English and mathematics tests were downloaded. This represents a major commitment to an evidence-based approach to student and school improvement. We are working with colleagues in the Department of Education and Early Childhood Development to enhance this service.

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Victorian Essential Learning Standards

During 2007–08, schools focused on implementing the VELS in all domains. The VCAA worked with over 100 schools to develop resources to support whole-school implementation of the VELS and teaching and learning approaches, with a particular emphasis on domains less familiar to classroom teachers. Schools that have used whole-school planning approaches to incorporate the interdisciplinary domains provided advice about planning and implementation, strategies for developing teacher capacity and examples of the programs they offer.

At the same time, support for teachers in assessing and reporting student achievement continued as teachers from many schools worked with the VCAA to develop and teach assessment tasks, and to collect student work samples that illustrate a range of standards and progression points. All schools involved have been positive about the VELS curriculum reform and the benefits it will have for student learning.

Early Childhood Learning and Development Framework

In late January 2008, the Victorian Government announced plans to develop an Early Years Learning and Development Framework for Victoria and to introduce transition statements to support children entering school.

On 13 February 2008, the COAG Early Childhood Development Working Group agreed that Victoria would lead the development of a national early years learning framework covering birth to five years and transition to school.

The Victorian Early Learning and Development Framework 0–8 is being developed by the VCAA in partnership with the Department of Education and Early Childhood Development and the Victorian Children’s Council. Consultations have commenced with early childhood educators, teachers, parents and

the community. The framework will link to the VELS and provide teachers with one set of advice and guidelines.

The planning and commissioning of work for the national framework is informing state work.

Victorian Certificate of Education

The VCE continues to be a highly valued end-of-school certificate that is accepted internationally as the basis for selection into university study. The VCE is offered in China and Vanuatu by schools working in partnership with Victorian schools. This report notes the vast number of examinations taken by VCE students in all of the subjects offered.

The security and integrity of VCE examinations are crucial to the VCAA. The examinations were conducted and marked successfully, and in a timely manner. Accurate results for all students were reported and distributed on schedule. This achievement requires a huge effort from staff throughout the VCAA, our examination setters, Chief Assessors, markers and the numerous casual staff who operate a 24 hours, 7 days a week program in November and December to ensure that students receive their results mid-December. This delivery gives students time to receive feedback, advice and counselling before finalising their tertiary entrance applications.

Seven students were found by review committees to be guilty of breaches of rules in the 2007 end-of-year examinations. Their penalties ranged from reprimand to loss of grade on VCE results.

Victorian Certificate of Applied Learning

The VCAL continues to grow in both the number of enrolments and number of providers. In 2008, there are over 15,000 enrolments with over 420 providers. Twenty new VCAL providers have lodged an expression of interest to deliver the VCAL for the first time in 2009. During the year the

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VCAL Literacy and Numeracy Skills units were also reviewed and revised.

We worked closely with the Victorian Registration and Qualifications Authority to develop a 'one-stop' approach to registration as a senior secondary provider and authorisation to deliver the VCAL.

During the reporting period, close working relationships were developed with major community organisations that have mapped their activities and programs to VCAL. For example, WorkSafe has committed \$600,000 over three years to develop occupational health and safety resources that will be mapped to VCAL units. The VCAA provided consultancy advice to overseas countries that wish to implement a qualification similar to the VCAL, for example the United Arab Emirates, and has worked with Deakin University to seek Australian Research Council funding to research the impact and effectiveness of learning beyond the classroom. We have also worked closely with the Department of Education and Early Childhood Development on an evaluation of community VCAL programs and a program to promote pathways to higher education for VCAL students.

National developments

In addition to the first year of national testing, the incoming Commonwealth Government announced in early 2008 the formation of an Interim National Curriculum Board to oversee the development of national curriculum, beginning with the areas of English, mathematics, the sciences and history. The VCAA Board is strongly supporting this development and has created a reference group to provide expert advice to the Board on the draft national work as it becomes available during 2009. The VCAA will be using its resources and networks to facilitate this important new work. The national project led by the VCAA on developing approaches to consistent grade descriptors for senior secondary curriculum was successfully

completed and will be forwarded to the National Curriculum Board to assist it in its work.

New legislation

During 2007–08, amendments to the *Education and Training Reform Act 2006* were passed. The *Education and Training Reform Miscellaneous Amendments Act 2007* allows greater flexibility for the VCAA to establish any committee for the purpose of facilitating the functioning of the VCAA. This amendment also recognised that a committee may need the expertise of persons who are not members of the VCAA and allows the appointment of non-members. The Minister retains the right of nomination of members of key committees; otherwise the VCAA can decide membership.

In May 2008, Board members Peter McMullin and Joanne Roberts completed their terms of service. Both served the VCAA exceptionally well and I am delighted that they will both maintain their association with us. Peter has agreed to stay on as a co-opted member of both the Audit Committee and the International Working Party. Joanne played a key role in the VELS development and she has agreed to become a member of our regular principals' forum which provides key feedback and advice to the VCAA.

Professor Sue Willis was re-appointed for a further term and we welcomed two new Board members: Tony Coppola, Executive Officer, Melbourne's North and West Area Consultative Committee, and Tony Larkin, Principal of Penleigh and Essendon Grammar School.

I wish to thank Peter McPhee and all Board and committee members for their commitment, expertise and direction. It is also a privilege to lead an enthusiastic and professional staff who provide high-quality curriculum and assessment services to the students of Victoria.



John Firth

Strategic directions

The VCAA's strategic plan articulates the goals and targets set by the Department of Education and Early Childhood Development, and outlines the VCAA's contribution towards fulfilling the Government's education agenda.

VCAA strategic plan 2004–2008

VCAA's goal				
Our goal is to create a school curriculum and assessment framework which supports high-quality education and the recognition of student achievement, and which engages students and helps them to move on to work and further study.				
	P–10 curriculum and assessment	Post-compulsory curriculum and assessment	Research measurement and reporting	Organisational capability
AIMS	To provide a curriculum and assessment framework that gives students a solid foundation of knowledge, skills and personal attributes; and supports high-quality teaching and learning practices.	To provide senior secondary students with study choices and assessments of their learning to promote successful transition to work or further study.	To provide accurate and comprehensive information to students, parents, schools, government and the community on education outcomes against state and national standards.	To build infrastructure and capability for innovation and deliver improved services to clients.
PERFORMANCE INDICATORS	<ul style="list-style-type: none"> Teacher satisfaction with curriculum framework Number of schools using testing tools Level of participation in reference groups Parent satisfaction with VCAA student reports Student achievement at Years 3, 5 and 7 against national benchmarks 	<ul style="list-style-type: none"> Proportion of students completing Year 12 or equivalent Enhanced student transitions and pathways Proportion of successful transitions post-Year 10 	<ul style="list-style-type: none"> School satisfaction with AIM and VCE data service Increased client satisfaction with reporting framework 	<ul style="list-style-type: none"> Increased number of partner organisations involved in VCAA-led programs Increased level of input from partner organisations Identified benefits of infrastructure and capability enhancement projects achieved
STRATEGIC PRIORITIES	<ul style="list-style-type: none"> Develop an early childhood learning and development framework Design a mid- to long-term qualitative and quantitative evaluation and research strategy for P–12 curriculum and development and renewal for the VELS 	<ul style="list-style-type: none"> Design a mid- to long-term qualitative and quantitative evaluation and research strategy for P–12 curriculum and development and renewal for the VCE, VCAL and VCE VET 	<ul style="list-style-type: none"> Undertake comprehensive longitudinal analysis of student learning at individual school, like-school, state and national levels 	<ul style="list-style-type: none"> Review and develop enhanced infrastructure for the provision of improved products and services
	<ul style="list-style-type: none"> Maintain a dynamic and proactive position for Victoria in relation to emerging national curriculum and assessment initiatives 			
MAJOR PROJECTS	<ul style="list-style-type: none"> Framework of 'essential learnings' and defined performance standards Assessment processes to support the new framework Professional learning resources to support the new framework Nationally consistent curriculum outcomes Curriculum resources for teaching Indigenous languages within the new framework Online statewide testing Online on-demand testing 	<ul style="list-style-type: none"> ICT-based assessment of VCE studies Strengthen school-based capability in assessment Implementation at the provider level of the assessment and reporting tool for Employability Skills 	<ul style="list-style-type: none"> Implement the National Assessment program and prepare for reporting to the Commonwealth Government and to parents VCE Data Service AIM Online reporting Tracking educational growth of students Improved comparability of national data 	<ul style="list-style-type: none"> Redevelop APS database to enhance reporting capabilities Establish business improvement teams to focus on quality improvement in relation to key organisational processes Develop strategic alliances with national and international partners to enhance the quality of programs, including industry partners Implement electronic procurement and financial management system Extend VCAA education services nationally and internationally

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Performance highlights

In addition to the core business of delivering high-quality, accurate and timely assessments for the VCE, statewide AIM tests in 2007 and the National Testing program in 2008, the VCAA embarked on a number of strategic initiatives endorsed by the VCAA Board. This section provides an overview of these activities and major achievements during the reporting period.

P–10 curriculum and assessment

The curriculum and assessment framework, the VELs, which provides students with a foundation of knowledge, skills and personal attributes to enable them to prosper as citizens, has been widely implemented by schools. The VCAA continues to engage in regular discussions with schools and key stakeholders about VELs implementation and, in partnership with the school sector authorities, organises professional development activities for teachers to support them in their VELs activities.

The VCAA successfully implemented the NAPLAN in all Victorian schools in 2008.

Achievements

- Planning for the development of the Early Childhood Learning and Development Framework commenced with a governance structure for the Victorian framework in place.
- Sample curriculum programs in interpersonal development, personal learning, information and communications technology, thinking processes and whole-school curriculum planning were developed and published, and supported by resources from schools.
- Advice on teaching and learning to assist teachers with their understanding and application of 14 of the VELs domains were developed and published.
- Assessment maps for English and mathematics were refined and updated and work samples provided.
- Advice on the visibility of Asia perspectives, multiculturalism, sexuality education and financial literacy in the VELs standards were developed and published.
- The on-line testing service was expanded and take-up by schools increased significantly.
- The final year of AIM testing was successfully delivered.
- NAPLAN testing at Years 3, 5, 7 and 9 successfully implemented in schools and processing of results met performance standards.
- AIM and NAPLAN tests were successfully delivered to international schools in the Middle East.
- AIM results successfully delivered to schools via the online AIM data service and supported by high-quality, extensive professional development for school personnel.
- The VCAA collaborated with the Ministerial Council for Employment, Education, Training and Youth Affairs and the Department of Education and Early Childhood Development on the standards for school and parent reporting of the national testing outcomes.
- Sample units and work samples were published for VELs Level 6 to support teaching, learning and assessment of Employability Skills.

- A set of generic standards for Classical Languages for VELS Level 5 and 6 were developed.
- Consultation with Indigenous communities on standards for Indigenous languages commenced.

Post-compulsory curriculum and assessment

The VCAA continues to provide senior secondary students with study choices and assessments of their learning to promote successful transition to work and further study, and to equip them as citizens in a globally connected community. The VCAA is facilitating the reporting of Employability Skills for post-compulsory students and has developed strategic alliances with interstate partners to enhance the quality and quality assurance of programs in the post-compulsory years of schooling. The VCAA is also seeking to establish ongoing relationships with international partners.

Achievements

- Strategic directions for the Victorian contribution to the national curriculum were established.
- Infrastructure and processes enabling the marking of the General Achievement Test (GAT) online were successfully implemented with a thorough review of the outcome underway.
- Planning for the online marking of VCE examinations commenced.
- Support for professional development of VCAL teachers were made available across the regions.
- Eight VCE studies were renewed with the reaccredited studies to be implemented in 2010.

- Support materials were developed for the delivery and assessment of VCE VET programs.
- Intensive professional development was provided to teachers of:
 - VCE Visual Arts on the assessment of school-assessed tasks
 - VCE Physics, which was reviewed in 2007 and will be implemented in 2009
 - VCE English and English as a second language (ESL) to be implemented in 2008–09
 - 8 VCE VET programs
 - 13 scored VCE VET programs
- Statewide briefings were held for teachers on the assessment of VCE school-assessed coursework and for senior school coordinators on curriculum and assessment, including statistical moderation.
- Strategic alliances were developed through:
 - the organisation of the 2008 National Health and Physical Education Curriculum Leaders' Forum
 - the Collaborative Curriculum and Assessment Framework for Languages (CCAFL) Conference
 - the provision of professional development and support in the United Arab Emirates for the Victorian Certificate of Applied Learning
 - the provision of advice to Agri-Foods Industry Skills Council and the newly formed Building Industry Consultative Council Industry Advisory Body
 - the delivery of advice on key elements of the Victorian senior secondary curriculum to the Future South Australian Certificate of Education summit
 - the enhancement of partnerships through the Australian School Innovation in Science Technology and Mathematics grant, whereby the VCAA has a primary teacher science partnership with the Royal Australian Chemical Institute; and by the Teacher Placement in Industry program, where the VCAA is in a science partnership with the Department

of Innovation, Industry and Regional Development, including the College of Pharmacy, Nanotechnology Victoria and the Monash Centre for Green Chemistry.

- Work continued on the implementation in schools of assessment and reporting of Employability Skills.
- Security arrangements for the conduct of the VCE examinations were appropriate as no breaches of security were reported.

Research, measurement and reporting

The VCAA supports schools and the teaching profession by providing accurate and comprehensive information to students, parents, schools, government and the community on education outcomes measured against state and national standards. The Assessment Processing System Redevelopment (APS-R) reporting functions, due to be completed in 2008, will enable the VCAA to take a longitudinal P-12 view of student learning and achievement at individual school, like-school, state and national levels. In addition, the automated IT-enabled reporting should provide improved analysis and reporting capacity for internal and external clients.

Achievements

- High-quality data was delivered to the On Track project for the purpose of monitoring and tracking the pathways of students.
- Ongoing forums were held with key stakeholders to ascertain their specific reporting requirements.
- Two reports were provided to the VCAA Board, the Department of Education and Early Childhood Development and sectoral authorities on the senior secondary years: the first on finalised enrolments and results for 2007 and the second on historical and preliminary 2008 data.

- Professional development on the use of the VCE Data Service was delivered to school personnel.
- Specifications for the Assessment Processing System Redevelopment (APS-R) data warehouse system were finalised and the first iteration of the product delivered.

Organisational capability

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

Achievements

- Key audits of national testing preparedness, international student testing and VCE exam security were completed, with positive outcomes.
- Corporate governance processes were strengthened through phased implementation of the Corporate Governance Audit recommendations, with a review of the outcome being planned.
- Organisational risk management processes were reviewed and strengthened.
- Planning for quality improvement for key organisational processes commenced.
- Delivery of the replacement financial system commenced with coordination of the unique customisation of the disparate systems in planning stage.
- The uptake by staff of the opportunity to participate in the Work Climate Survey indicated a good level of engagement.
- Review of off-shore delivery of the VCE, the VCAL, the GAT and P-10 testing services was initiated while these services were maintained in contract schools.
- Student achievement for 2007 was celebrated through the Season of Excellence and the Plain English Speaking Award.

Diversity

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

Cultural and linguistic diversity

The delivery of culturally responsive programs developed by the VCAA ensures that respect and appreciation for cultural and linguistic diversity are a normal part of all curriculum and assessment policies, programs and procedures.

The VCAA aims to reflect the Government's Multicultural policy for Victorian schools, both in its interaction with schools and within its own administrative structures and procedures.

In 2007–08, the VCAA:

- offered 46 languages at VCE level
- provided a VELS parent booklet in 16 community languages
- held a wide range of seminars and workshops on VCE Languages other than English (LOTE) and on the implications of the VELS for the teaching of LOTE at P–10 levels, including strategies for teaching Intercultural Knowledge and Language Awareness and activities to assist teachers in assessing and reporting on the standards
- provided support to schools implementing the revised version of the VCE Chinese Second Language/Chinese Second

Language Advanced Study – the new Chinese Study Design was in use for the first time in 2008 and was modified in order to ensure maximum fairness for all students

- developed a set of standards for VELS Pathway 2 for Classical Languages
- conducted workshops for teachers of VCE Auslan and participated in ongoing activities to support the work of Deaf Children Australia
- filmed a series of sample pieces of work for an Auslan assessment map that will support teachers in their assessment of students' work in Auslan at P–10 levels
- provided a professional development program on VCE LOTE course writing for teachers and principals from approximately 80 community-based single-study providers
- conducted regular liaison meetings with the leadership team of the Victorian School of Languages (the biggest LOTE provider in Victoria)
- provided access to VCE courses in English as a second language (ESL) for students from non-English-speaking backgrounds
- hosted the position of National Coordinator for the national CCAFL project
- participated in the evaluation of the LOTE Regional Project Officers program
- participated in the Ministerial Council on LOTE, ESL and Multicultural Education, the annual conference of Community Languages Victoria, the Languages Forum run by the Department of Education and Early Childhood Development and the Modern Language Teachers' Association of Victoria's annual conference.

Indigenous affairs

In 2007–08, the VCAA continued to offer extensive support to schools teaching, and planning to teach, the VCE Indigenous languages study – Indigenous Languages of Victoria: Revival and Reclamation.

The VCAA Indigenous Languages Implementation Group continued to meet regularly to provide support for teachers of Indigenous languages through planning professional development activities and developing implementation support materials. The VCAA were represented on the Monash University reference group for a project to develop a web portal to provide access to digital resources to support the teaching of Indigenous Languages in Victorian schools.

In 2008, the VCAA is conducting a statewide community consultation with Local Aboriginal Education Consultative Groups, the Victorian Aboriginal Education Association Inc., the Victorian Aboriginal Corporation for Languages and other Aboriginal community organisations on the development of a set of generic standards for Indigenous Languages based on the existing Victorian LOTE standards.

Women

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

Girls continued to perform strongly. In 2007, girls' performance was generally reported as higher than boys in AIM tasks and in many VCE subjects.

Youth

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

Recognising achievement

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

- the VCE Season of Excellence, which allows students and teachers to view some of the best work in technology, visual and performing arts from the previous year's VCE students
- the VCE Achiever Awards, which recognise the efforts of VCE students in promoting community involvement in their local school and wider community
- the VCAL Achievement Awards, which recognise the outstanding achievements of young people who participate in the VCAL, and the contribution and achievement of VCAL teachers and partner organisations in the development and delivery of innovative VCAL programs
- the Plain English Speaking Award, which provides an excellent opportunity for students to build self-confidence and extend their skills in oral communication, speech writing and research
- the Margaret Schofield Memorial scholarship, coordinated by the VCAA on behalf of the Margaret Schofield Memorial Trust, which is awarded to a government school student of VCE Music Performance who has been accepted into a tertiary course and is committed to a career in music performance.

Summary of financial results

The 2007–08 financial year was the sixth full operating year for the VCAA.

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

The 2007–08 revenue totalled \$51.3 million, compared with \$39.9 million in the previous year. This was due primarily to the further and final funding for the APS-R project, funding for the NAPLAN project that commenced in 2007–08 and the positive impact of the transfer of the employee entitlements to the Department of Education and Early Childhood Development.

Expenditure totalled \$46 million, compared to \$40.4 million in the previous year. This equated to a \$5.3 million surplus being reported for the 2007–08 financial year, compared to a deficit of \$0.5 million in the previous year.

During the 2007–08 financial year period, the balance sheet net assets have increased by \$5.3 million, represented by a \$4.3 million increase in total assets, offset by a decrease of \$0.9 million in total liabilities.

Total assets over the 2007–08 financial year increased by \$4.3 million, mainly as a result of the NAPLAN funding due but not received by year end.

Liabilities decreased by \$0.9 million, mainly as a result of a decrease to the provision for employee benefits that was due to the transfer of the liability to the Department of Education and Early Childhood Development. This was partly offset by an increase in accruals resulting from the APS-R project and increased revenue received in advance for overseas students due to increased numbers and fees.

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

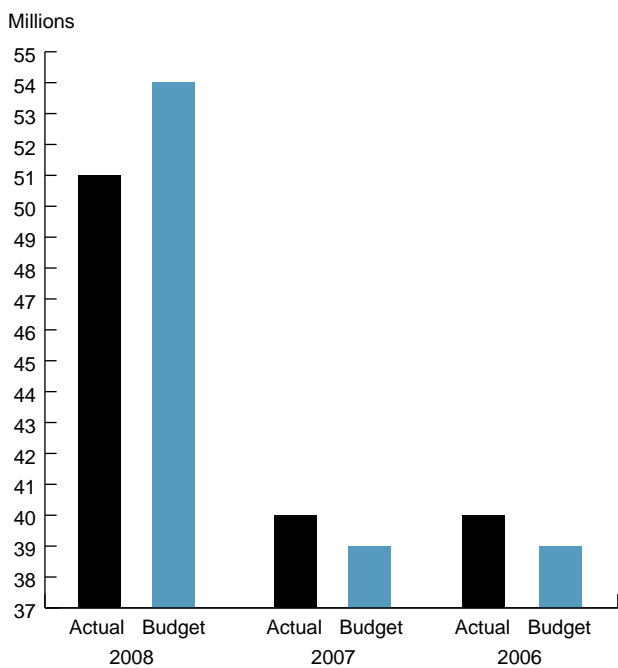
Summary of financial position

	Surplus/(Deficit)	Revenue	Expenses	Assets	Liabilities
30 June 2008	5,291,207	51,353,394	46,062,187	18,166,565	8,485,960
30 June 2007	(509,283)	39,932,858	40,442,141	13,861,233	9,471,835
30 June 2006	(840,842)	39,630,302	40,471,144	13,158,475	8,259,794

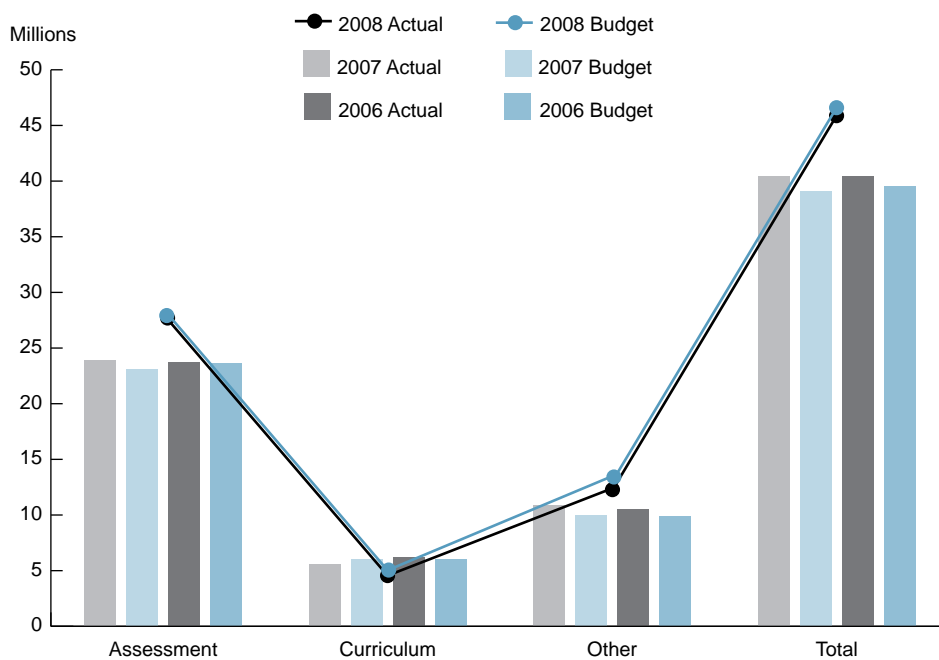
Performance against budgetary objectives as at 30 June 2008

	Actual \$			Budget \$		
	2008	2007	2006	2008	2007	2006
Revenue	51,353,394	39,932,858	39,630,302	53,950,784	38,667,748	39,460,285
Expenditure						
Assessment	28,589,757	23,942,312	23,727,112	28,620,021	23,091,763	23,652,777
Curriculum	4,977,108	5,635,421	6,187,333	5,041,535	6,036,460	5,999,820
Other	12,495,322	10,864,408	10,556,699	13,088,995	9,986,786	9,923,128
Total	46,062,187	40,442,141	40,471,144	46,750,551	39,115,009	39,575,725
Operating result	5,291,207	(509,283)	(840,842)	7,200,233	(447,261)	(115,440)

VCAA revenue



VCAA expenditure



Overview of the Victorian Curriculum and Assessment Authority

Governance

Establishment

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

Objectives

The *Education and Training Reform Act 2006* sets out the following objectives for the VCAA:

- to develop high-quality courses and curriculum and assessment products and services
- to award, confer and issue registered qualifications (VCE and VCAL) with the Victorian Registration and Qualifications Authority.
- to provide linkages that will facilitate movement between the VCAA's courses and other courses.

VCAA Board

Board membership

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

During 2007–08, two new Board members were appointed for three-year terms: Mr Tony Larkin on 18 December 2007 and Mr Tony Coppola on 3 June 2008. Professor Sue Willis was reappointed for a further three years from 3 June 2008, while Ms Joanne Roberts and Mr Peter McMullin completed their terms in May 2008.

Members



PROFESSOR PETER MCPHEE, CHAIR

BA (Hons), DipEd,
MA (Hons), PhD

Professor Peter McPhee was appointed Provost of the University of Melbourne in

September 2007. The role brings together the management of academic and student support functions with particular responsibilities for the quality of teaching and learning at undergraduate and postgraduate levels and for the whole-of-campus student experience.

Professor McPhee was educated at Colac High School, Caulfield Grammar School and the University of Melbourne. He taught at La Trobe University (1975–79) and the Victoria University of Wellington (1980–86) before returning to the University of Melbourne, where he has held a Personal Chair in History since 1993.

He has published widely on the history of modern France, notably *A Social History of France 1780–1880* (1992), *Revolution and Environment in Southern France, 1780–1830* (1999), *The French Revolution 1789–1799* (2002) and *Pansy: A Life of Roy Douglas Wright* (1999). His most recent book is *Living the French Revolution 1789–1799* (2006).

Within the University of Melbourne, Professor McPhee was Deputy Dean and Acting Dean of the School of Graduate Studies from 1994 to 1996, then Head of the Department of History from 1996 to 1999. He was elected

Contents	Report of the Chair	Report of the Chief Executive Officer	Strategic directions	Performance highlights	Diversity	Summary of financial results	Overview of the Victorian Curriculum and Assessment Authority	Strategic Aim 1 P-10 curriculum and assessment	Strategic Aim 2 Post-compulsory curriculum and assessment	Strategic Aim 3 Research, measurement and reporting	Strategic Aim 4 Organisational capability	Financial report	Appendices	Acronyms and abbreviations
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a Fellow of the Australian Academy of the Humanities in 1997 and a Fellow of the Academy of Social Sciences in 2003. He was awarded a Centenary Medal for Services to Education in 2003. He was an Officer of the Academic Board (1999–2003) and President in 2002–03. Most recently, Professor Peter McPhee led the Curriculum Commission at the university, the largest overhaul to the curriculum in 150 years, which saw the Melbourne Model come into effect in 2008.



PROFESSOR PETER DAWKINS

BSc (Hons), MSc(Econ), PhD

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 Council of Australian Governments (COAG) National Reform Agenda, particularly to 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 1996–2005 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.



MS ESMERELDA BAMBLETT

DipT, GradDipArts, MEd

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

standing career in Aboriginal education and development. She was an inaugural member of the Council for Aboriginal Reconciliation from 1991 to 1994 and a member of the Australian Council of Women from 1993 to 1996. She has been Vice-President of the Aboriginal Advancement League since 1998. Ms Bamblett commenced her career in education working as a primary school teacher, eventually taking up a lecturing position in Indigenous Studies at the University of Melbourne in 1998. Ms Bamblett was a Koorie Education Development Officer for the Department of Education and Training from 1989 to 2003, Research Manager for the Institute of Koorie Education at Deakin University from 2000 to 2002 and acting manager of the Koorie Education Strategy Team for the Department of Education and Training in 2003. Currently Ms Bamblett is the Director of Neenan Multimedia and Consultancy.



MS POLLY FLANAGAN
BA, MEd, PostGradDipEd (Admin), DipEd

Ms Polly Flanagan is an experienced teacher and administrator with more than 20 years experience in a variety of educational settings. She has taught in government, Catholic and independent schools including Yeshivah College, Sacred Heart Girls' College, Presbyterian Ladies' College and Melbourne Grammar School. Ms Flanagan has extensive experience teaching Legal Studies and Political Studies to VCE students, and has also held the positions of Head of Faculty, Year Level Coordinator, Director of Staff and Deputy Principal. She is currently the Director of Leadership at Melbourne Grammar School and is a tribunal member for disciplinary hearings conducted by the Victorian Institute of Teaching. Ms Flanagan has also been a member of VCAA-appointed panels to revise and rewrite Study Designs in Political Studies, the Chief Assessor of Political Studies and was a member of the National Politics exam-setting panel.



MR JOHN MADDOCK
GradDipBus, GradDipEd, FAICD, FAITD, MASTD

Mr John Maddock is the Chief Executive Officer of the Box Hill Institute of TAFE. His involvement in the vocational education and training sector has included membership and chairing of committees at both state and national levels. Mr Maddock is a member of the Victorian Tertiary Admissions Centre (VTAC) Board of Trustees and Management Committee, the Innovation and Business Industry Skills Council Board, the Centre for Economics of Education and Training, and the Vocational Education and Training (VET) Advisory Committee. He has been a member

of the Deakin University Council for the past six years and is Chair of the Post-Secondary International Network for Presidents and Chief Executive Officers.



MR PETER MCMULLIN
LLB, BCom, FAIM
(resigned 31 May 2008)

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



MR GLEN PEARSALL
BEd

Mr Glen Pearsall is a Leading Teacher at Eltham High School, and recently completed a research fellow position at the Centre for Youth Research, University of Melbourne. He has co-authored two texts for young people dealing with grief: *Literature for Life* and the forthcoming *Change, Loss and Grief*. Mr Pearsall is an experienced educational consultant who has worked with all sectors of the education system on leadership, pedagogy and career renewal. He also has a particular interest in the role of pre-service and graduate teachers and has worked regularly as a seminar leader in the Faculty of Education at the University of Melbourne.



MS CATHERINE PIANTA
BA, BLitt (Hons),
GradDipEd

Ms Catherine Pianta is currently the Principal of Benalla College. Prior to this, she held a variety of roles with the Department of Education and Training, including curriculum consultant, teacher and principal at both primary and secondary schools. Ms Pianta acts as a facilitator and mentor for several leadership development programs and is a member of the Australian Principals' Federation and the Victorian Association of Secondary School Principals. She is also a Fellow of the Williamson Community Leadership Program of Victoria and has been involved in a number of Skillsbank programs for Leadership Victoria. Ms Pianta serves on the P-10 and Post-Compulsory Curriculum Assessment committees, the Board's Audit Committee and a number of Review Committees established to examine student breaches of examination rules.



MS DEBRA PUNTON
DipT, BEd, MEd Studies

Ms Debra Punton is a trained teacher and initially worked in government schools before taking up a teaching appointment in the Catholic education system. She completed a Masters of Educational Studies at Monash University in 1991 with a major in psychology and a focus on the psychology of educational leadership and was involved in the establishment of the Monash Education Centre in 1987. Ms Punton is a member of the Council of the Victorian Institute of Teaching. She is currently the Assistant Director, School Services, at the Catholic Education Office in Melbourne, and has held various principal positions in the Catholic sector for 16 years.



MS JOANNE ROBERTS
CertAEd, DipEd,
GradDipCompEd
(resigned 31 May 2008)

Ms Joanne Roberts has worked in the primary, secondary and tertiary sectors, and is currently Principal of Ascot Vale Primary School. Ms Roberts has worked with the Australian National Schools Network and the Department of Education and Training in planning and facilitating professional development of other educators at school-based, regional and national conferences. She has undertaken curriculum research within state and national projects to improve student learning in the middle years of schooling. She also one of the directors of the Big Picture Company (Aust.). This work focuses attention and research on personalising learning for each student.



MS HELEN STAINDL
MA (Theology Studies),
MEd, GradDipEdAdmin,
BEd, DipT (Primary)

Ms Helen Staindl has 12 years experience as a primary principal in the Catholic sector and 10 years experience as an assistant principal in a number of regional and rural primary schools. She was Assistant Principal at Morwell East, Cranbourne and Orbost from 1985 to 1995 and is currently Principal of St Joan of Arc School in Brighton, where she has redeveloped all curriculum policies and programs, implemented Parent Education programs and fostered an active parent body in the school. Ms Staindl was Principal of St Patrick's School, Stratford, for four years, where she rebuilt a sense of community by renewing the school vision and mission statements and devising and implementing pastoral care, discipline and anti-bullying policies.



PROFESSOR SUE WILLIS

BSc, DipEd, PhD

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

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



MR TONY LARKIN

BSc, MEd

Mr Tony Larkin has been a Board member of the Association of Independent Schools of Victoria since 2004, a member of the

Association of Heads of Independent Schools of Australia since 1998 and a member of the Australian College of Education since 1988. His other education activities have been focused on the teaching and assessment of mathematics at senior secondary and university level. Mr Larkin has had a long-standing involvement with the Queen Elizabeth Centre (Maternal and Child Care Hospital and Day Nurseries) as Director of the Board of Management, and as Chairman and a member of two sub-committees.



MR TONY COPPOLA

Mr Tony Coppola is currently Executive Officer of Melbourne's North and West Area Consultative Committee and has significant experience in Hume

regional development initiatives. Mr Coppola has strong industry, community, education and employment networks and has worked in partnership with all levels of government to improve pathways for young people and to overcome high youth unemployment and skill shortages. His previous experience includes Manager in the employment services sector and Regional Manager for the former Department of Education and Training, where he managed three Commonwealth Employment Services and Labour Market program delivery. He is a Member of the Inner Northern Local Learning and Employment Network (LLEN), Darebin Enterprise Centre Limited and NORTHLink. Mr Coppola has been the Secretary of the Moreland Enterprise Development Centre Limited since its establishment in 2001.

VCAA Board Committees

Executive Committee

In 2007–08, the Executive Committee consisted of the VCAA Chair, Professor Peter McPhee; Chief Executive Officer, Mr John Firth; Ms Debra Punton; and Professor Peter Dawkins. The committee, established under Section 2.5.7 of the *Education and Training Reform Act 2006*, provides recommendations to the VCAA Board and acts under the delegation of the VCAA's power in matters of urgency and matters related to the following areas:

- overseas programs
- Review Committee decisions
- issues with sectoral implications

Contents	Report of the Chair	Report of the Chief Executive Officer	Strategic directions	Performance highlights	Diversity	Summary of financial results	Overview of the Victorian Curriculum and Assessment Authority	Strategic Aim 1 P–10 curriculum and assessment	Strategic Aim 2 Post-compulsory curriculum and assessment	Strategic Aim 3 Research, measurement and reporting	Strategic Aim 4 Organisational capability	Financial report	Appendices	Acronyms and abbreviations
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- approval for use of common seal for contracts over \$100,000
- legislative compliance
- confidential and sensitive matters.

Audit Committee

In 2007–08, the VCAA Audit Committee comprised three VCAA Board members: Mr John Maddock (Committee Chair), Ms Catherine Pianta and Mr Peter McMullin, and one coopted external member, Mr Stuart Alford. The Audit Committee is responsible for governance, risk management and business assurance of the VCAA.

The prime functions of the Committee are to:

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

P–10 Curriculum and Assessment Committee

The P–10 Curriculum and Assessment Committee is comprised of VCAA Board members and a coopted member, Mr Tony Mackay. The Committee provides expert advice and makes recommendations to the VCAA Board on:

- policies, standards and criteria for the development of curriculum and assessment programs for students in Years P–10
- the development and evaluation of VELs for Years P–10
- the relationship between P–10 curriculum and post-compulsory pathways in education and training, including the VCE
- the implementation of the NAPLAN
- the monitoring and reporting of student participation in P–10 assessment programs

- the provision of material for schools, and of professional development for teachers to support their implementation of P–10 curriculum and assessment programs
- research on matters relating to P–10 curriculum, standards and assessment.

Post-Compulsory Curriculum and Assessment Committee

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

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

- the development, evaluation and approval of curriculum and assessment in the post-compulsory years
- policies, criteria and standards for curriculum, and assessments and courses designed to be undertaken in the post-compulsory years
- policy and procedures for the design, delivery and evaluation of assessments and assessment products and services for VCE, VCAL and other post-compulsory qualifications available to students
- patterns of participation and quality of outcomes relating to courses of study in the post-compulsory years
- the provision of material for schools and professional development for teachers to support the implementation of the post-compulsory curriculum and assessment programs
- research on matters relating to post-compulsory curriculum and assessments.

Review Committee

The Review Committee consists of three persons who are either members of the VCAA Board or staff of the VCAA.

Contents	Report of the Chair	Report of the Chief Executive Officer	Strategic directions	Performance highlights	Diversity	Summary of financial results	Overview of the Victorian Curriculum and Assessment Authority	Strategic Aim 1 P–10 curriculum and assessment	Strategic Aim 2 Post-compulsory curriculum and assessment	Strategic Aim 3 Research, measurement and reporting	Strategic Aim 4 Organisational capability	Financial report	Appendices	Acronyms and abbreviations
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A Board member always chairs Review Committee hearings. The Review Committee acts on the VCAA Board’s behalf and is responsible for:

- hearing appeals against penalties imposed by schools on students for breaches of rules relating to school-assessed tasks and school-assessed coursework assessments
- hearing charges alleging serious breaches of rules relating to examinations and imposing penalties
- when necessary, cancelling or altering student results.

Appeals Committee

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

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

VCE Review Committees and Study Reference Groups

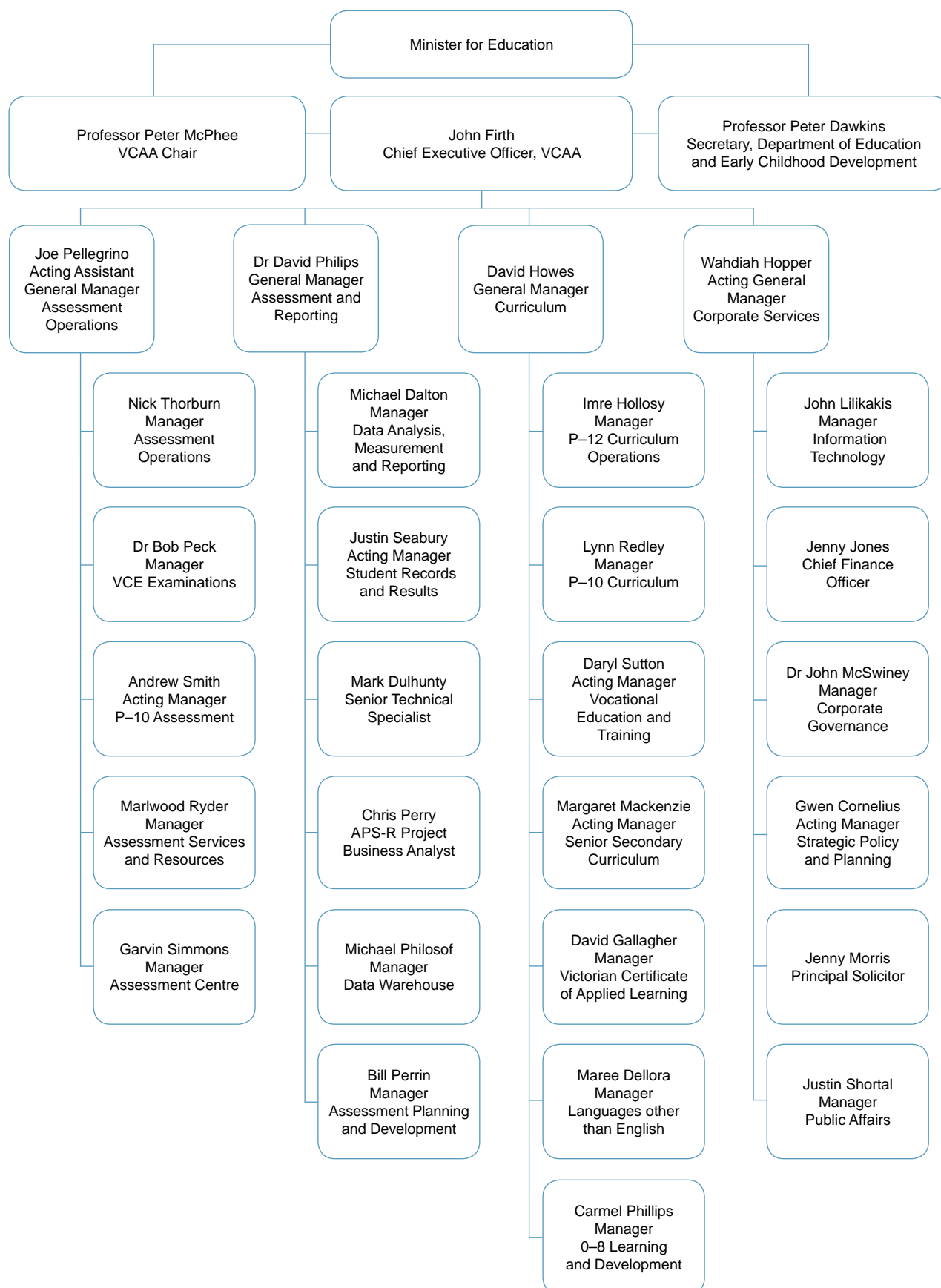
VCE Review Committees are established to review and evaluate VCE studies and to prepare proposals for new and revised studies for the approval of the VCAA Board. These committees include practising VCE teachers from each sector, academic and curriculum experts, and business and training sector representatives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

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

VCAA Board working parties

Specific-purpose working parties are commonly established for policy development to support VCAA Board business. They operate for specific periods, with clear terms of reference and reporting mechanisms. During the reporting period, the International Working Party reported its deliberations to the Board, and the inaugural Early Learning and Development Framework 0–8 Steering Committee, co-chaired by the Victorian Children’s Council and the VCAA, was established and reported issues of governance to the Board.

Organisation chart as at 30 June 2008



Contents	Report of the Chair	Report of the Chief Executive Officer	Strategic directions	Performance highlights	Diversity	Summary of financial results	Overview of the Victorian Curriculum and Assessment Authority	Strategic Aim 1 P–10 curriculum and assessment	Strategic Aim 2 Post-compulsory curriculum and assessment	Strategic Aim 3 Research, measurement and reporting	Strategic Aim 4 Organisational capability	Financial report	Appendices	Acronyms and abbreviations
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Senior officers and branch outlines



CHIEF EXECUTIVE OFFICER

MR JOHN FIRTH
BCom, DipEd

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

Previously he managed the Curriculum Branch at the VCAA and its predecessor, the Board of Studies, for 12 years. In his senior management roles, Mr Firth has been responsible for the development of the first P–10 curriculum framework for Victorian schools – the Curriculum and Standards Framework; its substantial revision in 1998 and its replacement by the VELs in 2004. The VELs are highly regarded by Victorian schools for the unique design that incorporates interdisciplinary learning and personal, physical and social learning into the traditional disciplines. The VELs are the subject of considerable international interest and there are regular requests for discussion from curriculum agencies.

Mr Firth played a leading role in the full recognition of VCE VET and in the successful development and implementation of the VCAL as an additional pathway for senior secondary students. He has managed a process of continuous improvement for the redevelopment of VCE subjects to ensure that the VCE maintains its high international standing.

The VCAA has led the AESOC work on senior secondary reporting and is the alternate Victorian member of the AESOC Steering Committee for the National Assessment Plan. Mr Firth is a member of the Victorian Department Portfolio Board and has forged

close relationships with each of the sector authorities in Victoria. In 2008, he was appointed a member of Interim National Curriculum Board.

General Manager, Assessment and Reporting

The General Manager, Assessment and Reporting is responsible for policies and procedures associated with assessment, certification, analysis and reporting of student achievement. The Branch also collects and processes students' enrolment and assessment data and conducts measurement activities.



GENERAL MANAGER, ASSESSMENT AND REPORTING

DR DAVID PHILIPS
MA, PhD

Prior to joining the VCAA, Dr David Philips was the Manager of Research

and Knowledge Services at the New Zealand Qualifications Authority, and a member of the senior management team responsible for the implementation of secondary examinations and certification in New Zealand. He has also held a variety of senior policy and research positions in the New Zealand Ministry of Education, managed contracts for assessment research and development projects, and held other posts with the Education Review Office and the New Zealand Council for Educational Research, where he had a particular interest in the evaluation of students' written language. Dr Philips is also a trained secondary English teacher.

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Assistant General Manager, Assessment Operations

Located at the VCAA's Assessment Centre at Coburg, the responsibilities of the Assistant General Manager, Assessment Operations, include Centre Management, Assessment Operations, Assessment Services and Resources, P-10 Assessment and VCE examinations. The primary task of staff at the Assessment Centre is to develop and implement operational processes associated with the setting, security, assessment and processing of VCE written examinations; VCE Arts Performance and LOTE oral examinations; Years 3, 5, 7 and 9 NAPLAN tests; school-assessed coursework and visitation review; and appointment of all sessional assessment staff.

ASSISTANT GENERAL MANAGER, ASSESSMENT OPERATIONS

MR IAN LEGGETT

BSc, DipEd, GradDip (Educational Policy and Administration)

(on leave September 2007 – 30 June 2008)



ACTING ASSISTANT GENERAL MANAGER, ASSESSMENT OPERATIONS

MR JOE PELLEGRINO
BA (Hons), MA (Prelim),
DipEd

Mr Joe Pellegrino leads assessment operations within the Assessment and Reporting Branch in Mr Leggett's absence. Mr Pellegrino has worked at the VCAA since 2005 in the areas of P-10 assessment and assessment operations. Prior to working at the VCAA, his roles included teacher, project manager in the Department of Education and, more recently, at The Learning Federation. In his time as a teacher Mr Pellegrino also undertook a range of responsibilities with the former Board of Studies, primarily focused on VCE Media.

General Manager, Curriculum

The General Manager, Curriculum is responsible for the operations of the Curriculum Branch, which includes leadership of project teams, VCE Review Committees, VELs Working Groups, the Vocational Education Reference Group and the Curriculum and Assessment committees of the VCAA Board. These committees and groups provide advice and recommendations to the VCAA on the development, implementation and monitoring of the VCE and VCAL, including VET programs, and the P-10 VELs.



GENERAL MANAGER, CURRICULUM

MS HELEN WILDASH
MEd, GradDipTeaching,
BEd (resigned January
2008)

Prior to joining the VCAA in June 2006,

Ms Wildash was an executive in the South Australian Department of Education and Children's Services as Director of Curriculum, and Director of Learning Improvement and Wellbeing. From 1999 to 2002 she led the development and implementation of South Australia's Birth to Year 12 Curriculum, Standards and Accountability Framework. During her time at the VCAA, Ms Wildash made a substantial contribution, especially to the leadership and the organisation of the Curriculum Branch.



ACTING GENERAL MANAGER, CURRICULUM

IMRE HOLLOSY
BCom, BEd
(January – June 2008)

During his time at the VCAA, Mr Hollosy has

facilitated high-quality curriculum reviews of a number of Arts studies, has had decisive input into the quality and structure of exam processes and, in 2005, supervised the VELs

validation process, leading to enhanced quality of the VELs. He values collaborative work with teachers, tertiary colleagues and industry representatives that leads to the achievement of high standards in curriculum that is engaging, contemporary and inclusive.



GENERAL MANAGER, CURRICULUM

MR DAVID HOWES
BA (Hons), DipEd, MEd

Prior to joining the VCAA in early June 2008, Mr Howes was an acting executive in the

Department of Education and Early Childhood Development. Previously he worked as an advisor to the Ministry of Education, Youth and Sport in Cambodia on the development of the new national curriculum framework.

General Manager, Corporate Services

The General Manager, Corporate Services is responsible for managing the operational units that support the conduct of the VCAA's business: Board Governance, Strategic Policy and Planning, Corporate Governance, Finance, Human Resources and Administration, Information Technology, Public Affairs and Legal Services.



GENERAL MANAGER, CORPORATE SERVICES

MR BYRON CRAWFORD
BCom, BSocSc (InfoMgt),
MAF, CPA
(resigned May 2008)

Prior to joining the VCAA, Mr Byron Crawford was appointed as an executive officer in the Department of Education and Training in 2001. He has also held executive roles across a number of functional areas, including facilities and infrastructure, finance and resources management, social policy development and program management.



ACTING GENERAL MANAGER, CORPORATE SERVICES

MS WAHDIAH HOPPER
BA, DipEd,
GradDipInfoCommTech

Ms Wahdiah Hopper assumed responsibilities for the operations of the Corporate Services Branch on 11 May 2008. Prior to joining the VCAA, Ms Hopper was responsible for the roll-out of various strategic initiatives in the Department of Education and Early Childhood Development and was an Assistant Principal in a large secondary school in metropolitan Melbourne up until 1997.

VCAA staff establishment

As at June 2008, the VCAA operated with an establishment of 185.4 full-time equivalent positions. During the year the VCAA also employed approximately 366 casual employees and just over 3592 sessional employees. Sessional employees were mainly engaged in the following employment categories:

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

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

Contents	Report of the Chief Executive Officer	Strategic directions	Performance highlights	Diversity	Summary of financial results	Overview of the Victorian Curriculum and Assessment Authority	Strategic Aim 1 P–10 curriculum and assessment	Strategic Aim 2 Post-compulsory curriculum and assessment	Strategic Aim 3 Research, measurement and reporting	Strategic Aim 4 Organisational capability	Financial report	Appendices	Acronyms and abbreviations
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Strategic Aim 1

P–10 curriculum and assessment

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

P–10 curriculum

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

Victorian Essential Learning Standards

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

Achievements

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

in their implementation of the VELs and assessment of student achievement against the standards.

These included:

- publication of additional advice and material to support teacher understanding of the VELs domains, including information about the relationships between the domains
- publication of advice focusing on the relationship between the VELs and the Curriculum and Standards Framework II
- publication of assessment maps containing annotated student work samples for ten domains to supplement existing samples at each level and progression points
- publication of advice about the way in which Asia perspectives, multiculturalism, sexuality education and consumer and financial literacy are reflected in standards across the VELs
- publication of advice showing the relationship between Employability Skills, the Advance program and the VELs
- publication of multi-domain units for Level 6 to support teaching and learning and assessment across concepts and skills for each dimension of the Interpersonal Development, Personal Learning, Information and Communications Technology, and Thinking Processes domains and showing the progression of the standards across the levels
- development of curriculum planning advice to assist schools in using a whole-school approach to develop curriculum programs to implement the VELs with a focus on the newer domains
- publication of the Design Awareness in Schools conversion from the DVD

Contents	Report of the Chief Executive Officer	Report of the Chief Executive Officer	Strategic directions	Performance highlights	Diversity	Summary of financial results	Overview of the Victorian Curriculum and Assessment Authority	Strategic Aim 1 P-10 curriculum and assessment	Strategic Aim 2 Post-compulsory curriculum and assessment	Strategic Aim 3 Research, measurement and reporting	Strategic Aim 4 Organisational capability	Financial report	Appendices	Acronyms and abbreviations
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interactive resource to downloadable PowerPoint presentations

- development of a set of generic standards for Classical Languages for Levels 5 and 6 Pathway 2 in both LOTE dimensions
- presentation of the VELs to international education delegates from Vietnam
- delivery of professional development activities and briefings to teachers in consultation with stakeholders such as professional teaching associations, cluster educators, the Victorian Institute of Teaching, the Department of Education and Early Childhood Development and the Catholic Education Commission of Victoria.

P-10 assessment

Achievement Improvement Monitor

The AIM was an integrated set of assessment and monitoring programs for measuring Victorian student progress and achievement. Years 3, 5 and 7 AIM tests in English and mathematics were conducted from 31 July to 1 August 2007 and results were subsequently delivered to parents and participating schools in October 2007. More than 60,000 Victorian students per year level participated in the AIM 2007 tests.

Parents of children who sat the AIM tests were issued with reports showing their child's achievement levels in reading, writing, spelling and mathematics. Results were referenced to the expected level of achievement; the statewide average; the middle 80 per cent of all students completing the test; and national benchmarks.

Parent reports also provided interpretive text, which described a student's level of performance and suggested further action at the school level where necessary. Parents of students who achieved results well above or below the expected level were advised to discuss these results with their child's school.

National Assessment Program – Literacy and Numeracy

In May 2008, the NAPLAN replaced the AIM testing program. The VCAA delivered NAPLAN assessments in language conventions (spelling, grammar and punctuation), writing, reading and numeracy to Years 3, 5, 7 and 9 students on 13–15 May 2008. More than 60,000 Victorian students from more than 2300 schools participated in the NAPLAN 2008.

Curriculum Corporation was responsible for developing the NAPLAN 2008 tests. Item development and test construction was done in consultation with the VCAA and education authorities from all other states and territories, the Commonwealth Government and non-government school representatives. All proposed test items were trialled before being included in final tests. Trialling took place in schools across Australia.

Student results will be referenced to a single national achievement scale that consists of ten bands. Each year level will be reported against a range of six of the ten bands.

That is:

Year 3: Bands 1–6

Year 5: Bands 3–8

Year 7: Bands 4–9

Year 9: Bands 5–10

A short description of the knowledge and skills typically achieved by students within each band will be included in the parent report, as well as the location of the national average and the middle 60 per cent of students results.

Work has commenced on the NAPLAN 2009 tests and the proposed questions were trialled across Australia in June 2008.

The VCAA continues to take a leading role in all aspects of test development and design and provides expert advice in relation to item construction and reporting issues.

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Achievements

During the AIM testing period:

- the development, trialling and production of the 2007 AIM tests was completed within budget and scheduled timelines
- AIM tests were delivered internationally to Years 3, 5 and 7 students at the Saudi Arabian International School, Riyadh
- online marking enabled higher proportions of markers to work from home and from non-metropolitan Victoria
- results were delivered to schools through the online AIM Data Service, which was supported with professional development for teachers, principals and curriculum leaders at multiple locations across Victoria
- the system used to deliver AIM online tests in previous years continued to be used for online On Demand Testing
- there were more than 500 new school registrations to use On Demand tests, which increased the total to 1330 schools

registered for On Demand Testing – over 12,000 online tests were downloaded by schools from July 2007 to June 2008

- the increase in school registrations for online testing was driven, in part, by the Literacy and Numeracy initiatives of the Learning and Teaching Branch, Office for Government School Education.

During the NAPLAN testing period:

- NAPLAN tests for more than 240,000 Victorian students were delivered to, administered by and returned from more than 2300 schools within budget and to scheduled timelines
- NAPLAN tests were delivered internationally to the Victorian International School of Sharjah and the Saudi Arabian International School, Riyadh
- online marking of the NAPLAN writing tests enabled markers to work from home or from a VCAA marking centre. An online marking centre was established at the VCAA's Assessment Centre at Coburg.

Strategic Aim 2

Post-compulsory curriculum and assessment

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

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

Post-compulsory curriculum

Victorian Certificate of Education

The VCAA supports the delivery of the VCE curriculum through the provision of advice and resources to teachers. This includes access to a wide range of VCAA curriculum materials and resources on the VCAA website.

In 2007–08, statewide professional development sessions were conducted to accompany the introduction of revised VCE studies.

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

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

Victorian Certificate of Applied Learning

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

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

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

Vocational education and training in schools

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

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

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

Students may enrol in a VET certificate in a school-based apprenticeship or traineeship program in a range of industry areas promoted by industry stakeholders. Students undertaking other VET training at Certificate II level or above are eligible for block credit recognition. This provides broader pathways for VCE students because they are given access to a greater range of VET programs and the opportunity to tailor their studies to local employment circumstances. This enables

greater student uptake of school-based apprenticeships and traineeships in a wider range of industries.

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

VET in Schools enrolments

In 2007, 40,764 students were enrolled in VET in Schools with 594 providers. This resulted in 55,249 certificate enrolments across a range of industry areas. These enrolments included 7125 enrolments in school-based apprenticeships and traineeships.

Achievements

During 2007, VCE Physics was reviewed. Consequently, teacher professional development programs were conducted and resources were created for the reaccredited study during the first half of 2008. The reaccredited VCE Physics Study Design will be implemented in 2009.

During 2008, the following VCE studies are undergoing a review process: Classical Societies and Cultures, Texts and Traditions, Art, Studio Arts, Economics, Health and Human Development, Psychology and Business Management (minor review). The revised study designs will be implemented in 2010.

In addition, the VCAA provided:

- VCE briefings for VCE coordinators, focusing on processes and procedures related to VCE study review and implementation, school-assessed coursework audit, school-assessed taskwork and visitation, study scores and statistical moderation
- two sets of statewide briefings for the new English/ESL study – briefings included sample delivery and assessment strategies

- statewide briefings on new developments in VCE VET programs and VCAL to approximately 700 VET coordinators, VCAL coordinators and teachers in 13 locations during November 2007
- activity workshops in 13 scored VCE VET programs over five days in February–March 2008 for 190 assessors from private providers, adult community education (ACE) providers, TAFE institutes and schools
- professional development seminars in partnership with subject associations for VCE VET Information Technology and Sport and Recreation – other professional development and presentations were provided for teachers of Building, Community Services, Dance, Electrotechnology, Furnishing and Music.

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

Further work was undertaken on the plan to implement the software tool to enable the assessment and reporting of students' achievement of Employability Skills.

Enrolments in VET in Schools continued to be popular as a result of increased flexibility in the choice of VET certificates, achieved in part through the expansion of block credit recognition arrangements and the uptake of school-based apprenticeships and traineeships.

VCE high grades 2003–07

	2003	2004	2005	2006	2007
Total number of grades	790,462	787,625	777,182	779,045	763,368
Number of A+ grades	108,428	108,559	107,972	107,819	105,968
Percentage of A+ grades	13.7	13.8	13.9	13.8	13.9
Number of A grades	125,087	126,364	124,998	125,035	122,212
Percentage of A grades	15.8	16.0	16.1	16.0	16.0

Note: Total number of grades excludes those not assessed.

Post-compulsory assessment

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

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

Victorian Certificate of Education

During the November 2007 examination period, 120 written examinations – including those provided by CCAFL – were conducted over 16 days. All student examinations were processed and assessed, and examination scores finalised over a period of 38 days.

Outcomes of graded assessment 2007

Students undertaking Units 3 and 4 sequences may participate in graded assessment. The median grade awarded was B; 59.9 per cent of grades attaining B or higher.

VCE study scores 2003–07

	2003	2004	2005	2006	2007
Number of study scores	263,653	263,009	255,024	256,297	251,366
Students with at least one study score	75,543	76,050	74,781	74,406	74,509
Students with at least one study score of 40+	14,652	14,435	14,567	14,458	14,317
Students with at least one study score of 50	625	606	614	631	599
Number of study scores of 50	696	692	684	701	672

VCE VET programs

In 2007–08, 14 VCE VET programs provided students with the option of undertaking scored assessment of the designated Units 3 and 4 sequences.

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

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

Victorian Certificate of Applied Learning

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

In 2007, 418 providers, comprising government schools, Catholic schools, TAFE institutes

and ACE organisations, had 14,093 VCAL certificate enrolments. In each of these locations, VCAL learning programs have been developed by providers in partnership with TAFE institutes, schools, further education providers, employers, community organisations and LLENs.

The On Track destination data for Intermediate and Senior VCAL students indicated that 23.4 per cent of the 2007 VCAL students continued with further education or training and 65.8 per cent commenced an apprenticeship, traineeship or employment. This means that 89.2 per cent of VCAL students had a pathway to further education, training or work.

Achievements

During the reporting period the VCAA:

- awarded:
 - VCE certificates 46,162
 - VCAL certificates 6,747
- delivered to students' homes:
 - VCE statements of results 77,537
 - GAT statements 75,767
 - VCAL statements of results 2,874
 - VET statements of results 14,173
- recorded successful completions of university extension studies 558
- delivered to students through their schools:
 - VCE statements of results 62,902
 - VCAL statements of results 10,120
 - VET statements of results 23,607
 - Overseas GAT students (Crawford Schools) 556
 - Overseas VCE providers 271

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- provided the VCAA and the VTAC joint information service for students who accessed results:
 - by telephone 2,094
 - by SMS 17,520
 - by Internet 50,297
- maintained and strengthened security arrangements in regard to the administration, dispatch, collection and processing of VCE examinations, with no breaches of security reported
- completed the first three-year cycle of VCE examination security visits in 2007 and commenced the second three-year cycle in 2008
- recorded an increase in the number of students undertaking school-based apprenticeships and traineeships
- recorded an overall increase in scored assessed program enrolments from the previous year.

Strategic Aim 3

Research, measurement and reporting

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

During 2007–08, the Data Analysis, Measurement and Reporting Unit provided:

- educational measurement and data analysis expertise to support the operations of P–12 assessment programs (VCE, VET in Schools, VCAL, AIM and NAPLAN)
- information and analysis on enrolment and achievement for P–12 assessment programs to a wide range of audiences, including students, parents, teachers, principals, private and government education agencies, the media and the general public.

Achievements

During 2007–08, the Data Analysis, Measurement and Reporting Unit provided advice and support on a range of issues, including:

- professional development and training in the use of the VCE Data Service to more than 300 teachers and principals statewide

- measurement issues that arose in relation to the development and improvement of P–12 assessment programs
- data analysis and advice to internal VCAA units to support the development of P–12 assessment tools and subsequent reporting
- information and analysis to the VCAA Board
- expertise to outside bodies, including the VTAC
- information to the public via the VCAA website regarding enrolments and outcomes of the VCE, VCAL and VET in Schools assessment programs, as well as units that schools were offering, to enable students and parents to make choices about post-compulsory schooling
- VET in Schools information for national reporting to the National Council for Vocational Education and Training
- information to the Department of Education and Early Childhood Development for program implementation, performance monitoring and policy development
- support to the On Track initiative, which monitors the post-school destinations of Victorian young people
- high-quality advice such as the analysis of examination markers' discrepancies and the contribution of schools to the progress of their students.

Strategic Aim 4

Organisational capability

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

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

Achievements

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

- led and managed the organisation's development of the Corporate Strategy 2008–11
- undertook assessments of organisational risk and performance
- continued to support a schedule of regular stakeholder meetings, including forums for principals and educational representative organisations, to inform policy decisions of the VCAA Board
- coordinated the annual 'Your Job, Your Say' survey across the VCAA
- developed and maintained procurement strategies, methodologies and support documentation to ensure that procurement and contracting processes in the VCAA comply with legislative requirements and Victorian Government Purchasing Board policies
- established the business improvement group to focus on quality improvement for key organisational processes
- provided educational services to a number of schools overseas, including:
 - delivery of the VCE in schools offshore in China
 - provision of the VELS and AIM services to a school in Saudi Arabia
 - delivery of the GAT examination equivalence and moderation services to schools in South Africa
 - development of the VCE in Vanuatu
- commenced a review of VCAA engagement offshore
- delivered the Season of Excellence, the annual program of exhibitions, performances and screenings of student work from a range of VCE studies – Art, Dance, Drama, Design and Technology, Music Performance: Group, Music Performance: Solo, Studio Arts and Theatre Studies.

Financial report

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Operating statement for the financial year ended 30 June 2008

	Notes	Year ended 30 June 2008 \$	Year ended 30 June 2007 \$
Income			
Operating appropriations	2	36,602,294	34,523,400
Capital grants	2	3,000,000	100,000
NAPLAN Commonwealth grants	2	4,677,647	0
Special grants	2	309,081	162,675
Transfer staff entitlements	2	2,748,099	0
User charges	2	2,067,963	2,854,339
Interest	2	436,179	465,699
Resources received free of charge	2	1,512,131	1,826,745
		51,353,394	39,932,858
Expenses			
Employee benefits	3	26,744,524	24,764,702
Depreciation and amortisation	3	465,765	365,413
Supplies and services	3	17,305,518	13,454,118
Other expenses	3	34,249	31,163
Resources received free of charge	3	1,512,131	1,826,745
		46,062,187	40,442,141
Net result for the year		5,291,207	(509,283)

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

Statement of changes in equity for the financial year ended 30 June 2008

	Notes	Year ended 30 June 2008 \$	Year ended 30 June 2007 \$
Total equity at the beginning of financial year			
Contributed capital		4,698,492	4,698,492
Accumulated surplus/(deficit)		(309,094)	200,189
Net result for the period		5,291,207	(509,283)
Balance at end of year		9,680,605	4,389,398

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

Balance sheet as at 30 June 2008

	Notes	Year ended 30 June 2008 \$	Year ended 30 June 2007 \$
Current assets			
Cash and cash equivalents	4	3,567,406	349,237
Financial assets	5	0	4,259,951
Receivables	6	9,256,747	3,008,958
Prepayments	7	297,399	111,051
		13,121,552	7,729,197
Non-current assets			
Receivables	6	0	2,238,247
Property, equipment and motor vehicles	8	1,024,096	1,333,253
Work in progress	9	4,020,917	2,560,536
		5,045,013	6,132,036
Total assets		18,166,565	13,861,233
Current liabilities			
Payables	10	8,402,255	4,719,883
Provisions	11a	0	4,185,825
Financial liabilities	12	51,814	61,181
		8,454,069	8,966,889
Non-current liabilities			
Provisions	11a	0	382,579
Financial liabilities	12	31,891	122,367
		31,891	504,946
Total liabilities		8,485,960	9,471,835
Net assets		9,680,605	4,389,398
Net equity			
Contributed capital	13	4,698,492	4,698,492
Accumulated surplus/(deficit)	14	4,982,113	(309,094)
Total equity		9,680,605	4,389,398

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

Cash flow statement for the financial year ended 30 June 2008

	Notes	Year ended 30 June 2008 \$	Year ended 30 June 2007 \$
Cash flows from operating activities			
Receipts			
Receipts from Government		38,554,519	36,247,983
Receipts from interest		437,930	464,658
Receipts from user charges		2,089,992	2,708,890
Total receipts		41,082,441	39,421,531
Payments			
Payments to employees		(26,127,651)	(24,398,687)
Payments to supplies		(14,149,098)	(13,335,911)
Total payments		(40,276,749)	(37,734,598)
Net cash flows from/(used in) operating activities	19	805,692	1,686,933
Cash flows from investing activities			
Payment for property, plant and equipment		(428,858)	(920,286)
Proceeds from sale of fixed assets		14,909	12,545
Payment for work in progress		(1,376,101)	(1,453,513)
Net cash flows from/(used in) investing activities		(1,790,050)	(2,361,254)
Cash flows from financing activities			
Repayment of finance leases		(57,424)	(45,023)
Net cash flows from/(used in) financing activities		(57,424)	(45,023)
Net increase/(decrease) in cash and cash equivalents		(1,041,782)	(719,344)
Cash and cash equivalents at beginning of the financial year		4,609,188	5,328,532
Cash and cash equivalents at end of the financial year	20	3,567,406	4,609,188

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

Note 1 Summary of significant accounting policies

Statement of compliance

The financial report is a general purpose financial report which has been prepared on an accrual basis in accordance with the *Financial Management Act 1994*, applicable Financial Reporting Directions, Australian Accounting Standards (AAS), which includes the Australian accounting standards issued by the *Australian Accounting Standards Board (AASB)*, *AAS29 Financial Reporting by Government Departments*, Interpretations and other mandatory professional requirements.

Basis of preparation

The financial report has been prepared on the basis of historical cost, where cost is based on the fair values of the consideration given in exchange for assets.

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

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

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 in these financial statements for the year ended 30 June 2007.

(a) Reporting entity

The financial report covers the Victorian Curriculum and Assessment Authority (VCAA) as an individual reporting entity, established under the *Education and Training Reform Act 2006*. The principal address is:
Victorian Curriculum Assessment Authority
41 St Andrews Place
East Melbourne VIC 3002

The VCAA is headed by the Chief Executive Officer (CEO), whose powers and functions are set out in Part 2.5 of the Act. The CEO is responsible for the VCAA policy and operational matters and to the Secretary of the Department of Education and Early Childhood Development (DEECD) for budgetary, personnel and other administrative matters.

(b) Objectives and funding

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

The VCAA is predominantly funded by accrual-based appropriations from DEECD for the provision of outputs. As a statutory authority, the VCAA also derived revenue from a number of external sources, including overseas student fees, publication sales, student services, royalties and other administrative fees.

DEECD has provided letters of comfort over the past years to support their request that the VCAA draw on accumulated reserves to fund operating activities. The current letter of comfort documents the agreement by DEECD to fund any operational shortfall for the 2008–09 financial year activities, should it occur, to enable the VCAA to meet its financial commitments as and when they fall due, subject to the shortfall arising as a result of costs being incurred by the VCAA in its good-faith endeavours to achieve the outcomes agreed between the VCAA and DEECD.

(c) Events after reporting date

Assets, liabilities, income and expenses arise from past transactions or other past events. Where the transactions result from an agreement between the VCAA 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 condition which arose after the reporting date and which may have a material impact on the results of subsequent years.

(d) Goods and Services Tax

Income, expenses, assets and liabilities are recognised net of the amount of associated Goods and Services Tax (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.

(e) Income recognition

All income received by the VCAA is required to be paid into the VCAA Fund.

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

Grants

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

Royalties

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

Fees, publications and other

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

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

Interest revenue

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

Resources provided and received free of charge

Contributions of resources provided free of charge are recognised at their fair value when the VCAA 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.

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

(f) 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 and superannuation contributions. These are recognised when incurred.

Superannuation

Defined contribution plans

Contributions to defined contribution superannuation plans are expensed when incurred.

Defined benefit plans

The VCAA does not recognise any defined benefit liability in respect of these superannuation plans because the VCAA has no legal or constructive obligation to pay future benefits relating to its employees; its only obligation is to pay superannuation contributions as they fall due. The Department of Treasury and Finance centrally recognises the defined benefit liability or surplus of most Victorian government employees in such funds.

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:

Asset class	Useful life	
	2008	2007
Computer equipment	3 years	3 years
Plant and equipment	5 years	5 years
Motor vehicles	5–10 years	5–10 years
Leasehold improvements	5 years	5 years

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 five years at a rate of 20 per cent.

Resources provided free of charge or for nominal consideration

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

Impairment of assets

Goodwill and intangible assets with indefinite useful lives (and intangible assets not yet available for use) are tested annually for impairment (i.e. as to whether their carrying value exceeds their recoverable amount and so require 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 VCAA. 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.

(g) Assets

All non-current assets controlled by the VCAA are reported in the balance sheet.

Cash and cash equivalents

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

Receivables

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

Receivables are recognised initially at fair value and subsequently measured at amortised cost, using 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.

Property, equipment and motor vehicles

Computers, plant and equipment are measured at cost less accumulated depreciation and impairment.

Revaluations of non-current physical 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 differences between carrying value and fair value.

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

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

Non-current assets constructed by the VCAA

The cost of non-current assets constructed by the VCAA represents the software development costs capitalised for the Assessment Processing System

Redevelopment (APS-R) and includes the cost of all materials used in construction, and direct labour on the project. Continued development will take place in 2008–09. Upon completion the cost will be fully amortised over the useful life of the asset.

An impairment test was applied to the project at the end of the 2007–08 financial year.

(h) Liabilities

Payables

Payables consist predominantly of creditors and other sundry liabilities.

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

Provisions

Provisions are recognised when the VCAA 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) Wages and salaries, annual leave and sick leave

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

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

ii) Long service leave

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

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

The components of this current LSL liability are measured at:

- present value – component that the VCAA does not expect to settle within 12 months
- nominal value – component that the VCAA expects to settle within 12 months.
- Non-current liability – conditional LSL (representing less than seven years of continuous service for VPS staff and less than 10 years of continuous service for executives) is disclosed as a non-current liability. There is an unconditional right to defer the settlement of the entitlement until the employee has completed the requisite years of service.

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

Employee benefits oncosts

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

(i) 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 have also been designated as contributions by owners.

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

(j) Cash flow statement

For the purpose 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.

(k) Functional and presentation currency

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

(l) Rounding of amounts

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

(m) 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, converges 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 operations from the 2008–09 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 estimated 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.

The above 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 VCAA'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 and other entities) have been issued but were not mandatory for the financial year ending 30 June 2008. The VCAA 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 VCAA financial statements
Interpretation 12 Service Concession Arrangements	AASB approved an Australian Interpretation 12, equivalent to IFRIC 12, applying to private sector operations but explicitly excludes accounting for public sector grantors.	Beginning 1 July 2008	The VCAA is not an operator of service concession, so there will be no impact on disclosures.
Interpretation 4 Determining whether an Arrangement contains a Lease (as amended by Interpretation 12)	Where an arrangement falls within Interpretation 12, the arrangement is excluded from the scope of Interpretation 4. As advised above, Interpretation 12 only applies to the private sector operation and the AASB is still considering public sector accounting for these arrangements.	Beginning 1 July 2008	The VCAA is not an operator of service concession, so there will be no impact on disclosures.
Interpretation 129 Service Concession Arrangements: Disclosures (revised)	Operator to disclose revenue and profit.	Beginning 1 July 2008	The VCAA is not an operator of service concession, so there will be no impact on disclosures.
Interpretation 12 Service Concession Arrangements	AASB approved an Australian Interpretation 12, equivalent to IFRIC 12, applying to private sector operations, but is silent on accounting by public sector grantors. The AASB intends to consider how public sector grantors should account for service concession arrangements and will appoint an advisory panel to make recommendations.	Beginning 1 July 2008	The VCAA is not an operator of service concession, so there will be no impact on disclosures.
AASB 2007-2 Amendments to Australian Accounting Standards arising from AASB Interpretation 12	Amendments arise from the release in February 2007 of Interpretation 12 Service Concession Arrangements.	Beginning 1 July 2008	The VCAA is not an operator of service concession, so there will be no impact on disclosures.
AASB 8 Operating Segments	Supersedes AASB 114 Segment Reporting.	Beginning 1 July 2008	Not applicable to the VCAA.
AASB 2007-3 Amendments to Australian Accounting Standards arising from AASB 8 (AASB 5, AASB 6, AASB 102, AASB 107, AASB 119, AASB 127, AASB 134, AASB 136, AASB 1023 and AASB 1038)	An accompanying amending standard, also introduced consequential amendments into other Standards.	Beginning 1 July 2008	Impact not expected to be significant.
AASB 2007-6 Amendments to Australian Accounting Standards arising from AASB 123 (AASB 1, AASB 101, AASB 107, AASB 138, and Interpretations 1 & 12)	Option to expense, borrowing cost related to qualifying asset had been removed. Entities are now required to capitalise borrowing costs relevant to qualifying assets.	Beginning 1 July 2008	All Australian government jurisdictions are currently pursuing an exemption for government from capitalising borrowing costs.
AASB 2007-8 Amendments to Australian Accounting Standards arising from AASB 101	Editorial amendments to Australian Accounting Standards to align with IFRS terminology.	Beginning 1 July 2008	Impact not expected to be significant.

Note 2 Income

	2008 \$	2007 \$
Operating appropriations		
Current year	36,602,294	34,523,400
Capital grants	3,000,000	100,000
Commonwealth grant – NAPLAN	4,677,647	0
Special grants		
VCAL	127,872	103,182
Redevelopment of VCE Chemistry		18,493
Environmental Science Expo program		41,000
AESOC funding – national testing	181,209	
	309,081	162,675
Transfer staff entitlements ⁽ⁱ⁾	2,748,099	0
User charges		
Fee-paying overseas students	1,420,173	1,269,127
Publication sales – Study Designs/CSF material	19,093	11,415
Student services	214,970	303,716
VCE results hotline	24,095	33,312
Royalties ⁽ⁱⁱ⁾	207,088	1,054,638
VCE Season of Excellence	60,883	118,375
Miscellaneous income	121,661	63,756
	2,067,963	2,854,339
Interest	436,179	465,699
Resources received free of charge ⁽ⁱⁱⁱ⁾		
Property rentals and outgoings	1,512,131	1,826,745
Total revenue	51,353,394	39,932,858

⁽ⁱ⁾ Under the new Education and Training Reform Act 2006, VCAA staff are recognised as DEECD employees. In accordance with the Act the VCAA current and non-current liabilities relating to employment obligations have been written back through the operating statement as these liabilities now reside within the DEECD financial statements. On the 30 June 2008 the VCAA transferred the current and non-current liabilities for long service leave and recreational leave provisions, totalling \$4,837,757, to DEECD. The liabilities were partially offset by a DEECD receivable totalling \$2,089,659, resulting in a significant item of \$2,748,099 being recorded against income in the VCAA operating statement in the 2007–08 financial year. VCAA receives an operating appropriation of which the employee costs are met.

⁽ⁱⁱ⁾ Royalty audit is undertaken by Copyright Australia Limited annually. The disparity between the 2008 and 2007 years is due to a one-off payment made in 2007.

⁽ⁱⁱⁱ⁾ Free of charge relates to two separate building occupancy arrangements:

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

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

Note 3 Expenses

	2008 \$	2007 \$
Employee benefits		
Salaries and allowances	15,228,609	14,888,647
Fees for setting, vetting and assessing examinations	7,826,055	6,393,555
Associated salary on-costs	3,625,220	3,405,200
Other	64,640	77,300
	26,744,524	24,764,702
Depreciation and amortisation		
Amortisation of leasehold improvements ⁽ⁱ⁾	271,496	115,956
Amortisation of leased motor vehicles	35,490	26,902
Depreciation of equipment ⁽ⁱⁱ⁾	158,779	222,555
	465,765	365,413
Supplies and services		
Administrative expenses	866,235	623,461
Computer and Internet expenses	1,095,216	586,802
Contractors and consultants ⁽ⁱⁱⁱ⁾	7,733,407	4,909,952
Bad and doubtful debts	26,825	20,039
Exam centre supervisor grants	2,355,589	2,231,499
Freight and cartage	471,734	433,345
Furniture and equipment	157,387	90,664
Hire and leasing of venues	324,711	320,247
Motor vehicles expenses	21,711	33,046
Office supplies	233,074	217,034
Printing and production	1,235,425	1,461,727
Staff training	273,843	253,615
Teacher release and development grants	1,045,420	1,035,685
Travelling and personal expenses	372,378	350,705
Utilities	783,563	598,215
Warehouse rental and outgoings	166,256	201,900
Write-off of assets ⁽ⁱⁱ⁾	142,744	86,182
	17,305,518	13,454,118
Other expenses		
Audit fees ^(iv)	27,027	24,300
Disposal of equipment		
Proceeds from sale of fixed assets	0	0
Less written-down value of fixed assets disposed	0	319
Disposal of motor vehicles		
Proceeds from sale of motor vehicles	(14,909)	(12,545)
Less written-down value of fixed assets disposed	22,131	19,089
	34,249	31,163
Resources received free of charge ^(v)	1,512,131	1,826,745
Total expenses	46,062,187	40,442,141

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

⁽ⁱⁱ⁾ A change in the asset threshold from \$1K to \$5K resulted in the write-off of assets to the operating statement, reducing the value of asset for depreciation.

⁽ⁱⁱⁱ⁾ Contractor and consulting fee increase is mainly due to the operational management of the APS-R project.

^(iv) Audit fees paid or payable to the Victorian Auditor General's Office for audit of the VCAA financial accounts and review of the financial report.

^(v) The reduced cost in 2008 relates to the consolidation of the Camberwell and Coburg offices.

Note 4 Cash and cash equivalents

	2008 \$	2007 \$
Cash on hand	400	400
Cash at bank ⁽ⁱ⁾	3,567,006	348,837
	3,567,406	349,237

⁽ⁱ⁾ Includes investments held at call

Note 5 Financial assets

	2008 \$	2007 \$
Term deposits	0	4,259,951
	0	4,259,951

Note 6 Receivables

	2008 \$	2007 \$
Current		
Fee-paying overseas students	636,643	551,533
Operating appropriation receivable ⁽ⁱ⁾	3,219,260	1,862,403
NAPLAN Commonwealth grant ⁽ⁱⁱ⁾	4,677,647	0
Other	743,197	615,022
	9,276,747	3,028,958
Less provision for doubtful debts	20,000	20,000
	9,256,747	3,008,958
Non-current		
DEECD allocation for long service leave ⁽ⁱⁱⁱ⁾	0	2,238,247

⁽ⁱ⁾ Monies owed by DEECD for the balance of 2007/08 operating grant at 30 June.

⁽ⁱⁱ⁾ The Commonwealth approved a grant of \$ 9.8M to develop NAPLAN, national testing of English and mathematics for Years 3, 5, 7 & 9. \$4.6M was expensed in the 2007-08 financial year for the first phase of the NAPLAN development. These monies are owed to the VCAA from DEECD. The balance of the grant is expected to be received in the 2008-09 financial year.

⁽ⁱⁱⁱ⁾ Under the new Education and Training Reform Act 2006, VCAA staff are recognised as DEECD employees. In accordance with the Act the current and non-current liabilities relating to employment obligations have been written back through the operating statement as these liabilities now reside within the DEECD financial statements. The write-back of the non-current notion debtor for long service leave formed part of the calculation – refer note 2⁽ⁱ⁾.

Note 7 Prepayments

	2008 \$	2007 \$
Software maintenance	128,057	75,617
Computer hardware	70,500	0
Operating costs	98,842	35,434
	297,399	111,051

Note 8 Property, equipment and motor vehicles

Equipment

	2008 \$	2007 \$
At cost	323,204	2,835,641
Less accumulated depreciation	134,414	2,501,173
	188,790	334,468

During the 2007–08 financial year, executive changed the asset threshold from \$1K to \$5K resulting in a net asset write-off of \$142,743 to the operating statement.

Leasehold improvements

	2008 \$	2007 \$
At cost	1,140,129	932,556
Less accumulated amortisation	387,452	115,955
	752,677	816,601

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

Leased assets

	2008 \$	2007 \$
Motor vehicles at cost	120,402	214,523
Less accumulated amortisation	37,773	32,339
	82,629	182,184
Total property, equipment and motor vehicles	1,024,096	1,333,253

Reconciliation

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:

	Equipment \$	Leasehold improvement \$	Leased assets \$
2008			
Opening balance	334,468	816,601	182,184
Additions	155,844	207,572	–
Disposals	(142,743)	–	(64,065)
Depreciation/amortisation	(158,779)	(271,496)	(35,490)
Closing balance	188,790	752,677	82,629
2007			
Opening balance	367,811	233,144	81,029
Additions	189,531	699,413	147,146
Disposals	(319)	–	(19,089)
Depreciation	(222,555)	–	–
Amortisation	–	(115,956)	(26,902)
Closing balance	334,468	816,601	182,184

Note 9 Work in progress

	2008 \$	2007 \$
Assessment Processing System Redevelopment (APS-R)	4,020,917	2,560,536
	-	-
	4,020,917	2,560,536

Reconciliation

Reconciliation of the carrying amount for APS-R work in progress at the beginning and end of the financial year are set out below:

	WIP \$
2008	
Opening balance	2,560,536
Additions	1,460,381
Closing balance ⁽ⁱ⁾	4,020,917
2007	
Opening balance	322,357
Additions	2,238,179
Closing balance	2,560,536

⁽ⁱ⁾ The APS-R project was an ERC submission and is being undertaken to partially redevelop the current APS which contains student and results data for all Victorian students up to Year 12. The \$4,020,917 represents the development costs at 30 June 2008. Phase one of the project is scheduled to be implemented in November 2008.

Note 10 Payables

	2008 \$	2007 \$
Trade creditors ⁽ⁱ⁾	6,031,478	2,609,157
Accrued salaries	1,870,694	1,671,762
Fees in advance	500,083	438,964
	8,402,255	4,719,883

⁽ⁱ⁾ Trade creditors of \$6,031,478 includes the APS-R consultant and hardware costs accrued at 30 June 2008.

Note 11 Employee benefits

(a) Provision for employee benefits

	2008 \$	2007 \$
Current		
Long service leave		
Short term at nominal value	0	300,000
Long term at present value	0	2,692,955
Annual leave		
Short term at nominal value	0	1,192,870
	0	4,185,825
Non-current		
Long service leave	0	382,579
Total	0	4,568,404
Reconciliation		
	2008 \$	2007 \$
Opening balance	4,568,404	4,274,326
Additional provisions recognised	1,260,510	1,472,495
Reductions arising from payments/other sacrifices of future economic benefits	(991,157)	(1,178,417)
Reduction due to changes in the capture of employee benefits	(4,837,757)	0
Closing balance	0	4,568,404

Under the new *Education and Training Reform Act 2006*, VCAA staff are recognised as DEECD employees. In accordance with the Act the current and non-current liabilities relating to employment obligations have been written back through the operating statement as these liabilities now reside within the DEECD financial statements.

(b) Government employees' superannuation fund

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

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

Payments to the State Superannuation Fund and the Victorian Superannuation Fund were made during the 2007–08 financial

year by DEECD, in respect to permanent staff positioned within VCAA. DEECD was reimbursed an amount of \$1,427,931 at balance date for these contributions, which has been calculated at an average rate of 10.60 per cent of actual salaries.

In addition to the above, the VCAA paid contributions on behalf of eligible casual and sessional employees into 52 different funds. Contributions are calculated at a rate of 9 per cent pursuant to the provisions of the *Superannuation Guarantee Act 1992*.

	2008 \$	2007 \$
Total contributions	723,851	599,176
Comprised of:		
VicSuper	670,471	559,011
Catholic Super Fund	13,846	10,929
Tertiary Education Super Scheme	10,891	6,932
Other (2008 – 49 different funds) (2007 – 45 different funds)	28,643	22,304

The VCAA has no loans from the employee superannuation funds.

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

Note 12 Financial liabilities

	2008 \$	2007 \$
Current		
Motor vehicles under finance lease	51,814	61,181
Non-current		
Motor vehicles under finance lease	31,891	122,367

Note 13 Contributed capital

	2008 \$	2007 \$
Balance 1 July	4,698,492	4,698,492
Contributions of equity	-	-
Balance 30 June	4,698,492	4,698,492

Note 14 Accumulated surplus/(deficit)

	2008 \$	2007 \$
Accumulated surplus/(deficit) at the beginning of the financial year	(309,094)	200,189
Net result for the reporting period	5,291,207	(509,283)
Accumulated surplus/(deficit) at the end of the financial year	4,982,113	(309,094)

Note 15 Financial instruments

Significant accounting policies

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

a) Interest rate risk

The VCAA's exposure to interest rate risks and the effective weighted interest rate by maturity periods is set out in the table below. Interest rates of financial assets and financial liabilities, recognised at balance date, are as follows:

2008	Notes	Weighted average effective interest rate %	Variable interest rate	Maturity dates		Non-interest bearing	Total
				Less than 1 year	1-5 years		
Financial assets:							
Cash and cash equivalents	4	6.75%	3,567,006	-	-	400	3,567,406
Other financial assets			-			-	
Receivables	6	-	-	-	-	9,256,747	9,256,747
			3,567,006	-	-	9,257,147	12,824,153
Financial liabilities:							
Payables	10	-	-	-	-	7,902,172	7,902,172
Financial liabilities	12	6.94%	-	51,814	31,891	-	83,705
			-	51,814	31,891	7,902,172	7,985,877

2007	Notes	Weighted average effective interest rate %	Variable interest rate	Maturity dates		Non-interest bearing	Total
				Less than 1 year	1-5 years		
Financial assets:							
Cash and cash equivalents	4	5.55%	348,837	-	-	400	349,237
Other financial assets		6.00%	-	4,259,951	-	-	4,259,951
Receivables	6	-	-	-	-	5,247,205	5,247,205
			348,837	4,259,951	-	5,247,605	9,856,393
Financial liabilities							
Payables	10	-	-	-	-	4,280,919	4,280,919
Financial liabilities	12	6.69%	-	61,181	122,367	-	183,548
			-	61,181	122,367	4,280,919	4,464,467

(b) Fair values

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

	Total carrying amount and aggregate net fair value as per balance sheet	
	2008 \$	2007 \$
(i) Financial assets		
Cash assets	3,567,406	349,237
Other financial assets	0	4,259,951
Receivables	9,256,747	5,247,205
Total financial assets	12,824,153	9,856,393
(ii) Financial liabilities		
Payables	7,902,172	4,280,919
Financial liabilities	83,705	183,548
Total financial liabilities	7,985,877	4,464,467

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

Recognised financial instruments

Cash and other financial assets: The carrying amount approximates fair value because of their short-term maturity.

Receivables and payables: The carrying amount approximates fair value.

Financial liabilities: The carrying amount approximates fair value.

(c) Credit risk

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

Credit risk to the VCAA's financial assets is minimal because the main debtor is DEECD. For debtors other than government, it is the VCAA's policy to only deal with entities with high credit ratings and to obtain sufficient collateral or credit enhancements where appropriate.

(d) Liquidity risk

Liquidity risk arises when the VCAA is unable to meet its financial obligations as they fall due. The VCAA operates under the Government fair payments policy of settling financial obligations within 30 days and in the event of a dispute, make payment within 30 days from the date of resolution. In addition, to support DEECD's request that the VCAA draw on accumulated reserves to fund operating activities, the Secretary has signed a letter of comfort.

(e) Market risk

The VCAA's exposure to market risk is primarily through interest rate risk with no exposure to foreign currency and other price risks.

(f) Sensitivity analysis disclosure

The VCAA has performed a sensitivity analysis relating to its exposure to interest risk at balance date. This sensitivity analysis demonstrates the effect on the current year results and equity which could result from a change in this risk.

Interest rate sensitivity analysis

At 30 June 2008, the effect on the profit and equity as a result of changes in the interest rate, with all other variables remaining constant, would be as follows:

	2008 \$	2007 \$
Change in profit		
Increase in interest rate by 1%	35,674	46,092
Decrease in interest rate by 1%	35,674	46,092
Change in equity		
Increase in interest rate by 1%	35,674	46,092
Decrease in interest rate by 1%	35,674	46,092

The above interest rate sensitivity analysis has been performed on the assumption that all other variables remain unchanged.

Only cash and cash equivalents would be affected by a movement in interest rates as other financial instruments are either interest free or subject to fixed interest rates.

No sensitivity analysis has been performed on foreign exchange risk, as the VCAA is not exposed to foreign currency fluctuations.

Note 16 Responsible persons

Responsible persons and executive officers

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

Names

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

Responsible Minister

Minister for Education	The Hon. John Lenders, MP	1 July 2007 – 3 August 2007
	The Hon. Bronwyn Pike, MP	3 August 2007 – 30 June 2008
Acting Minister for Education	The Hon. Maxine Morand, MP	5 September 2007 – 11 September 2007
		15 October 2007 – 28 October 2007
		30 June 2008
	The Hon. Tim Holding, MP	4 January 2008 – 13 January 2008
	The Hon. Tim Pallas, MP	14 January 2008 – 25 January 2008
Accountable officer	Mr John Firth	
VCAA members	Professor Peter McPhee, Chair	
	Ms Esmeralda Bamblett	
	Mr Tony Coppola	Appointed 3 June 2008
	Professor Peter Dawkins	
	Ms Polly Flanagan	
	Mr Tony Larkin	Appointed 18 December 2007
	Mr John Maddock	
	Mr Peter McMullin	Term concluded 20 May 2008
	Mr Glen Pearsall	
	Ms Catherine Pianta	
	Ms Debra Punton	
	Ms Joanne Roberts	Term concluded 20 May 2008
Ms Helen Staindl		
Professor Sue Willis		

Remuneration of responsible persons

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

Income	2008	2007
\$0	7	7
\$1-\$9,999	7	7
\$10,000-\$19,999		1
\$20,000-\$29,999		1
\$30,000-\$39,999	1	
\$40,000-\$49,999		
\$180,000-\$189,999		
\$210,000-\$219,999		1
\$220,000-\$229,999	1	
Total remuneration received, or due and receivable by responsible persons amounted to:	\$282,684	\$282,955

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

Remuneration of executives

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

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

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

Income band	Total remuneration		Base remuneration	
	2008 No.	2007 No.	2008 No.	2007 No.
\$90,000–\$99,999				
\$100,000–\$109,999				
\$110,000–\$119,999				
\$120,000–\$129,999			1	
\$130,000–\$139,999			1	
\$140,000–\$149,999	1			2
\$150,000–\$159,999		2		
\$160,000–\$169,999	1		1	
\$170,000–\$179,999	1			
Total numbers	3	2	3	2
Total amount \$	\$495,141	\$312,219	\$426,231	\$294,489

Note 17 Economic dependency

The VCAA is dependent on the State Government, through the DEECD, for a significant volume of its operating revenue, provision of human and employment resources, information system support, financial facilities and ongoing financial support, as reported in note 1. A letter of comfort is negotiated annually with DEECD.

Note 18 Segmental reporting

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

Note 19 Reconciliation from operating result to net cash flow from operating activities

	Year ended 30 June 2008 \$	Year ended 30 June 2007 \$
Operating result	5,291,207	(509,283)
Non-cash flows in operating results		
Depreciation of equipment	158,779	222,555
Amortisation of leasehold improvements	271,496	115,956
Amortisation of motor vehicles	35,490	26,902
Loss/(Profit) on sale of assets	149,966	6,863
Assets write-off		86,182
Bad debts	26,825	20,039
Decrease/(increase) in assets		
Receivables	(4,036,367)	1,276,066
Other current assets	(186,348)	93,174
Increase/(decrease) in liabilities		
Accounts payable	3,663,048	54,401
Annual leave provision	(1,192,870)	77,909
Long service leave provision	(3,375,534)	216,169
Net cash inflow (outflow) from operating activities	805,692	1,686,933

Note 20 Reconciliation of cash

For the purposes of the statement of cash flows, the VCAA considers cash to include amounts on hand and amounts held in the bank and investment accounts. Cash at the end of the reporting period as shown in the statement of cash flows is reconciled to the related items in the balance sheet as follows:

	As at 30 June 2008 \$	As at 30 June 2007 \$
Cash on hand	400	400
Cash at bank	3,567,006	348,837
Other financial assets	0	4,259,951
Total cash at end of period	3,567,406	4,609,188

Note 21 Contingent liabilities and contingent assets

	As at 30 June 2008 \$	As at 30 June 2007 \$
	0	0

The VCAA does not have any contingent liabilities or assets.

Note 22 Commitments for expenditure

	As at 30 June 2008 \$	As at 30 June 2007 \$
Capital expenditure commitments		
Intangible assets		
Payable		
Not more than one year	1,156,000	1,432,000
Longer than one year and not longer than five years	0	912,000
Longer than five years	0	0
Total capital expenditure commitments	1,156,000	2,344,000

The commitments represent the residual amount owing to contractors for the development of the APS-R project. The VCAA received a commitment of funding of \$6M which was fully drawn down by the 2007–08 financial year.

Note 23 Subsequent events

There are no significant events that have occurred subsequent to 30 June 2008.

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

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

We further state that, in our opinion, the information set out in the Operating Statement, Balance Sheet, Statement of Changes in Equity, Cash Flow Statement and notes to and forming part of the financial statements, presents fairly the financial transactions during the year ended 30 June 2008 and financial position of the VCAA as at 30 June 2008.

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

We authorise the attached financial report for issue on *22 September 2008*

Peter McPhee
Chair



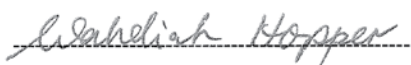
Melbourne

John Firth
Chief Executive Officer



Melbourne

Jennifer Jones
Chief Finance Officer



Melbourne

Contents	Report of the Chair	Report of the Chief Executive Officer	Strategic directions	Performance highlights	Diversity	Summary of financial results	Overview of the Victorian Curriculum and Assessment Authority	Strategic Aim 1 P-10 curriculum and assessment	Strategic Aim 2 Post-compulsory curriculum and assessment	Strategic Aim 3 Research, measurement and reporting	Strategic Aim 4 Organisational capability	Financial report	Appendices	Acronyms and abbreviations
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VAGO

Victorian Auditor-General's Office

INDEPENDENT AUDITOR'S REPORT

To the Members if the Board, Victorian Curriculum and Assessment Authority

The Financial Report

The accompanying financial report for the year ended 30 June 2008 of the Victorian Curriculum and Assessment Authority which comprises operating statement, statement of changes in equity, balance sheet and cash flow statement, a summary of significant accounting policies and other explanatory notes to and forming part of the financial report, and the accountable officers and chief finance and accounting officer's declaration has been audited.

The Members of the Board Responsibility for the Financial Report

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

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

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The audit procedures selected depend on judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, consideration is given to internal control relevant to the 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 Members of the Board, 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 Website www.audit.vic.gov.au

Auditing in the Public Interest

Contents	Report of the Chair	Report of the Chief Executive Officer	Strategic directions	Performance highlights	Diversity	Summary of financial results	Overview of the Victorian Curriculum and Assessment Authority	Strategic Aim 1 P-10 curriculum and assessment	Strategic Aim 2 Post-compulsory curriculum and assessment	Strategic Aim 3 Research, measurement and reporting	Strategic Aim 4 Organisational capability	Financial report	Appendices	Acronyms and abbreviations
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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 Victorian Curriculum and Assessment Authority for the year ended 30 June 2008. The Members of the Board of the Victorian Curriculum and Assessment Authority are responsible for the integrity of the web site. I have not been engaged to report on the integrity of the web site. The auditor's report refers only to the statements named 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 Victorian Curriculum and Assessment Authority 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.

Auditor's Opinion

In my opinion, the financial report presents fairly, in all material respects, the financial position of the Victorian Curriculum and Assessment Authority as at 30 June 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
22 September 2008


D D R Pearson
Auditor-General

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Level 24, 35 Collins Street, Melbourne Vic. 3000
Telephone 61 3 8601 7000 Facsimile 61 3 8601 7010 Email comments@audit.vic.gov.au Website www.audit.vic.gov.au

Auditing in the Public Interest

Appendices

APPENDIX 1 2007–08 VCE and VCAL Study Review Panels and Teams

VCAL Literacy and Numeracy Skills Units Review Team

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

VCE Art Review Panel

Ms Karen Casey	Melbourne-based artist
Ms Lou Chamberlin	Star of the Sea College
Mrs Kathryn Hendy-Ekers	Melbourne Girls Grammar
Mr Andrew Landrigan	Victorian College of the Arts Secondary College
Dr Christopher Marshall	The University of Melbourne
Mrs Tricia McCormack	St Bede's College
Ms Kerrilee Ninnis	Salvation Army
Ms Michele Stockley	National Gallery of Victoria
Mr David Williams	Camberwell Grammar School
Ms Kim Wootton	Frankston High School

VCE Business Management Study Writing Team

Mr Matthew Richardson	Hampton Park Secondary College
Mr Alan Wharton	Caulfield Grammar School

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VCE Classical Societies and Cultures Review Panel

Ms Victoria Fritze	Council of Adult Education
Dr Jane Griffiths	Monash University
Mr Edwin Johnson	Princes Hill Secondary College
Ms Teresa Kalnins	Retired teacher
Mr Stephen Kennedy	Dandenong High School
Dr Christopher Mackie	The University of Melbourne
Mr Gregory Naylor	Geelong Grammar School
Mrs Lynette Smith	East Doncaster Secondary College
Dr Nicholas Vlahogiannis	Melbourne Girls Grammar
Mr John Whitehouse	The University of Melbourne

VCE Economics Review Panel

Ms Patricia Deacon	Balwyn High School
Ms Anita Forsyth	Monash University
Ms Vikki Leone	The Age, Melbourne
Mr David MacGregor	Mazenod College
Mr Alan Wharton	Caulfield Grammar School
Ms Margaret Wilson	Presentation College Windsor

VCE Health and Human Development Review Panel

Mr Andrew Beaumont	St Bede's College
Ms Lynda Ellis	Penleigh and Essendon Grammar
Ms Cathleen Farrelly	Latrobe University
Ms Meredith Fetting	Bendigo Senior Secondary College
Mr Bernie Marshall	Deakin University
Mr Paul Oldman	Mount Evelyn Christian School
Ms Lynne Smith	Chisholm Institute
Ms Jill Tatterson	Bayswater Secondary College
Dr Pamela Williams	Industry representative
Ms Jenny May Wilson	Marian College

VCE Psychology Review Panel

Ms Carolyn Apostolou	Tintern Girls Grammar School
Dr Meredith McKague	The University of Melbourne
Ms Karen Marangio	The University of Melbourne
Ms Bronwyn Miller	Bendigo Senior Secondary College
Mr David Newman	Holmesglen Institute of TAFE
Ms Leia Schnabl	Trafalgar High School
Dr Suresh Sundram	Northern Hospital and the Mental Health Research Institute
Ms Louise Verstraelen	John Paul College
Ms Erin Wilson	Copperfield College
Mr Matthew Wiseman	Brentwood Secondary College

VCE Studio Arts Review Panel

Ms Hilary Breman	St Columba's College
Ms Debra Child	Frankston High School
Mr Bernard Hoffert	Monash University
Ms Merinda Kelly	Christian College
Ms Paula Lindley	National Gallery of Victoria
Ms Amanda Mitchell	Westbourne Grammar School
Dr Colleen Morris	Northern Melbourne Institute of TAFE
Mr Dean Pearman	Caulfield Grammar
Mr Philip Taylor	The Geelong College
Ms Lena Torikov	Thomastown Secondary College
Ms Brigid Weeraratne	St Catherine's School

VCE Text and Traditions Review Panel

Mr Salifu Baba	Minaret College
Ms Ann Brady	Star of the Sea College
Dr Nicholas Coleman	Centre for Adult Education
Mr Paul Forgasz	Monash University
Mr Jeffery Hobbs	Catholic Ladies' College
Ms Andrea Luscombe	Academy of Mary Immaculate
Ms Geraldine Martin	Catholic Education Office
Dr Rose Marie Prosser	Yarra Theological Union
Dr Abdullah Saeed	University of Melbourne
Mr Philip Wilson	The Heathdale Christian College

APPENDIX 2

Other statutory reporting requirements

Consultancies and major contracts

No consultancies in excess of \$100,000 were awarded during 2007–08.

No consultancies less than \$100,000 were awarded during 2007–08.

No contracts were awarded during 2007–08 with a value of \$10 million or above.

Competitive neutrality

In a report to the former Department of Education on the National Competition policy, the VCAA was identified as not subject to the Competition Code. The report found that the VCAA had little, if any, potential to be involved in anti-competitive practices. Although the VCAA's activities are mainly regulatory in nature, the VCAA is empowered to charge fees for the services it provides under section 2.5.5 of the *Education and Training Reform Act 2006*.

Building Act 1993

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

Most of the VCAA's assessment-related units are based at a site in Coburg. The VCAA also has the occupancy of a single warehouse facility to cater for the organisation's storage needs.

Public accountability and compliance

Under the accrual output-based appropriation, budgeting, performance monitoring and reporting model introduced by the Victorian

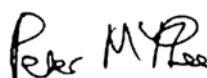
Government in the 1998–99 budget, accountability for departments and government agencies commenced with the publication of budget portfolio financial statements in the annual Budget Paper No.3 and ended with the publication of actual results in respective annual reports.

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

Risk attestation compliance statement

We, Peter McPhee and John Firth, certify that the VCAA has risk management processes in place consistent with the Australian/New Zealand Risk Management Standard and an internal control system is in place that enables the executive to understand, manage and satisfactorily control risk exposures. The VCAA Audit Committee* verifies this assurance and that the risk profiles of the VCAA have been critically reviewed within the last 12 months.

The VCAA Audit Committee verifies the information contained within the risk attestation plan and recommends to the Chair, Peter McPhee and Chief Executive Officer, John Firth that they sign the risk management attestation for 2007–08.



Professor Peter McPhee
CHAIR



John Firth
CHIEF EXECUTIVE
OFFICER

17 September 2008

*The VCAA Audit Committee membership and responsibilities are described earlier in this report.

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Industrial disputes and time lost due to injury

Industrial disputes

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

Industrial accidents

Eight hundred and eighty-nine staff hours were lost as a result of industrial accidents during the reporting period.

APPENDIX 3

Workforce statistics

Full-time equivalent of staff in the VCAA on pay by sex and classification as at 19 June 2008

Classification	2007-08			2006-07		
	Males	Females	Total	Males	Females	Total
EO2	1.0	-	1.0	1.0	-	1.0
EO3	3.0	-	3.0	3.0	1.0	4.0
Senior Technical Specialist	0.8	-	0.8	0.5	0.5	1.0
VPSG6	14.0	11.0	25.0	12.0	8.0	20.0
VPSG5	22.5	40.5	63.0	23.8	38.5	62.3
VPSG4	9.0	12.2	21.2	9.0	16.0	25.0
VPSG3	17.8	26.0	43.8	14.8	26.8	41.6
VPSG2	9.0	18.6	27.6	8.0	18.8	26.8
Total	77.1	108.3	185.4	72.1	109.6	181.7

Occupational health and safety objectives

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

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

To fulfil these objectives the VCAA:

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

with statutory requirements and accepted health and safety standards

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

Major initiatives in 2007-08 included:

- implementing the OHS management systems developed by Noel Arnold and Associates and posting the electronic version on the VCAA Intranet in August 2007
- developing an in-house online incident reporting system that is expected to be completed within the next 12 months

- holding regular meetings between OHS representatives and the Workplace Consultative Committee to ensure OHS requirements were provided for all staff
- having one more VCAA staff member attend the Victorian Employers' Chamber of Commerce and industry OHS training courses
- conducting regular OHS inspections of the workplace to identify any potential problems or issues
- posting OHS information on the VCAA's Intranet, including details of OHS representatives on the VCAA Workplace Consultative Committee, dates of meetings and minutes of previous meetings, as well as links to other useful OHS information
- offering free influenza immunisation shots to all staff
- conducting a review of qualified first aid officers and ensuring adequate support of qualified staff
- continue to offer training to qualified first aid officers in the use of defibrillators.

OHS performance targets

OHS met or exceeded its performance targets in 2007–08. During the reporting period the VCAA received one standard claim and no Improvement or Prohibition Notices were issued to the VCAA. The target for 2008–09 is to reasonably maintain this standard.

Workplace Consultative Committee

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

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

The VCAA participated in the Department of Education and Early Childhood Development survey 'Your Job, Your Say'.

Merit training

Three VCAA staff completed the accreditation training during the reporting period. Since 2001, more than 100 members of former and current staff have trained in merit-based selection procedures, but only 86 still remain in the VCAA. A merit protection-accredited person is required to be included on all selection panels and in many other situations where personnel decisions are made.

APPENDIX 4

Freedom of Information

Publication requirements

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

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

The FOI Officer
 41 St Andrews Place East Melbourne 3002
 Telephone: (03) 9651 4535
 Email: foi.vcaa@edumail.vic.gov.au

Categories of documents

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

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

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

Personnel documents

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

Accounting records

Accounting records are maintained on a computerised accounting system. The records deal with general ledger entries, accounts payable, payroll and other accounting functions. Paper records are also kept as registered files.

Student records

Personal, enrolment and assessment information for VCE and VCAL students is maintained using the Victorian Assessment Software System, a web-based system which provides direct communication between the VCAA and VCE and VCAL provider schools.

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

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

Freedom of Information arrangements

Access to records

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

Requesting access under the FOI Act

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

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

Fees

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

Appeals

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

Correction of personal information

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

Summary for year ended 30 June 2008

In 2007–08, two requests under the FOI Act were made and resolved.

Contents	Report of the Chair	Report of the Chief Executive Officer	Strategic directions	Performance highlights	Diversity	Summary of financial results	Overview of the Victorian Curriculum and Assessment Authority	Strategic Aim 1 P-10 curriculum and assessment	Strategic Aim 2 Post-compulsory curriculum and assessment	Strategic Aim 3 Research, measurement and reporting	Strategic Aim 4 Organisational capability	Financial report	Appendices	Acronyms and abbreviations
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APPENDIX 5

Additional information

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

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

- changes in prices, fees, charges, rates and levies
- major research and development activities
- major promotional, public relations and marketing activities
- shares held by senior officers as nominees or held beneficially in a statutory authority or subsidiary
- declaration of pecuniary interests
- OHS assessments and measures

- industrial relations issues
- major committees sponsored by the VCAA
- major external reviews carried out on the VCAA
- details of overseas visits undertaken, including a summary of the objectives and outcomes of each visit
- details of publications produced by the entity about the activities of the entity and where the publications can be obtained.

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

Manager, Corporate Governance

VCAA

41 St Andrews Place East Melbourne 3002

Telephone: (03) 9651 4311

Email: vcaa@edumail.vic.gov.au

APPENDIX 6

Whistleblowers Protection Act 2001

The Whistleblowers Protection Act 2001

Department of Education and Early Childhood Development Guidelines have been adopted as the appropriate procedures for managing disclosures made under the Act concerning Board members and/or employees of the VCAA.

VCAA Guidelines

The VCAA 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 VCAA 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.

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 VCAA

Disclosures of improper conduct or detrimental action by employees of the VCAA may be made directly to the following:

Protected Disclosure Coordinator

Dr John McSwiney
Manager Corporate Governance
Telephone (03) 9651 4311

Protected Disclosure Officer

Mr Doug Hamilton
Senior Investigator Compliance
FOI and Privacy Officer
Telephone: (03) 9651 4535

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.

The Ombudsman Victoria

459 Collins Street
Melbourne Victoria 3000
(DX 210174)
Internet: www.ombudsman.vic.gov.au
Email: ombudvic@ombudsman.vic.gov.au
Telephone: (03) 9613 6222

APPENDIX 7

Privacy policy

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

Complaints-handling procedures

Contacting the VCAA

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

First contact is made through the Privacy Officer or via email:

<privacy.vcaa@edumail.vic.gov.au>.

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

Lodging a complaint in writing

Written complaints are lodged with:

The Privacy Officer
VCAA
41 St Andrews Place
East Melbourne 3002

Details provided in the complaint must include:

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

Confirmation from the VCAA

Within 14 days of receipt of a complaint, the Privacy Officer:

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

Summary for the year

For the year ending 30 June 2008, one written complaint was lodged with the VCAA. At the close of the reporting period that matter was before the Victorian Civil and Administrative Tribunal for conciliation.

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

APPENDIX 8

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APPENDIX 9

VCAA Board meeting attendance

	A	B
Ms Esmerelda Bamblett	7	7
Mr Tony Coppola	1	1
Professor Peter Dawkins ¹	7	7
Ms Polly Flanagan	7	7
Mr Tony Larkin	3	3
Mr John Maddock	6	7
Mr Peter McMullin	4	6
Professor Peter McPhee	7	7
Mr Glen Pearsall	7	7
Ms Cathy Pianta ²	6	7
Ms Debra Punton	6	7
Ms Joanne Roberts ²	4	6
Ms Helen Staindl ²	5	7
Professor Sue Willis ²	5	7

A = Number of meetings attended

B = Number of meetings scheduled while in office

¹ Represented by Mr Tony Cook on 25 July 2007 and 24 October 2007, Mr Ian Burrage on 19 September 2007, and Ms Dianne Peck on 19 March 2008

² Granted leave of absence by Chair

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
APS	Assessment Processing System
APS-R	Assessment Processing System – Redevelopment
CCAFL	Collaborative Curriculum and Assessment Framework for Languages
CEO	Chief Executive Officer
COAG	Council of Australian Governments
DEECD	Department of Education and Early Childhood Education
ESL	English as a second language
FOI	Freedom of Information
GAT	General Achievement Test
GST	Goods and Services Tax
LLEN	Local Learning and Employment Network
LOTE	Languages other than English
LSL	Long service leave
NAPLAN	National Assessment Program – Literacy and Numeracy
OHS	Occupational Health and Safety
VCAA	Victorian Curriculum and Assessment Authority
VCAL	Victorian Certificate of Applied Learning
VCE	Victorian Certificate of Education
VELS	Victorian Essential Learning Standards
VET	Vocational Education and Training
VPS	Victorian Public Service
VTAC	Victorian Tertiary Admissions Centre

Victorian Curriculum and Assessment Authority

41 St Andrews Place

East Melbourne Victoria 3002

Telephone (03) 9651 4300

Facsimile (03) 9651 4324

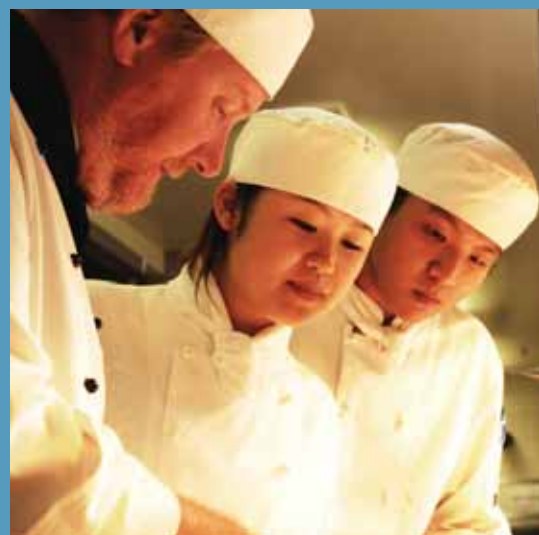
Email vcaa@edumail.vic.gov.au

Website www.vcaa.vic.edu.au

Information Services

Melbourne callers (03) 9651 4544

Country callers Freecall 1800 134 197



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