

Secretary's Report

There is arguably no greater value produced in Victoria than that created through our education system. From early childhood learning and development, through our school system and into post-secondary education, Victorians have long valued education. As it has been said – at its best, education is about how to make a life, not just how to make a living. As such, it provides the foundation for both the social and economic fabric of our State.

As we strive in the Department of Education and Training to make good on the Government's commitment to make Victoria the Education State, we are harnessing and building on that existing value with an ambitious reform program – a program focused on both excellence and equity.

In September 2015, following an extensive public consultation, a major school reform program was launched setting ten new targets designed to meet four goals: learning for life; happy, healthy and resilient kids; breaking the link between education and disadvantage; and raising pride and confidence in government schools. We will publicly report on progress towards the targets each year.

A record level of equity funding was provided to schools to improve outcomes for students who need extra assistance. The new Framework for Improving Student Outcomes (FISO) gives schools a common language for improvement. Using the best available research on student learning and global best-practice, FISO is helping schools to focus their efforts on key areas that are known to have the greatest impact on school improvement. With this we put 150 additional staff into the regions, as part of the new Learning Places regional operating model, to better support services and better enable principals to lead improvement in their schools and across networks of schools. Additional support has also been provided to government school teachers to teach the new Victorian Curriculum – including new subjects such as digital coding and respectful relationships.

In June 2016, we launched the first LOOKOUT Education Support Centres for school-aged children and young people in out of home care, and the Navigator service pilots to help re-engage Victorian students who drop out of school and training each year. This is a critical element of our plan to reduce disengagement and the effects of disadvantage.

The 2016-17 State Budget committed \$1.1 billion for school infrastructure and towards the establishment of the Victorian School Building Authority. The Authority is now up and running and will ensure that schools are well-planned, tailored to local needs and that communities are engaged throughout the process.

All this work has laid the foundations for our school system to go from 'good' to 'excellent'. Our next phase of reform in schools will be guided by the Government's response to the Government Schools Funding Review conducted by former Victorian Premier, Steve Bracks, in 2015.

Beyond the school years, the Mackenzie VET Funding Review and the Government's response, Skills and Jobs in the Education State, were released in December 2015. The response sets out a commitment to re-establish a high quality, stable, sustainable VET system that positions TAFEs and Learn Local community providers as public providers of choice, gives Victorians the chance to learn and develop skills and seeks to meet the State's skills needs now and well into the future. Significant work throughout the first half of 2016 led to the launch of Skills First in August 2016. Focus has now shifted to implementation, with the new system to go live from 1 January 2017. In addition, the major program of work undertaken to ensure high quality training is provided in our VET system has been a huge undertaking this year.

Substantial work is underway in early childhood, and services for children and parents are being strengthened and changed to meet family needs. Evidence shows that investing in the early years represents a social and economic boon and is foundational to good lives. We know that learning commences well before school and neuroscience tells us that brain development in the early years is strongly influenced by the quality of environment and settings where children spend time. Consultation has occurred on the Education State Early Childhood Development Reform Plan and steps to finalise this are underway.

We are also making a strong contribution to the Government's broader economic and social policy reforms. This includes work to drive productivity and job creation through initiatives such as the Back to Work Plan and the Victorian Industry Participation Policy. We are contributing to whole of government efforts to provide enhanced support to vulnerable and at-risk children and families, through our work in responding to the Royal Commission into Institutional Responses to Child Sexual Abuse and the Royal Commission into Family Violence.

I wish to acknowledge the hard work and commitment of the Department's senior leadership team and from all staff, including principals, teachers, TAFE and VET providers and early childhood educators across the state. Their commitment and energy is essential to delivering on the vision of the Education State.

I look forward to continuing our important reform work into the coming year.

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

Gill Callister
Secretary

Report of Operations—year in review

The Victorian Government has committed to building an education system that produces excellence and reduces the impact of disadvantage. Education is more important than ever: skills, knowledge, creativity and adaptability will be central in our future economy and community. The Education State will be founded on excellence in learning and development from the crucial first years of life, through school education to training and higher education, and the promotion of lifelong learning for adults.

Statement of Strategic Intent

In October 2015, the Department launched the Statement of Strategic Intent to support delivery of the ambitious Education State agenda and to help focus our efforts (see Figure 1).

The Strategic Intent sets out the Department's vision for Victorians:

Together we give every Victorian the best learning and development experience, making our state a smarter, fairer and more prosperous place.

As part of this vision:

- children and young people are confident, optimistic, healthy and resilient
- students reach their potential, regardless of background, place, circumstance or abilities
- Victorians develop knowledge, skills and attributes needed now and for the jobs of the future
- the Department's workforce is high-performing, empowered, valued and supported.

Our objectives in achieving this vision are to:

- ensure Victorians have equitable access to quality education and training
- work with providers and partners to build an integrated birth-to-adulthood education and development system
- support children, young people and adults with well-coordinated universal and targeted services close to where they live
- activate excellence, innovation and economic growth.




In pursuing these objectives, the Department is committed to the Victorian public sector values of:

- responsiveness
- integrity
- impartiality
- accountability
- respect
- leadership
- human rights.

The public sector values underpin the behaviours that the government and community rightly expect of all public sector employees. Acting consistently with the public sector values also strengthens the capacity of our organisation to operate effectively and achieve its objectives.

DEPARTMENT OF EDUCATION AND TRAINING STRATEGIC INTENT



Strategic Intent	Together we give every Victorian the best learning and development experience, making our state a smarter, fairer, more prosperous place			
Vision Our future	<ul style="list-style-type: none"> Children and young people are confident, optimistic, healthy and resilient 	<ul style="list-style-type: none"> Students reach their potential regardless of background, place, circumstance or abilities 	<ul style="list-style-type: none"> All Victorians develop knowledge, skills and attributes needed now and for the jobs of the future 	<ul style="list-style-type: none"> Our workforce is high performing, empowered, valued and supported
Objectives Our aims	<ul style="list-style-type: none"> To ensure Victorians have equitable access to quality education and training To work with providers and partners to build an integrated birth to adulthood education and development system To support children, young people and adults with well-coordinated universal and targeted services close to where they live To activate excellence, innovation and economic growth 			OUTCOMES we aspire to excellence in: <ul style="list-style-type: none"> Achievement Wellbeing Engagement Productivity
Approaches How we will achieve this	WORKFORCE STRATEGIES AND PRACTICES  <ul style="list-style-type: none"> Develop excellence in educational practice, targeted to individual learning and development needs Support students to learn independently and contribute to each other's learning Build creative and critical thinking through a world-class curriculum Build performance, develop capabilities and share expertise across all workforces Unify the education system through new pathways between schools and central and regional offices Build workforce capacity to support all children, young people and families, regardless of circumstances 	PARTNERSHIP AND INNOVATION  <ul style="list-style-type: none"> Work with providers, employers, not for profits, families, children and young people to develop new approaches and share best practice Strengthen learning, health and wellbeing through stronger place-based partnerships Strengthen career pathways for learners while meeting the needs of business and industry Prepare learners to be global citizens and provide them with the skills to succeed in a fast-changing world Partner with other agencies, Departments and levels of government to deliver outcomes 	ORGANISATIONAL REFORM  <ul style="list-style-type: none"> Promote strong public sector leadership and the highest standards of governance, integrity and conduct Build inclusive workplaces based on public sector values (integrity, accountability, impartiality, respect, responsiveness, leadership and human rights) Ensure use of resources provides value for money and meets community expectations Establish shared responsibility and clear accountability for decisions Provide stronger, more direct and place-based support to schools, services and providers 	SERVICE AND FUNDING REFORM  <ul style="list-style-type: none"> Give additional, targeted support to Victorians who need it Connect settings and sectors to improve transitions and ensure continuity of learning Focus on mental and physical health and wellbeing as an integral part of learning and development Monitor and improve systems, including by setting standards Map demand for services and effectively target resources to community needs Use evidence to design and implement policy
Principles How we work	<ul style="list-style-type: none"> We are accountable We work with integrity, transparency and impartiality We use evidence to make decisions We are responsive to the needs of Victorians We deliver high quality advice and services We have the capabilities and skills to achieve our priorities 			

Purpose and functions

The Department is responsible for delivering and regulating statewide learning and development services to at least one third of all Victorians every year across the early childhood, school education and training and skills sectors.

The Department's services and their reach, as at June 2016, are outlined in the table below:

Early childhood	School education	Training and skills
<p>Birth to 8 <i>more than 400,000 children and families</i></p>	<p>5 to 18 <i>more than 932,000 students</i></p>	<p>15 to 65+ <i>more than 377,000 participants in government subsidised vocational education and training</i></p>
<ul style="list-style-type: none"> • Maternal and child health services • Early years learning and development including early childhood education and care services • Early childhood intervention services • Supported playgroups and parenting supports 	<ul style="list-style-type: none"> • Primary education • Secondary education • Special education • Health and wellbeing 	<ul style="list-style-type: none"> • Technical and Further Education (TAFEs) • Universities • Private registered training providers • Learn Locals
<p><i>We have a diverse range of public, private and not-for-profit providers serving Victorians of all ages:</i></p>		
<ul style="list-style-type: none"> • More than 4,000 approved education and care services providing long day care, kindergarten, outside-school-hours care, and family day care • Approximately 420 licensed children's services providing limited-hour services such as occasional care • 652 maternal and child health service locations 	<ul style="list-style-type: none"> • 1,524 government schools • 703 non-government schools 	<ul style="list-style-type: none"> • 12 TAFE institutes • 8 public universities (four of which also provide vocational training), one specialised university, and campuses of the multi-state Australian Catholic University • 318 community-owned and managed not-for-profit organisations registered with the Adult Community and Further Education Board as Learn Local organisations eligible to deliver pre-accredited training • 436 government-contracted private registered training organisations

Achievements

Early childhood development

Early childhood development is at the heart of the Victorian Government's vision for the Education State as the first years of life are crucial to lifelong learning, wellbeing and success. During 2015–16, the Department continued to increase quality and participation in early childhood services.

- Strong progress was made in implementation of the National Quality Framework (NQF). As at 30 June 2016, 89 per cent of services published ratings results against the seven quality areas of the National Quality Standard (against a national average of 80 per cent).
- In Victoria, 33 per cent of assessed services are 'exceeding' the National Quality Standards (NQS), 47 per cent are 'meeting' the NQS and 20 per cent are 'working towards' the NQS. At a national level, 29 per cent of services were assessed at 'exceeding', 41 per cent at 'meeting' and 30 per cent as 'working towards' the NQS.
- Victoria's kindergarten participation rate has increased to 98.1 per cent in 2015, up from 96.4 per cent in 2014.
- From the beginning of 2016, 100 per cent of Victorian kindergarten services offer a 15-hour kindergarten program.
- Kindergarten participation for Aboriginal children increased to 82.2 per cent in 2015, up from 79.6 per cent in 2014.
- The Koorie Kids Shine strategy has successfully supported Aboriginal parent and community engagement and contributed to closing the gap in Aboriginal children's participation in early childhood education programs.
- From the start of 2016, the vast majority of Victorian kindergarten services successfully moved from an educator-to-child ratio of 1:15 to 1:11 or better. The Victorian Government provided \$83.7 million over four years to support this transition as required under the National Quality Framework.
- The revised Victorian Early Years Learning and Development Framework (VEYLDF) was launched in May 2016 following in-depth stakeholder consultation. The VEYLDF lays the foundation for the Education State early childhood development reform and provides valuable guidance for supporting children and families in their transitions through the first eight years of a child's life.

School education

In September 2015, the Government announced the statewide *Education State: Schools* reform agenda. The Education State is about improving outcomes for every student, in every classroom, and for every community. The Education State agenda is backed by a new model of funding to better target need and a set of ambitious but achievable system-wide targets. The targets focus on: learning for life; happy, healthy and resilient kids; breaking the link between disadvantage and outcomes; and building pride and confidence in our schools.

During 2015–16, the Department continued to focus on improving outcomes for students.

- School Breakfast Clubs were established in 500 of the state's most disadvantaged government primary schools through the Department's partnership with Foodbank. They serve an average of 10,000 breakfasts every day, enabling up to 25,000 students across the state to make the most of their school day.
- The LOOKOUT Centre in South Western Victoria Region has been launched to support children in out-of-home care. Within the centre, education and allied health professionals work collaboratively with schools, carers, child protection and community service organisations to identify the best ways to support students to achieve the best from their education.

- The \$8.6 million Navigator pilot program commenced in eight areas across the state to support disengaged teenagers to return to school. The LOOKOUT and Navigator programs are critical to meeting Education State targets for overcoming the impact of disadvantage on educational outcomes and reducing the rates of students leaving education early.
- The Premier launched Inclusive Education for all Students with Disabilities and Additional Needs that sets out a comprehensive reform agenda to ensure every student with disabilities and additional needs can enjoy inclusive schooling. This follows the Review of the Program for Students with Disabilities (PSD) that examined how to transition the current PSD to a family-friendly, strength-based approach.
- Substantial progress has been made implementing the Government's Tech Schools initiative. Ten new high-tech learning centres are being established to equip students with the skills they need to compete in the global economy. Following intensive planning by local partnerships in each area between schools, tertiary institutions, industry and local governments, the location of the 10 sites and provision of the remaining \$128 million investment was announced on 26 April 2016. All 10 Tech Schools will open during 2017 and 2018.
- The Department commenced planning to implement the Government's investment of \$21.8 million over two years to strengthen the delivery of respectful relationships education in schools and early years services. This is in response to the recommendation made by the Royal Commission into Family Violence and announced in the Family Violence Budget Package.
- The Victorian Government committed \$1.04 million over four years to expand the Safe Schools Coalition Victoria (SSCV) program into every Victorian Government secondary school by the end of 2018. As of 30 June 2016, 271 Victorian government, Catholic and independent schools were SSCV members.
- A reformed Structured Workplace Learning (SWL) service was established to help drive improved transition, attainment and employment outcomes for Victoria's school students. The SWL service provides targeted grants to the 31 Local Learning and Employment Networks (LLENs) to work with employers and increase access to SWL placements.
- The Victorian Government, through the Department, worked with the Victorian Koorie community to develop the Marrung: Aboriginal Education Plan 2016–2026.
- The Department provided significant input into the Victorian International Sector Strategy, the Government's plan to continue building Victoria as the premier international education destination in Australia. The Victorian school sector experienced record highs in the growth and total number of international students with student numbers reaching 6,000 for the first time.

Training and skills

The training and skills portfolio supported the delivery of tertiary education and training outcomes during 2015–16.

- The report Skills and Jobs in the Education State was released in December 2015, the Government's response to the independent VET Funding Review (the Mackenzie Review). The report outlined a comprehensive VET improvement and reform agenda including an improved funding system to be progressively implemented from 2017.
- Victoria's first Skills Commissioner, Mr Neil Coulson, was appointed in December 2015. With the support of the Department and his secretariat, Mr Coulson has conducted more than 90 consultations on the VET reform agenda with industry, employers and other stakeholders. The consultations have helped shape the reforms outlined in the Skills and Jobs in the Education State report as well as the Department's programs.

- The Department has commenced a \$30.8 million program of quality assurance and audit in light of recommendations of the 2015 Review of Quality Assurance in Victoria's VET System. In addition, \$9 million was provided as Appropriation funding in 2015–16 for the quality blitz. The blitz has identified 62 Registered Training Organisations (RTOs) for investigation, terminated 16 RTO VET Funding Contracts, and identified approximately \$40 million in training funds for recovery.
- The Department has improved access to training and other important support services with the following measures:
 - Eligible employees have been provided access to Victorian Training Guarantee eligibility exemptions and fee-waivers as part of the Back to Work program.
 - Retrenched workers have received additional support, through programs such as the \$8.4 million South East Automotive Industry Transition Package.
 - A further \$16 million was invested to open Skills and Jobs Centres at every TAFE and dual-sector university in Victoria, offering a range of training and career support services for individuals and businesses.
 - From 1 January 2016, TAFE institutes have been able to offer eligibility exemptions to allow new student commencements to take up government-subsided training, regardless of their previous qualifications. On 9 June 2016, these exemptions were extended to Learn Local providers, as well as AMES and the Centre for Adult Education.
- Initiatives to ensure training is available across Victoria have also been undertaken:
 - Federation Training partnered with the Gunaikurnai Land and Waters Aboriginal Corporation, to reopen the Forestech campus and deliver conservation and land management training opportunities for Koorie and mainstream students.
 - Box Hill Lilydale Campus reopened at the start of 2016 and more than 810 students have since accessed the campus.
 - The Department contributed funding and training advice towards the \$34 million Regional Skills Fund administered by Regional Development Victoria.
- Funding was awarded to 26 organisations under the Government's \$20 million Reconnect Program to prepare for training and employment more than 2,300 disengaged young people who have left school early or are long-term unemployed.
- Significant investments have been made in the TAFE sector to improve capability to provide training and support services. These include:
 - \$50 million from the TAFE Rescue Fund was allocated to a range of projects to drive important skills delivery and give disadvantaged Victorians access to training.
 - Significant support was provided to TAFE infrastructure projects, including the Chisholm Frankston campus redevelopment.
- In 2015, the TAFE network reported an operating surplus of \$25 million, compared to a deficit of \$52.5 million in 2014 (a \$77.5 million turnaround).
- In 2015, the Department's Vice-Chancellors' forum identified the need to better articulate the benefits the State's strong higher education sector, including its globally recognised research capabilities, ability to attract international students and research fellows, and capacity to support industry through focused research, bring to the domestic economy. The Vice-Chancellors agreed to work with the Department around these issues to further the Education State Agenda.

Transforming our organisation: changes during 2015–16

During 2015–16, the Department introduced a new way of working, both centrally and in the regions.

The Department's Operating Model offers a high-level description of the Department's shift in the way it works to support the vision of the Education State. To align our ways of working with the Operating Model, a comprehensive work program commenced, focusing on improving governance, key business processes, information management, use of technology and most importantly supporting and developing our staff.

Central reorganisation

To provide clearer accountabilities and improved support for the most critical policy and implementation priorities, a new central structure came into effect on 4 April 2016. Seven groups have been established including a dedicated Policy Reform Group to bring together the Department's strategic policy functions, and a dedicated Strategy and Performance Group focusing on strategy planning, data, evidence and enterprise program management.

In bringing together the implementation functions of the department, the new central structure will ensure that the support provided to schools, early childhood services and the training sector is coordinated and strengthened.

Regional services delivery model—Learning Places

The role of the Regional Services Group has been strengthened to reflect its pivotal role in translating policy and program development into improved service delivery and, ultimately, improved educational outcomes.

The Department has also created 17 areas within the four existing regions and by the end of 2016 will have appointed an additional 150 staff to support this major investment in supporting schools at a local level. The new regional structure went 'live' on 1 March 2016.

The model was designed to create a system where learners and families have the best possible support, and make it easier for learners and their families to access support and services where they live. The model is focused on place-based service delivery to allow localised, tailored and integrated decision-making, service and support. This supports the Government's reinvestment in regions to achieve better outcomes for learners and families.

Organisational reform program

The operating models described above form part of a broader Department organisational reform program that commenced in 2015–16 to support the Department's Statement of Strategic Intent. Other elements of the organisational reform program are:

- *Integrity reform program*

This program addresses systemic issues raised during Operations Ord and Dunham. It does this through a coordinated and dedicated focus on good governance, ethical leadership, effective systems and controls, and staff development and support. The program uses a range of projects to strengthen our oversight and accountability for public spending, and improve our adherence to the public sector values—both essential for upholding public trust.

- *Investing in our people*

The Department supports a capable and high-performing workforce with strong leadership and a culture of integrity, accountability and respect. The 'Investing in our People' strategy contains five key areas that represent a clear focus for action: leadership capability, workforce capability, culture of integrity and respect, safe and inclusive workplaces, and accountability for outcomes. These elements work together to provide a holistic and balanced approach to ensuring our people are capable; able to perform at their best; and feel empowered, valued and supported.

- *Procurement and financial management*

The Department is implementing procurement, funding and financial management reforms. The reforms will deliver a strengthened finance function and Financial Services Division structure. Included are enhanced analytics, strategy and capability; a school-targeted funding framework and risk-based assessment of all Department funding channels; a new school procurement framework that supports training, support programs and data analytics; a new Department procurement operating model; and a new Department travel policy and guidelines.

Objectives, indicators and outcomes

The Department's progress is reported under the objectives, outputs and indicators set out in the 2015–16 State Budget Paper No. 3 Service Delivery (BP3). These are set out in the table below.

Progress and performance reporting

The Department's progress towards the objectives and indicators in BP3 is reported under Progress towards Objectives and Indicators on page 12.

There is a range of performance measures for each output. The Department's performance against the output performance measures is reported under Performance against Output Performance Measures on page 21.

Departmental objectives, indicators and linked outputs (BP3)

Objectives	Indicators	Outputs
<p>Achievement Raise standards of learning and development achieved by Victorians using education, training, development and child health services.</p>	<ul style="list-style-type: none"> • Children developmentally 'on track' on the Australian Early Development Index language and cognitive skills domains • Students meeting the expected standard in national and international literacy and numeracy assessment • Students meeting the expected standards in other key learning areas, such as science, arts, history and ICT • Year 12 or equivalent completion rates of young people • VET course completions • Certificate III or above course completions. 	<ul style="list-style-type: none"> • Strategy, Review and Regulation • Early Childhood Development • School Education—Primary • School Education—Secondary • Support Services Delivery • Support for Students with Disabilities • Higher Education and Skills

Objectives	Indicators	Outputs
<p>Engagement</p> <p>Increase the number of Victorians actively participating in education, training, development and child health services.</p>	<ul style="list-style-type: none"> • Participation in a kindergarten service in the year before school • Participation in Maternal and Child Health Services • Students with acceptable levels of school attendance • Students with a positive opinion of their school teachers providing a stimulating learning environment • VET enrolments by age and gender • VET enrolments by administrative regions • VET enrolments by skills shortage category courses • VET enrolments by specialised category courses • VET participation by learners facing barriers • VET participation by unemployed learners. 	<ul style="list-style-type: none"> • Strategy, review and regulation • Early childhood development • School education—primary • School education—secondary • Support services delivery • Support for students with disabilities • Higher education and skills.
<p>Wellbeing</p> <p>Increase the contribution education, training, development and child health services make to good health and quality of life of Victorians, particularly children and young people.</p>	<ul style="list-style-type: none"> • Proportion of infants fully or partially breastfed at three and six months • Children who have no development or behavioural issues on entry into Prep • Children developmentally 'on track' on the Australian Early Development Index social competence and emotional maturity domains • Students feeling connected to their school • Students with a positive opinion about their school providing a safe and orderly environment for learning • Level of student satisfaction with VET. 	<ul style="list-style-type: none"> • Strategy, review and regulation • Early childhood development • School education—primary • School education—secondary • Support services delivery • Support for students with disabilities • Higher education and skills.
<p>Productivity</p> <p>Increase the economic and social return on expenditure on the Department's services.</p>	<ul style="list-style-type: none"> • \$ per kindergarten student per year (or Early Childhood Intervention Services or Maternal and Child Health) • \$ per primary school student per year • \$ per secondary school student per year • \$ per VET student contact hour. 	<ul style="list-style-type: none"> • Strategy, review and regulation • Early childhood development • School education—primary • School education—secondary • Support services delivery • Support for students with disabilities • Higher education and skills.

Progress towards objectives and indicators

The Department seeks to measure the progress of children and young people as they move from early childhood into their school years and then into further education and work.

This section reports on the Department's progress against its four objectives: Achievement, Engagement, Wellbeing and Productivity. A range of indicators are used to demonstrate current performance and trends.

Performance against these indicators demonstrates that the Department continues to perform well against the majority of its objectives. Participation and engagement with services are generally high and achievement results reflect good rates of success. There is, however, room for improvement in some areas. These, together with the Department's performance highlights, are outlined below.

Achievement

Victorian children perform well in their development as measured by the Australian Early Development Census, with the majority on track. In 2015, nearly 85 per cent of Victorian children in Prep were assessed by their teachers as 'on track' in their language and cognitive development, up marginally from 2012.

There has also been a significant increase in the number of three-year old children receiving a free, 15 hour kindergarten program through the Early Start Kindergarten (ESK) initiative, up from 791 in 2014 to 1,006 in 2015. This comprised 499 children known to Child Protection and 507 Aboriginal and Torres Strait Islander children. The increase from 2014 was both a record number and the highest ever single year increase in ESK enrolments. In addition in 2016, the Department piloted pre-purchased kindergarten places in targeted areas to secure a kindergarten place for almost 500 vulnerable children across Victoria who may otherwise have missed out on a kindergarten program.

Victorian students have historically performed well in national assessments of literacy (reading) and numeracy. However, achievement in these areas has stalled over recent years, more so for secondary than primary students. Victoria's performance in the 2015 National Assessment Program—Literacy and Numeracy (NAPLAN) shows some minor fluctuations in the proportion of students in the top two bands or above the bottom three when compared with 2014. Education State targets aim to lift the performance of all Victorian students, with a particular focus on increasing the proportion of students achieving at the highest levels. This includes increasing the proportion of Victorian students achieving in the top two bands in literacy and numeracy.

International testing under the Progress in International Reading and Literacy Study (PIRLS), Trends in Maths and Science Study (TIMSS) and Programme for International Student Assessment (PISA) is run on a rolling basis, every three to five years. However, there have been no updates to this data since 2011 and 2012, at which time more than half the Victorian students who participated in the studies were reaching the international benchmarks. There are differences in performance across domains and year levels: a greater proportion of Year 4 students are achieving benchmarks compared with older students, and larger proportions of students are meeting benchmarks in reading than in numeracy.

Compared to the more traditional fields of reading and numeracy, lower proportions of Victorian students are meeting expected standards in other key learning areas such as science and information and communication technology (ICT) literacy. Having more students excel in scientific literacy is a key aim of the Education State in Schools reform.

In the second half of 2015–16, significant Education State related investments provided additional funding for students to catch up, to address the educational impacts of social disadvantage and build system capacity in terms of improved science instruction and school leadership. These are expected to contribute to improved outcomes in 2016–17 and beyond.

In 2015, there were around 230,000 vocational completions, and while this represents a decrease from 2014 (of 9 per cent), completions are nearly a quarter (22 per cent) higher than in 2011. In addition to an increase in overall course completion numbers

over the past five years, completion rates remained relatively stable in the period 2012 to 2014, and many 2015 commencing students continue their studies.

Engagement

An increasing proportion of Victorian families are accessing early childhood services. Participation rates in kindergarten programs increased at the most recent measure (2015) from already high levels. Participation in Maternal and Child Health (MCH) services has remained stable or grown. Increased participation in these services follows additional funding provided in the 2015–16 Budget for kindergarten and other early childhood services.

While nearly all newborns in Victoria are visited by an MCH nurse at home for their initial consultation, rates of participation in the Key Ages and Stages visits drop off as the child gets older. Although participation rates at the final (3.5-year) consultation increased slightly in 2014, one third of families are not participating in the final consultation.

Strong engagement in school is important, contributing to better achievement and wellbeing outcomes. Absence from school is a strong indicator of engagement, or lack thereof. Victorian government school children in Years 5 to 12 are missing on average 14 to 16 days of school a year. There has been minimal change in these figures over the past five years (2011 to 2015) for students in Years 5 to 10. However, for students in Years 11 and 12, absences have shown an upward trend.

Direct measures of student engagement suggest room for improvement, particularly among secondary school students. The proportion of Victorian government school students in 2015 reporting that their school provides a stimulating learning environment was considerably lower among students in Year 11 to 12 (20 per cent) and Years 7 to 10 (21 per cent) than those in Years 5 to 6 (61 per cent).

In 2015, there were nearly 380,000 students enrolled in government-subsidised training in Victoria, a 15 per cent decrease compared with 2014. This decline was particularly apparent for enrolments by young people aged 15 to 19 years, which fell 18 per cent over the past year. All areas of the state experienced a decline over the last year. In response, the Reconnect Program was established to provide wrap around support for 15–24 year olds most at risk of not engaging with or completing training.

The decline in enrolment is associated with past policy changes, including a reduction in foundation course subsidy rates, tightening of eligibility rules, removal of Certificate I in Vocational Preparation from the foundation course list, and the establishment of the Foundation Skills approved provider list. From 2015, providers are required to undertake pre and post assessment of students' skills for particular foundation skills courses. This could have contributed to a slight decrease in enrolments, as students enrolled in more suitable training for their skill needs. Enrolment numbers have also been impacted by the shift of students to VET FEE-HELP funded training, and fewer enrolments in sub-standard training as part of the Government's implementation of the Review of Quality Assurance.

The number of students undertaking government subsidised VET training in Australia has declined 6 per cent from 2013 to 2014¹. Against declining enrolments nationally, Victorian Government-subsidised enrolments in apprenticeships increased five per cent over the last year, and enrolments in training directly aligned to occupations continues to be strong¹.

A key focus of the Education State reform agenda is helping Victorian students stay engaged in education. In 2015–16, funding was provided for the Camps, Sports and Excursions Fund, which seeks to include disadvantaged children in the wider curriculum, and the Navigator and LOOKOUT Education Support Centre programs. In coming years, these initiatives are expected to increasingly identify and support students who are vulnerable and disengaged in schooling.

¹ Victorian Training Market Report 2015.

Wellbeing

Indicators of wellbeing in the early years are generally positive. More than half Victoria's infants are fully breastfed at three months old. There have been small increases from 2012–13 to 2014–15 in the proportion of infants being partially or fully breastfed at three and six months.

The proportion of children presenting with behavioural and developmental issues when starting Prep (as identified by parents) has increased in recent years. While this may be influenced by increased parent awareness of these specific concerns, this trend accords with teacher reporting through the Australian Early Development Census, which shows a decrease from 2012 to 2015 in the proportion of Prep children 'on track' in their social competence and emotional maturity.

Student wellbeing factors, such as feeling safe and connected to school, have an impact on many aspects of school life. The majority of Victorian government school students feel safe at school but responses from students were less positive in 2015 than in the previous year. Feelings of connectedness to school have changed little over the past year, with younger students continuing to be significantly more positive than older students: nearly two thirds of Year 5 and 6 students feel connected to their school compared with just over one quarter of students in Years 11 and 12. Results from 2015 showed a slight improvement in student perceptions of classroom behaviour, with lower proportions finding other students disruptive.

The level of satisfaction with the quality of vocational training was relatively stable between 2015 and 2016, following a decline that had occurred between 2013 and 2014, with satisfaction lower in 2015 than in 2012². The Quality Blitz, including cancelling contracted training providers due to quality concerns, is expected to have improved quality significantly through 2015 but it will take time for improvements to flow from commencements to completions and for perceptions to change.

Productivity

Understanding productivity measures puts the Department in a position to better assess the impact of government investment in programs and policies.

In 2015–16, the standard per-capita rate paid by the Victorian Government increased in the early childhood sector for both kindergarten and Maternal and Child Health services. The most significant increase was for kindergarten services, reflecting funding in the 2015–16 Budget supporting additional kindergarten places and the expansion of other early childhood services across Victorian regional and metropolitan areas.

The unit cost per school student (primary and secondary) remained relatively stable from 2012 to 2013, while the unit cost per VET student contact hour decreased nearly 20 per cent, from \$9.50 per hour in 2013 to \$7.80 per hour in 2014³.

2 National Centre for Vocational Education Research, Government funded student outcomes 2015: time series of key findings.2006–15.

3 Report on Government Services 2016.

Performance indicators

Achievement

Raise standards of learning and development achieved by Victorians using education, development and child health services.

Indicators	Unit	2011	2012	2013	2014	2015
Early childhood development						
Children developmentally 'on track' on the Australian Early Development Index language and cognitive skills domains						
Proportion of children developmentally 'on track' on the Australian Early Development Census ¹ language and cognitive skills domains	per cent	–	84.0	–	–	84.7
School education						
Students meeting the expected standard in national and international literacy and numeracy assessments²						
NAPLAN Proportion of students above the bottom three bands:						
Year 3—Literacy	per cent	73.0	73.3	75.3	73.7	76.2
Year 3—Numeracy	per cent	68.2	67.3	68.9	69.1	66.4
Year 5—Literacy	per cent	62.0	62.8	66.9	64.1	62.2
Year 5—Numeracy	per cent	59.6	58.9	55.5	57.6	61.2
Year 7—Literacy	per cent	57.1	59.8	59.7	59.2	59.5
Year 7—Numeracy	per cent	58.0	54.2	54.7	56.4	56.4
Year 9—Literacy	per cent	50.3	48.3	50.5	50.6	50.2
Year 9—Numeracy	per cent	50.7	50.3	49.1	51.5	54.0
NAPLAN Proportion of students in the top two bands:						
Year 3—Literacy	per cent	51.6	51.1	52.2	51.2	53.6
Year 3—Numeracy	per cent	40.0	38.8	37.5	41.1	38.4
Year 5—Literacy	per cent	34.1	34.4	35.6	37.3	36.9
Year 5—Numeracy	per cent	29.7	29.5	27.3	28.7	31.9
Year 7—Literacy	per cent	27.5	29.9	27.6	29.8	30.1
Year 7—Numeracy	per cent	31.0	27.3	27.4	29.2	27.8
Year 9—Literacy	per cent	21.6	20.4	20.7	22.6	22.8
Year 9—Numeracy	per cent	25.0	24.7	25.2	25.3	26.1
Proportion of Year 4 students reaching the international benchmarks (PIRLS) ^{3,4} —Reading	per cent	80.0	–	–	–	–
Proportion of Year 4 students reaching the international benchmarks (TIMSS) ^{4,5} —Mathematics	per cent	75.0	–	–	–	–
Proportion of Year 8 students reaching the international benchmarks (TIMSS) ^{5,6} —Mathematics	per cent	65.0	–	–	–	–

¹ Source: On 1 July 2014 Australian Early Development Index (AEDI) programme became known as the Australian Early Development Census (AEDC) 2015. Data collected every three years.

² Victorian government and non-government schools.

³ Progress in International Reading Literacy Study. Data collected every five years.

⁴ Source: Thomson, S., Hillman, K., Wernert, N., Schmid, M., Buckley, S. and Munene, A. (2012). Monitoring Australian Year 4 student achievement internationally: TIMSS and PIRLS 2011, ACER.

⁵ Trends in International Mathematics and Science Study. Data collected every four years. The 2015 results will be released in December 2016.

⁶ Source: Thomson, S., Hillman, K. and Wernert, N. (2012). Monitoring Australian Year 8 student achievement internationally: TIMSS 2011, ACER.

Indicators	Unit	2011	2012	2013	2014	2015
Proportion of 15-year-old students in achieving level 3 or above in PISA Reading literacy ⁷	per cent	–	67.0	–	–	–
Proportion of 15-year-old students in achieving level 3 or above in PISA Mathematical literacy ⁵	per cent	–	58.0	–	–	–
Students meeting the expected standard in other key learning areas, such as science, arts, history and ICT²						
Proportion of Year 6 students at or above the Proficient Standard in scientific literacy ⁸	per cent	–	51.3	–	–	–
Proportion of Year 6 students at or above the Proficient Standard on the Information and Communications Technologies Literacy scale ⁹	per cent	64	–	–	64	–
Proportion of Year 10 students at or above the Proficient Standard on the Information and Communications Technologies Literacy scale ⁹	per cent	68	–	–	55	–
Higher education and skills						
VET course completions						
VET completions ¹⁰	number	187,500	238,500	220,500	249,700	228,100
Year 12 or equivalent completion rates of young people						
Year 12 or a non-school qualification at Certificate II level or above of young people 20–24 years ¹¹	per cent	86.1	88.0	90.1	89.0	89.5

⁷ Programme for International Student Assessment (PISA). Data collected every three years. The 2015 results will be released in December 2016. In Australia, the national agreed baseline, as agreed in the Measurement Framework for Schooling in Australia, is Level 3. Sources: Thomson, S., De Bortoli, L., Nicholas, M., Hillman, K., Buckley, S (2011). PISA 2012: how Australia measures up: The PISA 2012 assessment of students' mathematical, scientific and reading literacy, ACER.

⁸ Students achieving at a Proficient Level of 3,3 or better (from five levels) is considered to demonstrate exemplary understanding of Year 6 science. Data collected every three years. The 2015 Science Literacy results will be released in 2016. Source: National Assessment Program—Science Literacy Year 6 Report 2012, ACARA.

⁹ Year 6 students performing at a Proficient Level of 3 and above, and Year 10 students performing at a Proficient Level of 4 and above (from six levels) are considered to have met or exceeded their achievement in ICT Literacy. Data collected every three years. Source: National Assessment Program—ICT Literacy Years 6 & 10 Report 2014, ACARA.

¹⁰ Government-subsidised and fee-for-service reported course completions. Data rounded. Likely to be an undercount of actual completions between due to variations in administrative practices by training organisations in identifying, recording and reporting qualification completion and variations in student intent and behaviour in completing qualifications. The Department has been actively working to improve the quality of completion data provided by training organisations. Source: Department of Education and Training internal administrative data.

¹¹ Survey estimates, subject to statistical error. Source: ABS Survey of Education and Work (cat.no. 6227.0).

Engagement

Increase the number of Victorians actively participating in education, development and child health services.

Indicators	Unit	2011	2012	2013	2014	2015
Early childhood development						
Participation in a kindergarten service in the year before school						
Kindergarten participation rate for first year enrolments	per cent	94.6	97.9	98.2	96.4 ¹	98.1 ¹
Participation in Maternal and Child Health Services²						
Home consultation	per cent	100	100	101	100.9 ³	–
12 months	per cent	80.7	82.0	83.4	83.4	–
3.5 years	per cent	64.4	66.5	64.9	66.1	–
School education						
Students with acceptable levels of school attendance^{4,5}						
Average number of absent days per full-time equivalent student:						
Year 5	number	14.0	14.5	14.3	14.1	14.4
Year 6	number	14.4	14.7	14.8	14.6	15.1
Years 7–10	number	19.3	19.7	19.3	19.5	19.3
Years 11–12	number	13.1	14.9	15.4	16.0	16.8
Students with a positive opinion of their teachers providing a stimulating learning environment^{4,6}						
Proportion of students who agree or strongly agree that their school provides a stimulating learning environment:						
Years 5–6	per cent	60.9	62.7	63.4	63.5	61.1
Years 7–10	per cent	18.5	21.4	21.2	21.7	20.9
Years 11–12	per cent	17.5	20.3	21.1	20.0	19.8

¹ From 2014 onwards, the methodology has changed slightly due to an improvement in available data and analysis methods. The method of identifying and excluding second year enrolments has been improved and the participation rate is now based on child count rather than an enrolment count.

² Figures for the 2011–12 financial year under 2011, for 2012–13 under 2012, 2013–14 under 2013, and for 2014–15 under 2014. Results for 2015–16 were not available at the time of publication. Source: Maternal and Child Health Services Annual Report.

³ Participation Rates will exceed 100 per cent when the number of children attending the Maternal & Child Health Centre throughout the year is greater than the number of children registered at the Centre on 30th June.

⁴ Victorian government schools.

⁵ Data extracted at 29 July 2016.

⁶ Derived from multiple questions. Only students who responded 'agree' or 'strongly agree' on all relevant questions are included. Other students gave mixed or opposing views. Source: Department of Education and Training Attitudes to School Survey.

Indicators	Unit	2011	2012	2013	2014	2015
Higher education and skills⁷						
VET enrolments by students⁸ age and gender						
15–19 years	number	108,700	120,500	104,600	85,300	69,900
20–24 years	number	87,800	100,900	96,300	93,100	80,200
25–44 years	number	148,500	180,200	178,900	167,100	141,600
45–64 years	number	77,100	96,400	93,100	87,400	75,100
Under 15, over 64 and not stated	number	8100	11,800	11,900	10,700	11,000
Female	number	208,500	251,900	226,600	208,100	177,100
Male	number	220,700	257,200	257,600	234,900	199,600
VET enrolments by administrative region						
South Western	number	202,900	264,000	251,100	230,500	178,600
North Western	number	101,400	124,300	116,200	105,400	97,900
North Eastern	number	100,800	110,200	114,300	86,100	70,800
South Eastern	number	127,900	159,500	153,200	130,900	116,300
VET enrolments by courses in areas of skill demand						
Government-subsidised enrolments in skill demand occupations	number	127,400	151,500	153,000	166,600	148,100
VET enrolments by specialised category courses						
Government-subsidised enrolments in specialist occupations ⁹	number	71,000	79,300	89,600	88,900	83,800
VET participation by learners facing barriers						
VET participation by unemployed learners	number	89,300	118,500	135,000	135,900	113,200

⁷ Following a review of Funded Courses by the Department in 2014, it was identified that some training organisations had enrolled students in qualifications that had been superseded, i.e. replaced by a more up-to-date version of the course. In response, the Department strengthened the teach-out and transition requirements specified in the 2015 Standards for training providers and notified all training providers that these requirements would be applied by the Department for funding purposes. The changes will ensure students are undertaking the most up-to-date and relevant training and will allow superseded qualifications to be accurately captured and reported. In line with standard Departmental reporting standards for VET data, enrolment data for the VET indicators in this section have been revised accordingly. It was estimated that for the first half of 2015, less than 1 per cent of government subsidised course enrolments were duplicate records as a result of superseded qualifications. All data rounded. Source: Department of Education and Training internal administrative data. In addition, all data reported in this section for VET is consistent with that previously published in the 2015 Victorian Training Market Report.

⁸ Number of students undertaking government-subsidised training.

⁹ The result in 2014 for this indicator was incorrectly identified as 133,800, this figure has been revised to the correct figure of 88,900 which is also consistent with data reported in the 2015 Victorian Training Market Report.

Wellbeing

Increase the contribution that education, development and child health services make to Victorians' good health and quality of life, particularly children and young people.

Indicators	Unit	2011	2012	2013	2014	2015
Early childhood development						
Proportion of Infants fully or partially breastfed at 3 and 6 months¹						
Infants fully breastfed at 3 months	per cent	51.7	51.0	50.6	51.4	–
Infants partly breastfed at 3 months	per cent	11.4	12.1	12.7	13.1	–
Infants fully breastfed at 6 months	per cent	34.8	33.8	33.9	34.0	–
Infants partly breastfed at 6 months	per cent	13.0	14.2	14.6	15.6	–
Children who have no development or behavioural issues on entry into Prep²						
Proportion of children who have no behavioural issues on entry into Prep	per cent	87.9	87.3	86.5	86.1	83.9
Proportion of children who have no general developmental issues identified by parents on entry into Prep	per cent	57.6	52.0	49.8	48.2	46.9
Children developmentally 'on track' on the Australian Early Development Census social competence and emotional maturity domains³						
Social competence domain	per cent	–	78.6	–	–	77.2
Emotional maturity domain	per cent	–	79.3	–	–	77.5
School education⁴						
Students feeling connected to their school						
Proportion of students who agree or strongly agree that they feel connected to their school:						
Years 5–6	per cent	64.9	66.1	66.6	66.6	65.8
Years 7–10	per cent	31.2	33.8	33.6	33.4	34.0
Years 11–12	per cent	24.8	27.2	27.8	26.0	25.4
Students with a positive opinion about their school providing a safe and orderly environment for learning						
Proportion of students who agree or strongly agree that their school is 'safe':						
Years 5–6	per cent	63.9	63.8	63.6	64.1	60.3
Years 7–10	per cent	58.1	59.1	58.8	60.0	58.7
Years 11–12	per cent	63.9	65.5	65.7	66.3	64.9
Proportion of students who agree or strongly agree that other students are disruptive in class:						
Years 5–6	per cent	13.5	14.2	14.4	14.1	14.1
Years 7–10	per cent	26.2	26.5	26.5	26.0	24.7
Years 11–12	per cent	18.8	18.7	18.0	17.0	16.1
Higher education and skills						
Level of student satisfaction with VET						
Proportion of graduates satisfied with the overall quality of training ⁵	per cent	87.7	87.6	85.4	84.5	84.0

¹ Figures for the 2011–12 financial year under 2011, for 2012–13 under 2012, 2013–14 under 2013, and for 2014–15 under 2014. Results for 2015–16 were not available at the time of publication. Source: Maternal & Child Health Services Annual Report.

² School Entrant Health Questionnaire (SEHQ), Department of Education and Training.

³ Source: On 1 July 2014 Australian Early Development Index (AEDI) programme became known as the Australian Early Development Census (AEDC) 2015. Data collection for the index is undertaken every three years.

⁴ Victorian government schools. Derived from multiple questions. Only students who responded 'agree' or 'strongly agree' on all relevant questions are included. Other students gave mixed or opposing views. Source: Department of Education and Training Attitudes to School Survey.

⁵ Survey estimates, subject to statistical error. Source: Student Outcomes Survey, National Centre for Vocational Education Research 2015, Table 5: Key findings for government-funded graduates, 2006-2015.

Productivity

Increase the economic and social return on expenditure on the Department of Education and Training's services.

The following table reports progress against the Productivity indicators in the 2015–16 State Budget Paper No. 3 Service Delivery.

Indicators	Unit	2011	2012	2013	2014	2015
Early childhood development¹						
Dollar per child aged 0 to 3 years receiving a maternal and child health service per financial year²						
Minimum funding available to every child (provides 6.75 hours of maternal and child health service for each child aged 0 to 3 years) ³	\$ per child	560.3	605.9	618.0	630.4	642.9
Dollar per kindergarten student per financial year in the year prior to school^{2,4}						
Minimum funding available to the majority of children (approximately 98 per cent in 2015) who access a kindergarten program in the year prior to school ⁵	\$ per child	1,883.0	2,001.0	2,061.0	2,112.0	2,175.3
School Education—Primary and Secondary						
Dollar per primary school student per financial year^{2,6}						
Victorian government real recurrent expenditure (including User Cost of Capital) per FTE student in primary schools (2013–14 dollars)	\$ per FTE student	12,077.0	12,085.1	12,129.0	n/a ⁷	n/a ⁸
Dollar per secondary school student per financial year^{2,6}						
Victorian government real recurrent expenditure (including User Cost of Capital) per FTE student in secondary schools (2013–14 dollars)	\$ per FTE student	15,433.3	15,365.8	15,416.0	n/a ⁷	n/a ⁸
Higher education and skills						
Dollar per VET student contact hour per calendar year⁹						
Victorian government real recurrent expenditure per annual hour (2014 dollars)	\$ per hour	11.5	11.1	9.5	7.8	n/a ⁸

1 Reflects the Victorian Government expenditure on early childhood services available to all children (that is, universal expenditure) and does not include the significant resourcing provided to deliver a range of targeted services for specific cohorts of children.

2 Figures for the 2011–12 financial year under 2011, 2012–13 under 2012, 2013–14 under 2013, 2014–15 under 2014 and 2015–16 under 2015.

3 Additional loadings are also made available to children living in rural or low socioeconomic areas. Additional resourcing of the delivery of this service is provided through matched local government funding.

4 Reflects the State Government component of the standard per capita rate at the end of the relevant financial year.

5 A small proportion of children (approximately five per cent) who access a kindergarten program in a non-government school receive less (State Government component between \$354 and \$1,150 in 2015–16). Additional loadings are provided for children based on characteristics including living in a rural area, Aboriginal or Torres Strait Islander status, or being holders of health care or pension cards or refugee or humanitarian visas. Additional resourcing of the delivery of program is provided through parental fees and service fundraising.

6 Victorian government and non-government schools. Source: Productivity Commission Report on Government Services 2016, Table 4A.12

7 Figures for School Education—Primary and School Education—Secondary not available for 2014.

8 Reports on Government Services are published in January each year; 2015 results not available at time of publication, anticipated to be released in the 2017 Report on Government Services.

9 Source: Productivity Commission Report on Government Services 2016, Table 5A.34.

Performance against output performance measures

This section reports on the Department's performance against the performance measures for each of its outputs.

One of the Department's outputs is Strategy, Review and Regulation; three represent life stages: Early Childhood Development, School Education, and Higher Education and Skills; and two support services: Support Services Development, and Support for Students with Disabilities.

These output measures refer to the financial year unless indicated.

Strategy, Review and Regulation

The Strategy, Review and Regulation output group develops, plans and monitors strategic policy settings across all stages of learning. It also includes intergovernmental negotiations as well as research, data and performance evaluations. This output group also supports regulation that ensures quality education and training is delivered and contributes to all the Department's objectives of Achievement, Engagement, Wellbeing and Productivity.

Performance measures	Unit of measure	2015–16 Target	2015–16 Actual	% variation	Result
Quantity					
Number of registered training organisation quality audits and school reviews undertaken annually	number	191	182	-4.7	■
<i>This performance measure relates to the 2015 calendar year. The 2015–16 Actual is lower than 2015–16 Target as a result of cancellation of a number of scheduled audits/reviews because some Registered Training Organisations (RTOs) did not seek to retain registration and several school reviews were fast tracked for opening in 2014.</i>					
Quality					
Education provider satisfaction with the Victorian Registration and Qualifications Authority and its regulatory processes	per cent	65	81.0	24.6	✓
<i>This performance measure relates to the 2015 calendar year. The 2015–16 Actual is higher than 2015–16 Target due to improved business processes and stakeholder engagement activities.</i>					
Percentage of government schools where an enrolment audit is conducted	per cent	32.5	32.7	0.6	✓
<i>This performance measure relates to the 2015 calendar year.</i>					
Cost					
Total output cost	\$ million	101.9	91.8	-9.9	✓
<i>The 2015–16 Actual is actually lower than the 2015–16 Target due to the timing in delivery of programs such as IT systems, including licencing and maintenance programs.</i>					
Key: ✓ Target achieved or exceeded ■ Target not achieved—less than 5% variance ✖ Target not achieved—more than 5% variance					

Early Childhood Development

The Early Childhood Development output group provides funding for a range of services that support children in the early years, including kindergarten and children's services, maternal and child health, and early intervention services for children with a disability. These outputs make a significant contribution to the Government's key outcomes in early childhood services. This group and its outputs contribute towards providing and improving services to support all the Department's objectives of Achievement, Engagement, Wellbeing and Productivity.

Performance measures	Unit of measure	2015-16 Target	2015-16 Actual	% variation	Result
Quantity					
Children funded to participate in kindergarten	number	71,250	74,650	4.8	✓
<i>This performance measure relates to the 2015 calendar year. This performance measure includes first and second year kindergarten participants.</i>					
Kindergarten participation rate	per cent	95	98.1	3.3	✓
<i>This performance measure relates to the 2015 calendar year. It excludes children who participate in a second year of the four-year-old kindergarten program.</i>					
Maternal and child health clients with children aged 0-1 year receiving additional support through enhanced Maternal and Child Health Services	per cent	10	15	50	✓
<i>The final result is currently not available due to timing of the data collection. The result provided under the 2015-16 Actual is the expected outcome published in the 2016-17 Budget Paper No.3.</i>					
<i>The 2015-16 Actual is expected to be higher than the 2015-16 Target due to municipal councils providing services above the funded target cohort of 10 per cent of the population of families with a child aged from 0-1 year.</i>					
Total number of Maternal and Child Health Service clients (aged 0-1 year)	number	73,000	73,000	0.0	✓
<i>The final result is currently not available due to timing of the data collection. The result provided under the 2015-16 Actual is the expected outcome published in the 2016-17 Budget Paper No.3.</i>					
Total number of children receiving Early Childhood Intervention Services	number	13,936	13,936	0.0	✓
<i>The final result is currently not available due to timing of the data collection. The result provided under the 2015-16 Actual is the expected outcome published in the 2016-17 Budget Paper No.3.</i>					
Quality					
Education and care services offering a funded kindergarten program assessed as exceeding the National Quality Standard	per cent	40	43	7.5	✓
<i>This performance measure relates to the 2015 calendar year. The 2015-16 Actual is higher than the 2015-16 Target because the target was set based on assessments under the National Quality Standard undertaken prior to 2015.</i>					
Education and care services offering a funded kindergarten program assessed as meeting or exceeding the National Quality Standard	per cent	85	87	2.4	✓
<i>This performance measure relates to the 2015 calendar year.</i>					
Families who are satisfied with the Early Childhood Intervention Services provided	per cent	90	90	0.0	✓
<i>The final result is currently not available due to timing of the data collection. The result provided under the 2015-16 Actual is the expected outcome published in the 2016-17 Budget Paper No.3.</i>					
Timeliness					
Children aged 0-1 month enrolled at Maternal and Child Health Services from birth notifications	per cent	98.5	98.5	0.0	✓
<i>The final result is currently not available due to timing of the data collection. The result provided under the 2015-16 Actual is the expected outcome published in the 2016-17 Budget Paper No.3.</i>					

Performance measures	Unit of measure	2015–16 Target	2015–16 Actual	% variation	Result
Cost					
Total output cost	\$ million	491.1	534.5	8.8	*
<i>The 2015–16 Actual is higher than the 2015–16 Target primarily due to the timing in delivery of programs such as Early Childhood Capital Grants and increase in Commonwealth funding for Universal Access National Partnership.</i>					
Key: ✓ Target achieved or exceeded ■ Target not achieved—less than 5% variance * Target not achieved—more than 5% variance					

School Education

The School Education output group consists of two outputs:

- i. The School Education—Primary output provides services to develop essential skills and learning experiences to engage young minds in the primary sector.
- ii. The School Education—Secondary output delivers services to consolidate literacy and numeracy competencies including creative and critical thinking, as well as physical, social, emotional and intellectual development in adolescence.

It also provides education services as well as varied pathways and support for transition across sectors to further study. This output group contributes towards providing and improving services to support all the Department's objectives of Achievement, Engagement, Wellbeing and Productivity.

(i) School Education—Primary

This output provides education and other associated services designed to improve the quality of learning of students in Prep to Year 6 in government and non-government schools.

Except where indicated, these performance measures relate to:

- the 2015 calendar year rather than the 2015–16 financial year
- government and non-government schools.

Performance measures	Unit of measure	2015–16 Target	2015–16 Actual	% variation	Result
Quantity					
Average days lost due to absence at Year 5	number	14.1	14.4	-2.1	■
<i>This performance measure refers to government schools only. Average days lost covers all student absences, including those due to illness, approved family holidays and unapproved absences. A lower figure is more desirable, as it indicates that students are having fewer days away from school.</i>					
<i>The 2015–16 Actual figure reflects data extracted at 2 June 2016.</i>					
Average days lost due to absence at Year 6	number	14.5	15.1	-4.1	■
<i>This performance measure refers to government schools only. Average days lost covers all student absences, including those due to illness, approved family holidays and unapproved absences. A lower figure is more desirable, as it indicates that students are having fewer days away from school.</i>					
<i>The 2015–16 Actual figure reflects data extracted at 2 June 2016.</i>					
Investment in non-government schools (primary)	\$ million	346.5	325.5	-6.1	✓
<i>The 2015–16 Actual is lower than the 2015–16 Target primarily due to the timing in delivery of programs such as capital grants.</i>					
Number of Assistant Principals participating in leadership development programs	number	350	503	43.7	✓
<i>This performance measure refers to government schools only. The 2015–16 Actual is higher than the 2015–16 Target due to increased provision of professional development programs offered by the Bastow Institute of Educational Leadership, including rural and regional programs.</i>					

Performance measures	Unit of measure	2015–16 Target	2015–16 Actual	% variation	Result
Number of Principals participating in statewide, centrally funded leadership development programs	number	650	749	15.2	✓
<i>This performance measure refers to government schools only. The 2015–16 Actual is higher than the 2015–16 Target due to increased provision of professional development programs offered by the Bastow Institute of Educational Leadership, including rural and regional programs.</i>					
Number of school staff who are not Principals or Assistant Principals participating in leadership development programs	number	1,000	1,897	89.7	✓
<i>This performance measure refers to government schools only. The 2015–16 Actual is higher than the 2015–16 Target due to increased provision of professional development programs offered by the Bastow Institute of Educational Leadership, including rural and regional programs.</i>					

Quality

Parent satisfaction with primary schooling on a 100-point scale	100-point scale	83	83	0.0	✓
<i>This performance measure refers to government schools only. Data is drawn from the Parent Opinion Survey, where a higher score represents a higher level of satisfaction.</i>					
Percentage of Indigenous students above the bottom three bands for numeracy in Year 3 (National Assessment Program Literacy and Numeracy—NAPLAN testing)	per cent	43.9	38.1	-13.2	✗
<i>This performance measure relates to student performance assessed in May 2015. When interpreting results, a 95 per cent confidence interval of +/- 3.34 percentage points needs to be considered as the reported number is an estimate of the student ability for which there is associated measurement error, standard to any such assessment. Improvement resulting from Education State initiatives is not reflected in NAPLAN 2015–16 results, as testing was undertaken prior to the implementation of these significant reforms.</i>					
Percentage of Indigenous students above the bottom three bands for numeracy in Year 5 (NAPLAN testing)	per cent	33.4	29.7	-11.1	✗
<i>This performance measure relates to student performance assessed in May 2015. When interpreting results, a 95 per cent confidence interval of +/- 3.27 percentage points needs to be considered as the reported number is an estimate of the student ability for which there is associated measurement error, standard to any such assessment. Improvement resulting from Education State initiatives is not reflected in NAPLAN 2015–16 results, as testing was undertaken prior to the implementation of these significant reforms.</i>					
Percentage of Indigenous students above the bottom three bands for reading in Year 3 (NAPLAN testing)	per cent	48.7	47.3	-2.9	✓
<i>This performance measure relates to student performance assessed in May 2015. When interpreting results, a 95 per cent confidence interval of +/- 3.41 percentage points needs to be considered as the reported number is an estimate of the student ability for which there is associated measurement error, standard to any such assessment. The 2015–16 Actual result is within the confidence interval and has met the 2015–16 Target. Improvement resulting from Education State initiatives is not reflected in NAPLAN 2015–16 results, as testing was undertaken prior to the implementation of these significant reforms.</i>					
Percentage of Indigenous students above the bottom three bands for reading in Year 5 (NAPLAN testing)	per cent	40	32.9	-17.8	✗
<i>This performance measure relates to student performance assessed in May 2015. When interpreting results, a 95 per cent confidence interval of +/- 3.26 percentage points needs to be considered as the reported number is an estimate of the student ability for which there is associated measurement error, standard to any such assessment. Improvement resulting from Education State initiatives is not reflected in NAPLAN 2015–16 results, as testing was undertaken prior to the implementation of these significant reforms.</i>					

Performance measures	Unit of measure	2015–16 Target	2015–16 Actual	% variation	Result
Percentage of students above the bottom three bands for numeracy in Year 3 (NAPLAN testing)	per cent	68.5	66.4	-3.1	■
<p><i>This performance measure relates to student performance assessed in May 2015.</i></p> <p><i>When interpreting results, a 95 per cent confidence interval of +/- 0.92 percentage points needs to be considered as the reported number is an estimate of the student ability for which there is associated measurement error, standard to any such assessment.</i></p> <p><i>Improvement resulting from Education State initiatives is not reflected in NAPLAN 2015–16 results, as testing was undertaken prior to the implementation of these significant reforms.</i></p>					
Percentage of students above the bottom three bands for numeracy in Year 5 (NAPLAN testing)	per cent	57.5	61.2	6.4	✓
<p><i>This performance measure relates to student performance assessed in May 2015.</i></p> <p><i>When interpreting results, a 95 per cent confidence interval of +/- 1.01 percentage points needs to be considered as the reported number is an estimate of the student ability for which there is associated measurement error, standard to any such assessment.</i></p> <p><i>Improvement resulting from Education State initiatives is not reflected in NAPLAN 2015–16 results, as testing was undertaken prior to the implementation of these significant reforms.</i></p>					
Percentage of students above the bottom three bands for reading in Year 3 (NAPLAN testing)	per cent	74	76.2	3.0	✓
<p><i>This performance measure relates to student performance assessed in May 2015.</i></p> <p><i>When interpreting results, a 95 per cent confidence interval of +/- 0.81 percentage points needs to be considered as the reported number is an estimate of the student ability for which there is associated measurement error, standard to any such assessment.</i></p> <p><i>Improvement resulting from Education State initiatives is not reflected in NAPLAN 2015–16 results, as testing was undertaken prior to the implementation of these significant reforms.</i></p>					
Percentage of students above the bottom three bands for reading in Year 5 (NAPLAN testing)	per cent	64.5	62.2	-3.6	■
<p><i>This performance measure relates to student performance assessed in May 2015.</i></p> <p><i>When interpreting results, a 95 per cent confidence interval of +/- 0.98 percentage points needs to be considered as the reported number is an estimate of the student ability for which there is associated measurement error, standard to any such assessment.</i></p> <p><i>Improvement resulting from Education State initiatives is not reflected in NAPLAN 2015–16 results, as testing was undertaken prior to the implementation of these significant reforms.</i></p>					
Percentage of students in the top two bands for numeracy in Year 3 (NAPLAN testing)	per cent	41.5	38.4	-7.5	✘
<p><i>This performance measure relates to student performance assessed in May 2015.</i></p> <p><i>When interpreting results, a 95 per cent confidence interval of +/- 0.95 percentage points needs to be considered as the reported number is an estimate of the student ability for which there is associated measurement error, standard to any such assessment.</i></p> <p><i>Improvement resulting from Education State initiatives is not reflected in NAPLAN 2015–16 results, as testing was undertaken prior to the implementation of these significant reforms.</i></p>					
Percentage of students in the top two bands for numeracy in Year 5 (NAPLAN testing)	per cent	28.5	31.9	11.9	✓
<p><i>This performance measure relates to student performance assessed in May 2015.</i></p> <p><i>When interpreting results, a 95 per cent confidence interval of +/- 0.98 percentage points needs to be considered as the reported number is an estimate of the student ability for which there is associated measurement error, standard to any such assessment.</i></p> <p><i>Improvement resulting from Education State initiatives is not reflected in NAPLAN 2015–16 results, as testing was undertaken prior to the implementation of these significant reforms.</i></p>					
Percentage of students in the top two bands for reading in Year 3 (NAPLAN testing)	per cent	51.5	53.6	4.1	✓
<p><i>This performance measure relates to student performance assessed in May 2015.</i></p> <p><i>When interpreting results, a 95 per cent confidence interval of +/- 0.97 percentage points needs to be considered as the reported number is an estimate of the student ability for which there is associated measurement error, standard to any such assessment.</i></p> <p><i>Improvement resulting from Education State initiatives is not reflected in NAPLAN 2015–16 results, as testing was undertaken prior to the implementation of these significant reforms.</i></p>					

Performance measures	Unit of measure	2015–16 Target	2015–16 Actual	% variation	Result
Percentage of students in the top two bands for reading in Year 5 (NAPLAN testing)	per cent	36	36.9	2.5	✓
<p><i>This performance measure relates to student performance assessed in May 2015.</i></p> <p><i>When interpreting results, a 95 per cent confidence interval of +/- 0.98 percentage points needs to be considered as the reported number is an estimate of the student ability for which there is associated measurement error, standard to any such assessment.</i></p> <p><i>Improvement resulting from Education State initiatives is not reflected in NAPLAN 2015–16 results, as testing was undertaken prior to the implementation of these significant reforms.</i></p>					
Years 5–6 students' opinion of their connectedness with the school	5-point scale	4.4	4.4	0.0	✓
<p><i>This performance measure refers to government schools only. Data is drawn from the Attitudes to School Survey, where responses are provided on a scale of 1 to 5 and a higher score represents a higher level of connectedness (that is, students feel they belong and enjoy attending school).</i></p>					
Cost					
Total output cost	\$ million	4,598.1	4,542.0	-1.2	✓
<p><i>The 2015–16 Actual is lower than the 2015–16 Target primarily due to the timing in delivery of programs such as schools infrastructure including maintenance-related projects.</i></p>					
<p>Key: ✓ Target achieved or exceeded ■ Target not achieved—less than 5% variance ✗ Target not achieved—more than 5% variance</p>					

(ii) School Education—Secondary

This output involves provision of education and other associated services designed to improve the quality of student learning and transition of students in Years 7 to 12 in government and non-government schools. It also covers the provision of cross-sectoral services to improve the transition to further education, training and employment.

Except where indicated, these performance measures relate to:

- the 2015 calendar year rather than the 2015–16 financial year
- government and non-government schools.

Performance measures	Unit of measure	2015–16 Target	2015–16 Actual	% variation	Result
Quantity					
Investment in non-government schools (secondary)	\$ million	360.6	338.8	-6.1	✓
<p><i>The 2015–16 Actual is lower than the 2015–16 Target primarily due to the timing in delivery of programs such as capital grants.</i></p>					
Number of school students enrolled in Victorian Certificate of Applied Learning	number	17,000	18,549	9.1	✓
<p><i>The 2015–16 Actual is higher than the 2015–16 Target due to sustained growth in the number of students enrolling in the Victorian Certificate of Applied Learning as it becomes more established as an alternative qualification to the Victorian Certificate of Education.</i></p>					
Number of school students participating in accredited vocational programs	number	45,800	46,995	2.6	✓
Number of school-based apprentices/trainees	number	3700	3538	-4.4	■
<p><i>The 2015–16 Actual is lower than the 2015–16 Target due to trends in demand for school-based apprenticeships and traineeships in recent years.</i></p>					
Proportion of all secondary schools offering vocational options to students as part of their secondary school certificate	per cent	95	95.2	0.2	✓

Performance measures	Unit of measure	2015–16 Target	2015–16 Actual	% variation	Result
Quality					
Average days lost due to absence in Years 11 and 12	number	16.1	16.8	-4.3	■
<p><i>This performance measure refers to government schools only. Average days lost covers all student absences, including those due to illness, approved family holidays and unapproved absences. A lower figure is more desirable, as it indicates that students are having fewer days away from school. The 2015-16 Actual figure reflects data extracted at 2 June 2016.</i></p>					
Average days lost due to absence in Years 7–10	number	19	19.3	-1.6	■
<p><i>This performance measure refers to government schools only. Average days lost covers all student absences, including those due to illness, approved family holidays and unapproved absences. A lower figure is more desirable, as it indicates that students are having fewer days away from school. The 2015–16 Actual figure reflects data extracted at 2 June 2016.</i></p>					
Median VCE study score	number	29	29	0.0	✓
<p><i>This performance measure refers to government schools only.</i></p>					
Parent satisfaction with secondary schooling on a 100-point scale	100-point scale	75	77	2.7	✓
<p><i>This performance measure refers to government schools only. Data is drawn from the Parent Opinion Survey, where a higher score represents a higher level of satisfaction.</i></p>					
Percentage of Indigenous students above the bottom three bands for numeracy in Year 7 (NAPLAN testing)	per cent	26.4	24.4	-7.6	✓
<p><i>This performance measure relates to student performance assessed in May 2015. When interpreting results, a 95 per cent confidence interval of +/- 3.06 percentage points needs to be considered as the reported number is an estimate of the student ability for which there is associated measurement error, standard to any such assessment. The 2015–16 Actual result is within the confidence interval and has met the 2015–16 Target. Improvement resulting from Education State initiatives is not reflected in NAPLAN 2015–16 results, as testing was undertaken prior to the implementation of these significant reforms.</i></p>					
Percentage of Indigenous students above the bottom three bands for numeracy in Year 9 (NAPLAN testing)	per cent	24.3	24.3	0.0	✓
<p><i>This performance measure relates to student performance assessed in May 2015. When interpreting results, a 95 per cent confidence interval of +/- 3.90 percentage points needs to be considered as the reported number is an estimate of the student ability for which there is associated measurement error, standard to any such assessment. Improvement resulting from Education State initiatives is not reflected in NAPLAN 2015–16 results, as testing was undertaken prior to the implementation of these significant reforms.</i></p>					
Percentage of Indigenous students above the bottom three bands for reading in Year 7 (NAPLAN testing)	per cent	29.2	28.1	-3.8	✓
<p><i>This performance measure relates to student performance assessed in May 2015. When interpreting results, a 95 per cent confidence interval of +/- 2.90 percentage points needs to be considered as the reported number is an estimate of the student ability for which there is associated measurement error, standard to any such assessment. The 2015–16 Actual result is within the confidence interval and has met the 2015–16 Target. Improvement resulting from Education State initiatives is not reflected in NAPLAN 2015–16 results, as testing was undertaken prior to the implementation of these significant reforms.</i></p>					
Percentage of Indigenous students above the bottom three bands for reading in Year 9 (NAPLAN testing)	per cent	26.3	24.6	-6.5	✓
<p><i>This performance measure relates to student performance assessed in May 2015. When interpreting results, a 95 per cent confidence interval of +/- 3.71 percentage points needs to be considered as the reported number is an estimate of the student ability for which there is associated measurement error, standard to any such assessment. The 2015–16 Actual result is within the confidence interval and has met the 2015–16 Target. Improvement resulting from Education State initiatives is not reflected in NAPLAN 2015–16 results, as testing was undertaken prior to the implementation of these significant reforms.</i></p>					

Performance measures	Unit of measure	2015–16 Target	2015–16 Actual	% variation	Result
Percentage of Victorian Certificate of Applied Learning Certificates satisfactorily completed by school students	per cent	78	76.9	-1.4	■
<i>The 2015–16 Actual is marginally lower than the 2015–16 Target due to a larger percentage of students leaving school prior to certificate completion for employment and alternative training.</i>					
Percentage of school leavers completing a VCE VET program in a school progressing to further education, training or work	per cent	93	96	3.2	✓
Percentage of school leavers completing an Intermediate or Senior Victorian Certificate of Applied Learning in a school progressing to further education, training or work	per cent	80	84.9	6.1	✓
<i>The 2015–16 actual is higher the 2015–16 Target due to sustained growth in the proportion of students undertaking the Victorian Certificate of Applied Learning (VCAL) at Intermediate and Senior levels as VCAL becomes more established as an alternative qualification to the Victorian Certificate of Education.</i>					
Percentage of students above the bottom three bands for numeracy in Year 7 (NAPLAN testing)	per cent	55.1	56.4	2.4	✓
<i>This performance measure relates to student performance assessed in May 2015.</i>					
<i>When interpreting results, a 95 per cent confidence interval of +/- 1.68 percentage points needs to be considered as the reported number is an estimate of the student ability for which there is associated measurement error, standard to any such assessment.</i>					
<i>Improvement resulting from Education State initiatives is not reflected in NAPLAN 2015–16 results, as testing was undertaken prior to the implementation of these significant reforms.</i>					
Percentage of students above the bottom three bands for numeracy in Year 9 (NAPLAN testing)	per cent	50.5	54.0	6.9	✓
<i>This performance measure relates to student performance assessed in May 2015.</i>					
<i>When interpreting results, a 95 per cent confidence interval of +/- 2.01 percentage points needs to be considered as the reported number is an estimate of the student ability for which there is associated measurement error, standard to any such assessment.</i>					
<i>Improvement resulting from Education State initiatives is not reflected in NAPLAN 2015–16 results, as testing was undertaken prior to the implementation of these significant reforms.</i>					
Percentage of students above the bottom three bands for reading in Year 7 (NAPLAN testing)	per cent	59.5	59.5	0.0	✓
<i>This performance measure relates to student performance assessed in May 2015.</i>					
<i>When interpreting results, a 95 per cent confidence interval of +/- 1.53 percentage points needs to be considered as the reported number is an estimate of the student ability for which there is associated measurement error, standard to any such assessment.</i>					
<i>Improvement resulting from Education State initiatives is not reflected in NAPLAN 2015–16 results, as testing was undertaken prior to the implementation of these significant reforms.</i>					
Percentage of students above the bottom three bands for reading in Year 9 (NAPLAN testing)	per cent	50	50.2	0.4	✓
<i>This performance measure relates to student performance assessed in May 2015.</i>					
<i>When interpreting results, a 95 per cent confidence interval of +/- 1.73 percentage points needs to be considered as the reported number is an estimate of the student ability for which there is associated measurement error, standard to any such assessment.</i>					
<i>Improvement resulting from Education State initiatives is not reflected in NAPLAN 2015–16 results, as testing was undertaken prior to the implementation of these significant reforms.</i>					
Percentage of students in the top two bands for numeracy in Year 7 (NAPLAN testing)	per cent	28	27.8	-0.7	✓
<i>This performance measure relates to student performance assessed in May 2015.</i>					
<i>When interpreting results, a 95 per cent confidence interval of +/- 1.63 percentage points needs to be considered as the reported number is an estimate of the student ability for which there is associated measurement error, standard to any such assessment. The 2015–16 Actual result is within the confidence interval and has met the 2015–16 Target.</i>					
<i>Improvement resulting from Education State initiatives is not reflected in NAPLAN 2015–16 results, as testing was undertaken prior to the implementation of these significant reforms.</i>					

Performance measures	Unit of measure	2015–16 Target	2015–16 Actual	% variation	Result
Percentage of students in the top two bands for numeracy in Year 9 (NAPLAN testing)	per cent	25	26.1	4.4	✓
<p><i>This performance measure relates to student performance assessed in May 2015.</i></p> <p><i>When interpreting results, a 95 per cent confidence interval of +/- 2.02 percentage points needs to be considered as the reported number is an estimate of the student ability for which there is associated measurement error, standard to any such assessment.</i></p> <p><i>Improvement resulting from Education State initiatives is not reflected in NAPLAN 2015–16 results, as testing was undertaken prior to the implementation of these significant reforms.</i></p>					
Percentage of students in the top two bands for reading in Year 7 (NAPLAN testing)	per cent	29	30.1	3.8	✓
<p><i>This performance measure relates to student performance assessed in May 2015.</i></p> <p><i>When interpreting results, a 95 per cent confidence interval of +/- 1.44 percentage points needs to be considered as the reported number is an estimate of the student ability for which there is associated measurement error, standard to any such assessment.</i></p> <p><i>Improvement resulting from Education State initiatives is not reflected in NAPLAN 2015–16 results, as testing was undertaken prior to the implementation of these significant reforms.</i></p>					
Percentage of students in the top two bands for reading in Year 9 (NAPLAN testing)	number	21	22.8	8.6	✓
<p><i>This performance measure relates to student performance assessed in May 2015.</i></p> <p><i>When interpreting results, a 95 per cent confidence interval of +/- 1.57 percentage points needs to be considered as the reported number is an estimate of the student ability for which there is associated measurement error, standard to any such assessment.</i></p> <p><i>Improvement resulting from Education State initiatives is not reflected in NAPLAN 2015–16 results, as testing was undertaken prior to the implementation of these significant reforms.</i></p>					
Percentage of students who remain at school from Year 7 to Year 12	per cent	88	90.6	3.0	✓
Years 7–9 students' opinion of their connectedness with the school	5-point scale	3.7	3.7	0.0	✓
<p><i>This performance measure refers to government schools only. Data is drawn from the Attitudes to School Survey, where responses are provided on a scale of 1 to 5 and a higher score represents a higher level of connectedness (that is, students feel they belong and enjoy attending school).</i></p>					
Cost					
Total output cost	\$ million	3,866.2	3,837.3	-0.7	✓
<p><i>The 2015–16 Actual is lower than the 2015–16 Target primarily due to the timing in delivery of programs such as schools infrastructure including maintenance related projects.</i></p>					
Key:	✓ Target achieved or exceeded	■ Target not achieved—less than 5% variance	✘ Target not achieved—more than 5% variance		

Higher Education and Skills

The Higher Education and Skills output responds to the labour and skills needs of individuals and industry. This output covers the system design, contracting and monitoring of VET services. It also involves the development and implementation of effective strategies for accredited and pre-accredited VET through adult community education. This output group contributes towards providing and improving services to support all the Department's objectives of Achievement, Engagement, Wellbeing and Productivity.

Except where indicated, these performance measures relate to the 2015 calendar year rather than the 2015–16 financial year.

Performance measures	Unit of measure	2015–16 Target	2015–16 Actual	% variation	Result
Quantity					
Annual government-subsidised module enrolments	number (million)	5.3	4.5	-15.1	✘
<i>The 2015–16 Actual is lower than the 2015–16 Target due to past policy changes such as tightened eligibility to subsidised training and foundation courses, and reductions in subsidies. Enrolment numbers have also likely been impacted by the shift of students to VET FEE-HELP funded training, demand-driven places in Higher Education, and fewer enrolments in sub-standard training as part of the Government's implementation of the Review of Quality Assurance.</i>					
Government-subsidised student contact hours of training and further education provided	number (million)	181	154	-14.9%	✘
<i>The 2015–16 Actual is lower than the 2015–16 Target due to past policy changes such as tightened eligibility to subsidised training and foundation courses, and reductions in subsidies. Enrolment numbers have also likely been impacted by the shift of students to VET FEE-HELP funded training, demand-driven places in Higher Education, and fewer enrolments in sub-standard training as part of the Government's implementation of the Review of Quality Assurance.</i>					
Number of apprenticeship/ traineeship commencements by new employees	number	40,000	38,272	-4.32	■
<i>This performance measure relates to the financial year.</i>					
Number of government subsidised course enrolments	number	557,846	466,681	-16.3	✘
<i>The 2015–16 Actual is lower than the 2015–16 Target due to past policy changes such as tightened eligibility for subsidised training and foundation courses, and reductions in subsidies. Enrolment numbers have also likely been impacted by the shift of students to VET FEE-HELP funded training, demand-driven places in Higher Education, and fewer enrolments in sub-standard training as part of the Government's implementation of the Review of Quality Assurance.</i>					
Number of pre-accredited module enrolments government subsidised through the Adult Community and Further Education (ACFE) Board—Adult Community Education organisations and Adult Education Institutes	number	45,000	46,801	4.0	✓
Number of students enrolled in government subsidised courses	number	443,687	377,831	-14.8	✘
<i>The 2015–16 Actual is lower than the 2015–16 Target due to past policy changes such as tightened eligibility for subsidised training and foundation courses, and reductions in subsidies. Enrolment numbers have also likely been impacted by the shift of students to VET FEE-HELP funded training, demand-driven places in Higher Education, and fewer enrolments in sub-standard training as part of the Government's implementation of the Review of Quality Assurance.</i>					
Number of students without Year 12, Certificate II or above enrolled in foundation courses	number	26,762	19,775	-26.1	✘
<i>The 2015–16 Actual is lower than the 2015–16 Target due to past policy changes which reduced foundation course subsidy rates, tighter eligibility rules, removing the Certificate I in Vocational Preparation from the foundation course list, and establishing the Foundation Skills approved provider list. Changes in 2015 that required providers to undertake pre and post assessment of students' skills for particular foundation-skills courses, may have resulted in a slight decrease in enrolments, as students were directed to enrol in more suitable training for their skill needs. This result may also have been impacted by the shift of students to VET FEE-HELP funded training, and fewer enrolments in sub-standard training as part of the Government's implementation of the Review of Quality Assurance.</i>					

Performance measures	Unit of measure	2015–16 Target	2015–16 Actual	% variation	Result	
Participation rate of 15–24-year-olds in government subsidised training and further education in Victoria	per cent	22.5	18.7	-16.9	✘	
<i>The 2015–16 Actual is lower than the 2015–16 Target due to past policy changes such as tightened eligibility for subsidised training and foundation courses, and reductions in subsidies. Enrolment numbers have also likely been impacted by the shift of students to VET FEE-HELP funded training, demand-driven places in Higher Education, and fewer enrolments in sub-standard training as part of the Government's implementation of the Review of Quality Assurance.</i>						
Participation rate of 25–64-year-olds in government subsidised training and further education in Victoria	per cent	8	6.7	-16.3	✘	
<i>The 2015–16 Actual is lower than the 2015–16 Target due to past policy changes such as tightened eligibility for subsidised training and foundation courses, and reductions in subsidies. Enrolment numbers have also likely been impacted by the shift of students to VET FEE-HELP funded training, demand-driven places in Higher Education, and fewer enrolments in sub-standard training as part of the Government's implementation of the Review of Quality Assurance.</i>						
Quality						
Proportion of VET completers who are satisfied with their training	per cent	87.6	78.4	-10.5	✘	
<i>This performance measure relates to training completions in the 2014 calendar year. The 2015–16 Actual is lower than the 2015–16 Target partly as a result of poor provider practices which are now being addressed through the Government's response to the Review of Quality Assurance. In addition, the 2015–16 Target was estimated based on a small trial survey of VET students who completed training in 2013.</i>						
Proportion of VET completers with an improved employment status after training	per cent	61.7	50.7	-17.8	✘	
<i>This performance measure relates to training completions in the 2014 calendar year. The 2015–16 Actual is lower than the 2015–16 Target partly as a result of poor provider practices which are now being addressed through the Government's response to the Review of Quality Assurance. In addition, the 2015–16 Target was estimated based on a small trial survey of VET students who completed training in 2013.</i>						
Proportion of employers satisfied with the training provided by the Registered Training Organisation for apprenticeship and traineeship completers	per cent	81	83	2.5	✓	
Successful training completions as measured by module load completion rate	per cent	81.5	80.7	-1.0	■	
<i>The 2015–16 Actual is lower than the 2015–16 Target due to issues with poor quality training provision which is being addressed through the Government's quality initiatives.</i>						
Cost						
Total output cost	\$ million	2,476.3	2026.2	-18.2	✓	
<i>This performance measure relates to the financial year. The 2015–16 Actual is lower than the 2015–16 Target primarily due to past policy changes including tightened eligibility for subsidised training and foundation courses, and reduction in subsidies. It has also been impacted by the shift of students to VET FEE-HELP funded training, demand-driven places in Higher Education, and fewer enrolments in sub-standard training as part of the Government's implementation of the Review of Quality Assurance. The 2015–16 Actual is also lower due to adjustments in the timing of certain programs, and reinvestment in training and workforce development initiatives in future years.</i>						
Key:	✓ Target achieved or exceeded	■ Target not achieved—less than 5% variance	✘ Target not achieved—more than 5% variance			

Support Services Delivery

The Support Services Delivery output group covers the Department's Regional Services Group and provides student welfare and support, student transport (excluding transport for special needs students) and health services. This output group contributes towards providing and improving services to support all the Department's objectives of Achievement, Engagement, Wellbeing and Productivity.

Except where indicated, these performance measures relate to the 2015 calendar year rather than the 2015–16 financial year.

Performance measures	Unit of measure	2015–16 Target	2015–16 Actual	% variation	Result
Quantity					
Investment in student welfare and support	\$ million	261.5	301.9	15.5	✘
<i>The 2015–16 Actual is higher than the 2015–16 Target primarily due to the timing in delivery of programs such as the Camps, Sports and Excursion Fund.</i>					
Investment in travelling allowances and transport support (not including special needs students)	\$ million	44.3	41.0	-7.5	✓
<i>The 2015–16 Actual is lower than the 2015–16 Target due to schools using an online application system which has enabled greater accuracy for determining the number of eligible students.</i>					
Prep-aged students assessed by school nurses	number	57,500	63,330	10.1	✓
<i>This performance measure includes government and non-government schools.</i>					
<i>The 2015–16 Actual is higher than the 2015–16 target due to population growth and increased demand on services of the Primary School Nursing Program.</i>					
School students (government) supported by conveyance allowance	number	9,700	9,503	-2.0	■
<i>The 2015–16 Actual is marginally lower than the 2015–16 Target due to schools using an online application system which has enabled greater accuracy for determining the number of eligible students.</i>					
School students (non-government) supported by conveyance allowance	number	30,000	29,990	0.0	■
<i>The 2015–16 Actual is marginally lower than the 2015–16 Target due to schools using an online application system which has enabled greater accuracy for determining the number of eligible students.</i>					
Schools allocated a nurse through the Secondary School Nursing Program	number	193	200	3.6	✓
<i>This performance measure refers to government schools only.</i>					
Schools funded for primary welfare officers	number	806	806	0.0	✓
<i>This performance measure relates to the 2016 calendar year. This performance measure refers to government schools only.</i>					
Quality					
School satisfaction with student support services	per cent	85	87.4	2.8	✓
<i>This performance measure refers to government schools only.</i>					
Cost					
Total output cost	\$ million	305.8	342.9	12.1	✘
<i>The 2015–16 Actual is higher than the 2015–16 Target primarily due to the timing in delivery of programs such as the Camps, Sports and Excursion Fund.</i>					
Key: ✓ Target achieved or exceeded ■ Target not achieved—less than 5% variance ✘ Target not achieved—more than 5% variance					

Support for Students with Disabilities

The Support for Students with Disabilities output group covers the Program for Students with Disabilities, transport for special needs students and welfare and support services for students with special needs. This output group contributes towards providing and improving services to support all the Department's objectives of Achievement, Engagement, Wellbeing and Productivity.

Except where indicated, these performance measures relate to the 2015 calendar year rather than the 2015–16 financial year. These performance measures relate to government schools.

Performance measures	Unit of measure	2015–16 Target	2015–16 Actual	% variation	Result
Quantity					
Eligible special school students provided with appropriate travel	number	8,900	8,846	-0.6	■
<i>The 2015–16 Actual is lower than 2015–16 Target due to increased focus on alternative travel assistance (e.g. Travel education and or Conveyance Allowance).</i>					
Students funded under the disabilities program in government schools as a proportion of the total student population	per cent	4.1	4.2	2.4	✓
Quality					
Parent satisfaction with special education on a 100-point scale	100-point scale	85	85	0.0	✓
<i>Data is drawn from the Parent Opinion Survey, where a higher score represents a higher level of satisfaction.</i>					
Cost					
Total output cost	\$ million	860.4	860.3	0.0	✓
<i>The 2015/16 Actual is lower than the 2015/16 Target primarily due to lapsing National Partnerships which is partly offset by the timing in delivery of programs such as 'More support for students with disabilities' as funding was received from the Commonwealth late last financial year.</i>					
Key: ✓ Target achieved or exceeded ■ Target not achieved—less than 5% variance ✘ Target not achieved—more than 5% variance					

Discontinued measures for 2015–16

Following assessment by the Public Accounts and Estimates Committee, the 37 performance measures listed below have been discontinued for 2015–16.

Output group	Performance measure name
Strategy Review and Regulation	Participants benefiting from initiatives to increase the supply of trained/qualified teachers
Early Childhood Development	Number of Early Childhood Intervention Service places and packages funded annually Funded kindergarten services assessed under the National Quality Framework that have a quality assurance process
School Education—Primary	Average prep—year 2 class size Average rate of student attendance at Year 5 Average rate of student attendance at Year 6 Number of Assistant Principals, aspiring leaders and leadership teams participating in leadership development programs Statewide computer to student ratio: primary Percentage of Indigenous students meeting the national minimum standard for numeracy in Year 3 (National Assessment Program Literacy and Numeracy—NAPLAN testing) Percentage of Indigenous students meeting the national minimum standard for numeracy in Year 5 (NAPLAN testing) Percentage of Indigenous students meeting the national minimum standard for reading in Year 3 (NAPLAN testing) Percentage of Indigenous students meeting the national minimum standard for reading in Year 5 (NAPLAN testing) Percentage of students meeting the national minimum standard for numeracy in Year 3 (NAPLAN testing) Percentage of students meeting the national minimum standard for numeracy in Year 5 (NAPLAN testing) Percentage of students meeting the national minimum standard for reading in Year 3 (NAPLAN testing) Percentage of students meeting the national minimum standard for reading in Year 5 (NAPLAN testing)
School Education—Secondary	Number of certificate enrolments in accredited vocational programs in schools Number of school students satisfactorily completing at least one Victorian Certificate of Applied Learning certificate Statewide computer to student ratio: secondary Average rate of student attendance in Years 7–10 Average rate of student attendance in Years 11 and 12 Enrolments in units of accredited vocational programs in schools as a proportion of total VCE unit enrolments in schools Percentage of Indigenous students meeting the national minimum standard for numeracy in Year 7 (NAPLAN testing) Percentage of Indigenous students meeting the national minimum standard for numeracy in Year 9 (NAPLAN testing) Percentage of Indigenous students meeting the national minimum standard for reading in Year 7 (NAPLAN testing)

Output group	Performance measure name
	<p>Percentage of Indigenous students meeting the national minimum standard for reading in Year 9 (NAPLAN testing)</p> <p>Percentage of students meeting the national minimum standard for numeracy in Year 7 (NAPLAN testing)</p> <p>Percentage of students meeting the national minimum standard for numeracy in Year 9 (NAPLAN testing)</p> <p>Percentage of students meeting the national minimum standard for reading in Year 7 (NAPLAN testing)</p> <p>Percentage of students meeting the national minimum standard for reading in Year 9 (NAPLAN testing)</p>
Higher Education and Skills	<p>Number of government-funded course enrolments in qualifications at diploma level or above</p> <p>Participation rate of 15–24-year olds in training and further education in Victoria</p> <p>Participation rate of 25–64-year olds in training and further education in Victoria</p> <p>Number of apprenticeships/trainees who qualify for the completion bonus</p> <p>Percentage of VET graduates who rate quality of training as four or more out of five</p> <p>VET graduates in employment six months following graduation</p>
Support Services Delivery	Provision of Education Maintenance Allowance

Discontinued operations

There were no discontinued operations under the Department's output structure.

Five-year financial summary

The Financial Statements presented in this annual report relate to the controlled operations of the Department, including government schools.

Other agencies within the portfolio report separately and therefore their results are not included within the controlled financial transactions of the Department. These entities include the Adult, Community and Further Education Board, Adult Multicultural Education Services, the Victorian Curriculum and Assessment Authority, the Victorian Institute of Teaching, the Victorian Registration and Qualifications Authority, and TAFE institutes.

The following table provides information on the Department's financial result for the financial year just completed and comparative information for the preceding four financial years.

Five-year financial summary	2015–16	2014–15 ¹	2013–14 ¹	2012–13 ¹	2011–12
	\$m	\$m	\$m	\$m	\$ m
Operating revenue					
Revenue from State Government	11,194.0	10,683.5	10,517.1	10,382.3	10,216.9
Other revenue	776.9	777.2	749.9	734.8	676.3
Total income from transactions	11,970.9	11,460.7	11,267.0	11,117.0	10,893.2
Total expenses from transactions	11,740.0	11,280.3	11,101.5	11,028.1	10,990.7
Net result from transactions	230.9	180.5	165.6	88.9	(97.4)
Total other economic flows	(48.4)	(21.7)	(1.2)	34.6	(77.7)
Net result for period	182.5	158.8	164.3	123.5	(175.1)
Net cash flow from operations	455.4	187.8	364.3	451.9	141.6
Total assets	22,955.5	19,608.5	18,516.8	18,392.4	15,839.1
Total liabilities	2,166.9	1,940.8	1,889.0	1,843.9	2,117.6
Net assets	20,788.6	17,667.7	16,627.9	16,548.5	13,721.6

Current year financial review

Financial performance

The Department's net result from transactions for 2016 is a surplus of \$230.9 million, compared with a surplus of \$180.5 million in 2015. With the inclusion of the other economic flows of \$48.4 million loss, the net result for the year is a surplus of \$182.5 million, compared to a surplus of \$158.8 million in 2015.

The Department's growth in revenue primarily reflects the increased Government funding for delivery of output initiatives on behalf of the Government, investment in Government schools, and general inflation-related indexation.

The Department's growth in expenditure mainly reflects the increased payroll expenditure under 2013 Enterprise Bargaining Agreement for teachers, the increase in grant payments to TAFE institutes, including TAFE Rescue Fund for rebuilding and growing the TAFE sector, and the one-off reimbursement for the Teachers Notebooks Program.

¹ Figures for 2014–15, 2013–14 and 2012–13 have been revised compared to the previously published annual reports.

Balance sheet

The Department's net asset base as at 30 June 2016 was \$20.8 billion, comprising total assets of \$23.0 billion and total liabilities of \$2.2 billion.

The major assets of the Department are schools' property, plant and equipment. These assets represent 87 per cent (\$19.9 billion) of the total assets of the Department. In 2016, the value of the Department's property, plant and equipment increased by \$3.0 billion, mainly due to a land revaluation increment of \$1.2 billion and a building revaluation increment of \$1.6 billion. The Department undertook a full asset revaluation in addressing the disclaimer of opinion issued by Victorian Auditor-General's Office (VAGO) in 2015 on the Department's property, plant and equipment balances.

Liabilities of the Department mainly consist of payables, borrowings and employee benefit provisions, totalling \$2.2 billion. The increase of \$226.1 million in liabilities in 2016 mainly reflects an increase in employee benefit provision which is in line with the salary increase under the teachers' Enterprise Bargaining Agreement, and an increase in employee salary accruals and operating accruals due to the timing of payments.

Cash flows

The increase in the net cash flows from operations is mainly due to the increase in receipts from Government, and changes in receivables, payables and provisions arising from the timing of cash payments and receipts against these items.

Disclosure of grants and transfer payments

The Department has provided assistance to certain companies and organisations. Financial assistance provided in 2015–16 is outlined in Appendix 5.

Capital projects

The Department and its related portfolio entities manage a range of capital projects to deliver services for government.

Information on the new and existing capital projects for Departments and the broader Victorian public sector is contained in the most recent Budget Paper No. 4 State Capital Program (BP4) which is available on the Department of Treasury and Finance's website (www.dtf.vic.gov.au/State-Budget/2015-16-State-Budget/State-Capital-Program).

During the year, the Department/agency completed the following capital projects with a Total Estimated Investment of \$10 million or greater. The details related to these projects are reported below:

Capital projects completed during the financial year ended 30 June 2016

Project Name	Original completion date	Latest approved completion date	Actual completion date	Original approved TEI ¹ budget \$M	Latest approved TEI ¹ budget \$M	Actual TEI ¹ cost \$M	Variation between actual cost and latest approved TEI ¹ budget	Reason for variance from latest approved TEI ¹ budget
Officer Secondary College (stage 2) 2014-15 State Budget	Q3 2015-16	Q3 2015-16	Q4 2015-16	13	13	13	0	N/A
Relocatable Classroom Program 2015-16 State Budget	Q4 2015-16	Q4 2015-16	Q4 2015-16	35	35	35	0	N/A

¹ Total estimated investment

Report of Operations—governance and organisational structure

The Department's Ministers

The Department supports three Ministers: the Hon James Merlino MP, Deputy Premier, Minister for Education and Minister for Emergency Services; the Hon Steve Herbert MP, Minister for Training and Skills, Minister for International Education and Minister for Corrections; and the Hon Jenny Mikakos MP, Minister for Families and Children and Minister for Youth Affairs.

Deputy Premier, Minister for Education and Minister for Emergency Services The Hon James Merlino MP

James Merlino MP is the Minister for Education, Minister for Emergency Services and Deputy Premier of Victoria. As Minister for Education, he is responsible for Victoria's school system, which educates 932,000 Victorian students in government, Catholic, and independent schools. This includes improving educational outcomes in literacy, numeracy, science and the arts, as well as student well-being and engagement. The Minister for Education is also responsible for school infrastructure and capital funding, developing the expertise of teachers and education support staff, school leadership and ensuring our schools are inclusive for all students. Together with his ministerial colleagues, the Hon. Jenny Mikakos MP, and the Hon. Steve Herbert, MP, he shares responsibility for the improvement of Victoria's education, development and training system, from birth through to adulthood. He is establishing Victoria as the Education State so that every community has access to a great school with excellent learning and teaching, and the promise of a bright future for all students where success does not depend on their background or postcode.

Minister for Training and Skills, Minister for International Education and Minister for Corrections The Hon. Steve Herbert MP

Steve Herbert MP is Minister for Training and Skills and Minister for International Education.

He is responsible for overseeing and implementing the biggest reforms to Victoria's vocational education and training (VET) system to ensure we have a high quality VET system in place that meets the needs of individuals, industry and employers, and gets more Victorians into work.

This includes rebuilding TAFE, restoring credibility to the sector, re-establishing industry and community confidence in training, and investing in training and skills to ensure a solid foundation to support more people in the workforce.

Minister Herbert is committed to ensuring all Victorians have access to quality training that equips them with the skills they need to get and keep a job, and that industry has the skills required to boost productivity and help grow the Victorian economy.

Minister for Families and Children and Minister for Youth Affairs The Hon. Jenny Mikakos MP

Jenny Mikakos MP is the Minister for Families and Children and the Minister for Youth Affairs.

Minister Mikakos has responsibility for early childhood education and development, including maternal and child health, parenting support services, supported playgroups, kindergarten programs, and early childhood services for children with disability or developmental delay.

Her responsibilities in Families and Children, and Youth Affairs also include a range of services administered by the Department of Health and Human Services including child protection and family support services.

Minister Mikakos is committed to ensuring that all children have a strong start in life, including the most vulnerable, because children's health, education and care before the age of five influences lifelong happiness, wellbeing and success.

The Department's governance structure

A redesigned governance structure was implemented across the Department on 1 November 2015. This new structure brings stronger leadership, more efficient and effective decision making, and greater accountability and transparency to the Department.

The Department is led by the Secretary who reports to the Minister for Education, Minister for Training and Skills and Minister for Families and Children.

Secretary **Ms Gill Callister**

Gill has held the position of Secretary of the Department of Education and Training since January 2015.

Prior to joining the Department, Gill was Secretary of the Victorian Department of Human Services (2009–14) where she oversaw significant policy, legislative and service delivery reform. In this role, Gill led an organisation of more than 11,000 staff with an annual budget of approximately \$4 billion. She was responsible for the delivery of child protection, disability, youth, housing and family violence services.

Gill began her career in the community sector serving disadvantaged Victorians. She then led child protection, family services and mental health units within the Department of Human Services and, in 2009, was Deputy Secretary at Skills Victoria.

Gill is President of the Institute of Public Administration Australia (Victoria). In October 2014, Gill was awarded the Institute of Public Administration Australia National Fellowship award and a Monash University Fellowship.

Gill holds Bachelor degrees in Social Work (with Honours) and Arts.

Executive Board

The Department is managed by the Executive Board chaired by the Secretary, comprising the head of each of the Department's seven groups, the Chief Executive Officer of the Victorian Curriculum and Assessment Authority, and an Assistant Deputy Secretary on a rotation basis. The Executive Board provides stewardship of the Department and supports the Secretary with strategic leadership of the organisation, its agencies and portfolios. It is responsible for:

- strategic direction of the Department, including vision, objectives and priorities
- performance and operations
- strategic integration across the portfolio
- performance targets and compliance
- leadership and culture
- support to Ministers and government
- governance of departmental committees.

Education State Board

The Department's Education State Board is the key advisory body to the Secretary with respect to the progression of the Education State agenda. Education State Board is chaired by the Secretary, comprising the head of each of the Department's seven groups, the Chief Executive Officer of the Victorian Curriculum and Assessment

Authority, Assistant Deputy Secretaries of the three portfolio level groups and Regional Directors of the Department's four regions. It is intended to be time-limited with ongoing activity relating to Education State transitioning to the Executive Board or other committees. Education State Board is responsible for:

- development and execution of overarching Education State strategy
- coordination, coherence and alignment of reforms with overall Education State vision and directions
- development and implementation of Education State reform agenda, including:
 - key election commitments
 - Education State priority reform areas and related stakeholder engagement
 - ongoing departmental continuous improvement that has material impact on the design and delivery of reform directions.

Committee structure

There are three committees that report primarily to the Secretary:

Integrity Committee

The Integrity Committee supports the Secretary to provide oversight and assurance that the staff operate with integrity in all actions and activities. The Committee supports staff in the Department offices and schools and ensures they understand and uphold the highest standards of integrity and public trust, and resist corruption.

Portfolio Audit and Risk Committee

The Portfolio Audit and Risk Committee (PARC) helps the Secretary fulfil governance responsibilities and obligations under the *Financial Management Act 1994* (the Act).

PARC was established in 2003 to meet the Standing Directions of the Minister for Finance under the Act, which require 'each public sector agency to appoint an audit committee to oversee and advise the public sector agency on matters of accountability and internal control affecting the operations of the agency'.

PARC provides direct advice to the Secretary on governance, risk management, audit and control assurance activities.

The portfolio focus includes the Department's statutory authorities primarily funded through the Department, namely the Victorian Registration and Qualifications Authority (VRQA), the Victorian Curriculum and Assessment Authority (VCAA) and the Adult and Community Further Education Board (ACFE).

The existing operations of PARC continue under the Department's new governance structure. PARC is currently reviewing its charter.

Executive Development and Remuneration Committee

The Executive Development and Remuneration Committee ensures a consistent and rigorous approach to setting and adjusting executive officer remuneration as well as addressing their individual development needs.

There are six committees that report primarily to the Executive Board:

Information Management and Technology Committee

The Information Management and Technology Committee (IMTC) provides strategic oversight of the Department's IMTC functions, priorities and systems, including

information security. All departmental IT initiatives must be presented to the IMTC for endorsement before they are considered for approval by the Executive Board.

Policy and Implementation Committee

The Policy and Implementation Committee (PIC) oversees the development, implementation and evaluation of strategically significant policy initiatives to strengthen Victoria's education services and assets. The Committee draws on the expertise of all Groups to bring a whole-of-lifecycle approach to policy development and execution.

Performance and Evaluation Committee

The Performance and Evaluation Committee provides oversight and assurance of performance monitoring, reporting and evaluation activities across the Department, monitors the implementation of these activities, and ensures that the Department applies the findings of these activities by identifying appropriate responses.

Budget and Financial Management Committee

The purpose of the Budget and Financial Management Committee (BFMC) is to advise the Secretary on priorities for the budget, and oversee effective strategic development and coordination of Departmental finances and physical assets.

The BFMC leads the Department's drive for improved financial sustainability, and ensures the effective oversight and allocation of financial resources in alignment with the Department's objectives.

Procurement and Probity Committee

The Procurement and Probity Committee (PPC) provides strategic oversight of procurement activities within the Department to ensure appropriate rigour has been exercised in accordance with the Department's procurement policy. In doing so, the PPC, supports the Secretary's obligations in accordance with Victorian Government Purchasing Board (VGPB) policy, as set out by the *Financial Management Act 1994*. The PPC considers procurement of goods and services in statutory authorities (Victorian Curriculum and Assessment Authority, Victorian Registration and Qualifications Authority and Merit Protection Board). The PPC does not consider procurement related to construction or property.

Workforce Development and Culture Committee

The Workforce Development and Culture Committee monitors and oversees the development, implementation and evaluation of strategies and activities to promote exceptional organisational culture and capability—in head office, regional and statutory authorities, schools, and early childhood.

Between 1 July and 31 October 2015 the Executive Board was supported by six standing subcommittees:

Budget and Infrastructure Committee

The Budget and Infrastructure Committee (BIC) was responsible for ensuring effective strategic development and coordination of departmental finances, physical assets and information technology, and providing advice to the Executive Board on these matters.

BIC focused on the Department and the statewide statutory authorities primarily funded through the Department.

Policy and Performance Standing Committee

The Policy and Performance Standing Committee (PPSC) was responsible for ensuring effective development and coordination of Department-wide strategy and policy, research and evaluation. PPSC ensured the existence of links between the

Department's strategy and the resultant policy and evaluation. The PPSC's scope covered all Departmental portfolios, including statutory authorities.

People and Culture Standing Committee

The People and Culture Standing Committee (PCSC) was responsible for delivering the People Strategy 2013–15, ensuring outcome implementation met the strategy's success measures. PCSC oversaw the annual review and refresh of the People Strategy as part of the Department's overall strategy review.

Service Planning and Delivery Standing Committee

The Service Planning and Delivery Standing Committee was responsible for providing advice to the Executive Board on the effective planning, coordination, integration and oversight of the delivery of early childhood development, school education, and higher education and skills services across the Department's regions from the perspective of the Department's customers and clients.

Procurement Governance Committee

The Procurement Governance Committee (PGC) was responsible for approving procurement activity for categories assessed as:

- strategic with a medium to high contract value
- leveraged/focused with a high contract value
- significant procurements that had not been identified in the published procurement activity plan or were not aligned with the Department's strategic direction and desired business outcomes
- requiring PGC endorsement by the Chief Procurement Officer.

Portfolio Audit and Risk Committee

The role of the Portfolio Audit and Risk Committee (PARC) has remained the same. See role description on page 41.

Executive Board members

Secretary

Ms Gill Callister, Chair

Deputy Secretary, Early Childhood and School Education Group

Ms Katy Haire

Since September 2015, Katy Haire has been Deputy Secretary of the Early Childhood and School Education Group (ECSEG). David Clements acted in the role from June 2015 to September 2015.

The Deputy Secretary ECSEG is responsible for designing a learning, development, wellbeing and child health system that delivers improved outcomes for all children and young people from birth to 18 years of age, and their families, without exception. This includes a diverse range of programs, across three ministerial portfolios (Education, Early Childhood and Training and Skills).

Prior to joining the Department, Katy held a range of senior management and executive roles within the Victorian public sector, including Deputy Secretary of Service Design and Operations at the Department of Health and Human Services, and as Director of Social Policy at the Department of Premier and Cabinet.

Katy is also a qualified secondary school teacher. From 1989 to 2003, Katy worked in the Northern Territory in various positions within Aboriginal education and policy.

In addition to her Graduate Diploma of Education (Secondary) from Monash University, Katy holds a Bachelor of Arts (Hons) in political science and history, and a Master of Arts in the history of education from the University of Melbourne. She also

holds an Executive Master of Public Administration from the University of Melbourne and is a Senior Executive Fellow of the Harvard Kennedy School.

Deputy Secretary, Higher Education and Skills Group
Mr Craig Robertson

Craig Robertson was appointed the Deputy Secretary, Higher Education and Skills Group (HESG) in July 2015. The Deputy Secretary HESG is responsible for policy and funding for tertiary education in Victoria, particularly for Vocational Education and Training, including TAFEs and Learn Local Organisations (as community providers).

Craig previously worked for more than 25 years at the national level in education and training, including: schools data collection and IT development, schools funding policy, employment services, and vocational education and training.

Craig has also worked in the private sector project managing new ICT-enabled business processes, skills that he has applied to several public sector ICT projects.

His qualifications include a Bachelor of Education and a Masters in Public Administration from the Australia and New Zealand School of Government.

Deputy Secretary, Infrastructure and Finance Services Group
Ms Jenny Atta

Jenny Atta commenced as Deputy Secretary, Infrastructure and Finance Services Group (IFSG) in December 2015, after acting in the role in an interim capacity from August 2015.

Jenny has many years of experience in senior public service leadership roles, notably at the Department of Treasury and Finance where she led the Portfolio Analysis function within the Budget and Finance area. Jenny previously worked with the former Department of Human Services, and more recently with the Department of Premier and Cabinet.

Jenny holds a Bachelor Applied Science and a Masters of Public Policy.

Jim Miles held the position of Deputy Secretary, Infrastructure and Finance Services Group from March 2012 to July 2015.

Deputy Secretary, People and Executive Services Group
Ms Kate Rattigan

In June 2016, Kate Rattigan was appointed Deputy Secretary, People and Executive Services Group (PESG) after acting in the role since October 2015.

As Deputy Secretary, Kate drives a complex agenda encompassing legal services, human resources, people and culture, communications and media, change strategy, integrity reform, cabinet, ministerial support, executive services, information strategy and audit and assurance.

Kate has worked in the Department of Education and Training in various capacities providing strategic oversight of a range of matters, including specialist and technical advice to Ministers, the Secretary, executives, managers, regional directors, school principals and school councils.

Kate holds a Bachelor of Laws (Honours), Bachelor of Arts and a Masters in Employment and Labour Relations Law, each from the University of Melbourne.

Monique Dawson held the position of Deputy Secretary, People and Executive Service Group from March 2012 to September 2015.

Deputy Secretary, Policy Reform Group
Mr Simon Kent

Simon Kent joined the Department in April 2013 from the Department of Premier and Cabinet, where he was the Director of the Social Policy Branch.

Simon has extensive experience in policymaking across the education, human services, health and justice portfolios. He has developed public policy in complex and contested interdepartmental and intergovernmental contexts. He develops policy using multi-disciplinary analysis, by drawing links across sectors and by drawing on analogous experiences.

Simon began his career in higher education advocacy and political advisory roles. While in the Federal Parliament he also worked on schools policy. His work during eight years at the Department of Premier and Cabinet included the reform of vocational education and early childhood development.

He holds a Bachelor of Arts and a Master of Public Administration from the University of Melbourne.

Simon Kent was Deputy Secretary of the Strategy and Review Group from April 2013 to March 2016.

**Deputy Secretary, Regional Services Group
Mr Bruce Armstrong**

In April 2016, Bruce Armstrong was appointed Deputy Secretary, Regional Services Group (RSG) after acting in this position since July 2015. He is responsible for the interface between the Department's regions and central office in the provision of early childhood development services and school education.

Bruce's career spans 30 years of active contribution to Victorian public education as a teacher, principal and system leader. Prior to this role, Bruce was Executive Director of the Department's Leadership, Professional Practice and Accountability Division, which leads significant system-wide reform in leadership, school improvement and accountability, and workforce strategy. Bruce was the inaugural Director of the Bastow Institute of Educational Leadership from 2009–14 and principal of Balwyn High School (2002–08).

Bruce holds a Master of Education, Bachelor of Arts, Bachelor of Theology and a Graduate Diploma of Education. He is a Fellow of the Australian Council for Educational Leaders and in 2015 was awarded a Public Service Medal for outstanding public service to educational improvement in Victoria.

**Acting Deputy Secretary, Strategy and Performance Group
Ms Katherine Whetton**

Katherine Whetton is currently acting Deputy Secretary, Strategy and Performance Group. This Group was created in the Department's central reorganisation in April 2016 to focus on strategy planning, data and evidence, enterprise program management, and intergovernmental relations.

Katherine was previously the Executive Director, Education State Policy and Design, where she was responsible for leading development and policy coherence of the overarching Education State agenda across the Department's three portfolios—early childhood development, schools, and training and skills—and across government, including economic development, health and human services, justice and police.

Before joining the Department, Katherine worked at the Department of Premier and Cabinet for more than 10 years, most recently as Executive Director, Economic Strategy and Director, Health and Human Services. She has extensive central agency policy development and advisory experience across social and economic policy areas, working across portfolios and intergovernmental contexts.

Katherine holds a Bachelor of Arts (Honours) from the University of Melbourne and an Executive Master in Public Administration from the Australian and New Zealand School of Government.

**Chief Executive Officer, Victorian Curriculum and Assessment Authority
Mr John Firth**

John Firth has been CEO of the VCAA since August 2005. John managed curriculum for more than 12 years prior and developed the Victorian Essential Learning Standards—the curriculum for Victorian schools, Prep to 10 years.

John oversaw the development of the VCE as a Year 12 credential of international standing, the full recognition of VET within the VCE, and the implementation of the VCAL as an additional vocational pathway for senior secondary students. Under his leadership, the VCAA considerably expanded its international work, increasing the number of schools offering the VCE in conjunction with international partners. The VCAA also developed the first educational framework for preschool children, which was reviewed in 2015–16.

John has been a member of many state and national groups and speaks frequently at state and national forums. In 2008, he was appointed member of the Interim National Curriculum Board and in 2009 member of the board of the Australian Curriculum, Assessment and Reporting Authority, serving the maximum six-year term.

John holds a Bachelor of Commerce and a Diploma of Education, and is a Fellow of the Australian College of Educators.

An Assistant Deputy Secretary also attends the Executive Board on a rotation basis.

Assistant Deputy Secretary, Higher Education and Skills Group
Ms Lee Watts

Lee Watts was appointed to the position of Assistant Deputy Secretary, Vocational Education and Training (VET) Reform in April 2016. In this role Lee has responsibility for the design and implementation of a more managed, stable and competitive training system. This focus follows two major reviews into VET in 2015, the VET Funding Review and the Review of Quality Assurance in Victoria's VET System.

Lee has extensive experience in the skills and higher education portfolios including VET contract and program management, information system design, and provider quality. Prior to joining the Department of Education and Training, Lee worked as a senior consultant for a US consulting firm. She has previously held senior teaching and research positions at a number of Australian universities with a focus on workplace relations, alternative dispute resolution and change management.

Lee holds a Master of Arts, Bachelor of Arts (Hons) from the University of Melbourne and is the author of a number of books.

Assistant Deputy Secretary, Early Childhood and School Education Group—
Early Childhood
Ms Kim Little

In April 2016, Kim was appointed Assistant Deputy Secretary, Early Childhood Portfolio having acted in the role since June 2015. This position is part of the Department's Early Childhood and School Education Group and is responsible for two divisions within the group: Early Years and Primary Reform, and Quality Assessment and Regulation. The position liaises with the Assistant Deputy Secretary—Schools regarding primary education and transitions from early childhood to school education.

Kim previously worked on a range of strategic social and economic policy issues in this department and the Department of Premier and Cabinet, focusing on education.

Before joining the public service, Kim worked as a philosopher at Monash University and as a corporate lawyer. Kim holds a Bachelor of Arts (Hons), a Bachelor of Laws (Hons) and a Master of Arts (Hons).

Assistant Deputy Secretary, Early Childhood and School Education Group—
Schools
Dr David Howes

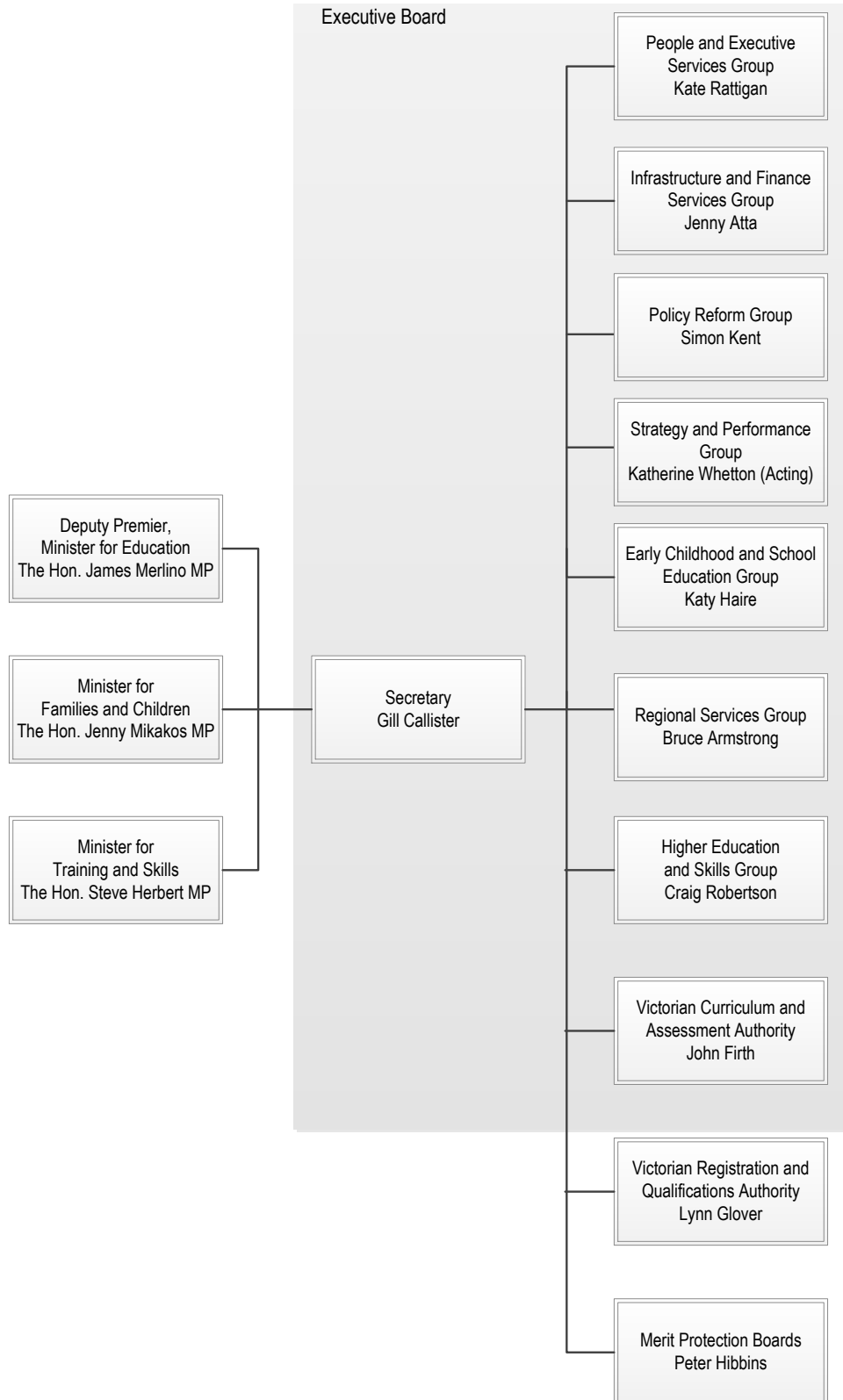
Dr David Howes is Assistant Deputy Secretary—Schools, part of the Department's Early Childhood and School Education Group responsible for four divisions: Wellbeing, Health and Engagement; Secondary Reform Transitions and Priority Cohorts; International Education; and Health Advice and Policy. The position liaises with the Assistant Deputy Secretary—Early Childhood regarding primary education and transitions from early childhood to school education.

David was previously Executive Director of the Curriculum Division at the Victorian Curriculum and Assessment Authority (VCAA), where he was responsible for the development and review of the curriculum for preschool to senior secondary education in Victoria. This included the Victorian Early Years Learning and Development Framework (VEYLDF), the Victorian Curriculum F–10, the VCE, VET and VCAL; and for setting senior secondary examinations in 44 subjects across the curriculum.

David worked for more than 25 years as a teacher and educator in Australia and overseas, including the United Kingdom, the Middle East and Cambodia.

Organisational structure

Organisational structure at 30 June 2016



People and Executive Services Group

The People and Executive Services Group (PESG) provides specialist advice and expertise to lead and shape the direction of the Department and enhance the Department's culture and people's capabilities. PESG provides critical support centrally, regionally and across all of the Department's portfolios encompassing legal services, human resources, people and culture, communications and media, change strategy, integrity reform, cabinet, ministerial support, information strategy and audit and assurance.

Infrastructure and Finance Services Group

The Infrastructure and Finance Services Group (IFSG) develops and implements finance and infrastructure policies, procedures and strategies. It provides direct services to the Department's central office, regional offices and government schools in the areas of finance and resourcing, information technology, procurement, project management, environmental support and infrastructure. The Group plays a key role in ensuring the State Government's priority school infrastructure initiatives are delivered and in 2016 the Victorian School Building Authority, a new body within the Department was established to build, upgrade and maintain schools across the state.

Policy Reform Group

The Policy Reform Group (PRG) provides system-wide policy leadership to drive strategic reform across the Department. PRG works collaboratively with other groups to build the long-term reform agenda for the Department, develop coherence, clarity and direction on complex policy issues, and foster the relations and connections that support policy reform and shape implementation.

Strategy and Performance Group

The Strategy and Performance Group (SPG) brings together the Department's strategic planning, data and evidence, program management office functions and intergovernmental relations. With these functions, SPG provides a system view of Departmental strategy, data, evidence, evaluation, planning and performance. SPG supports the Department's operating model and way of working—by defining policy strategy, making evidence available to those who need it, and strengthening the way reform is implemented.

Early Childhood and School Education Group

The Early Childhood and School Education Group (ECSEG) is responsible for the design and development of operational policy and programs to support improved outcomes for children, students and families from birth through school. ECSEG plays a key role in policy design and development to provide a person-centred, outcomes-focused and integrated service system. This is achieved through four key roles:

- System architect—providing advice to Government on service system design, planning, funding and regulation.
- Regulator—supporting regulation across the early childhood sector as required by the *Education and Care Services National Law Act 2010* and *Children's Services Act 1996*.
- Funder/purchaser—administering the funding and associated reporting requirements for service providers.
- System and program designer—developing operational policy to support the delivery of high quality, effective educational and early years programs, services and supports.

Regional Services Group

The Regional Services Group (RSG) provides an interface between the Department's central office and our service providers to make sure that policy intent and outcomes

are delivered on the ground. RSG has a strong focus on driving operational performance, accountability, workforce leadership and policy implementation. Regional and Area teams lead place-based approaches to service delivery and are responsible for managing this through our schools and early childhood providers in local communities across Victoria.

Higher Education and Skills Group

The Higher Education and Skills Group (HESG) is responsible for the oversight of the training and TAFE system in Victoria. The purpose of the sector is to offer Victorians post school education and training to enhance their skills and knowledge to be active participants in the Victorian economy and society. This includes responsibility for the Skills First reforms announced in August 2016.

Although higher education policy and funding responsibilities rests with the Commonwealth government, the group assists the Minister to exercise responsibilities concerning university governance, assets and capital financing in line with their establishment under state legislation.

Portfolio Audit and Risk Committee

Refer to page 41 for a description of the role of the Portfolio Audit and Risk Committee.

The committee comprises six members, four independent and two executive officers from within the Department. All members are appointed by the Secretary. The Chief Finance Officer and Chief Audit Executive also attend all committee meetings.

Independent member

Ms Fiona Bennett, Chair

2 December 2013 – 2 December 2016

Fiona Bennett is a director of a number of entities including Beach Energy Limited, Hills Limited and Boom Logistics Limited. She is also Chair of the Legal Services Board (Victoria).

She is a chartered accountant with extensive experience in commercial and financial management, governance, risk management and auditing. She has held senior executive positions at BHP Billiton Ltd and Coles Group Ltd, and was Chief Financial Officer of several health sector organisations.

Fiona is a Fellow of the Institute of Chartered Accountants, the Australian Institute of Company Directors and the Australian Institute of Management.

Independent member

Ms Carol Pagnon

25 February 2014 – 24 February 2017

Carol Pagnon has extensive senior executive experience in strategic oversight and planning, decision making, and learning and development. She has gained specialist experience in accounting and assurance, governance, project and organisation risk management and compliance matters, primarily within the Victorian public sector, while acting as Director, Assurance Operations and in the Victorian Auditor-General's Office.

Carol facilitates and advises on governance, risk management, project management and change management in the public and not-for-profit sectors.

She is a Fellow of CPA Australia and a graduate of the Australian Institute of Company Directors.

Independent Member

Ms Kerrie Parker

1 December 2015 – 31 December 2018

Kerrie Parker has held CEO, CFO and executive leadership roles in fast moving consumer goods, agriculture, manufacturing, financial services and state government. With more than 30 years' experience, Kerrie has led during growth, turnaround and crisis situations. Kerrie has strong financial and operational experience in driving improvements via process optimisation, business improvements and structural change.

She has been involved in several successful business transformations and gained experience in ASX publicly-listed, multinational and private equity companies, as well as state government bodies and the higher education sector.

Kerrie also managed large scale Victorian Government change projects during a period of major transformation and reform. She focused on adding value through strong and proper financial management practices, and on innovative business solutions.

Kerrie is currently the Chief Financial Officer at Deakin University and is also an independent company director. She is a Fellow of Certified Practising Accountants, Australia and a graduate of the Australian Institute of Company Directors.

Independent member

Mr Stuart Alford

9 July 2015 – 31 July 2018

Stuart Alford retired from Ernst & Young after 40 years in professional practice, including 27 years as a partner. He is now a non-executive director with extensive experience in governance, risk management and auditing.

Stuart serves as the Chair of the Centre of Excellence for Intervention and Prevention Science and is on the boards of Eastern Health, Metropolitan Fire and Emergency Services, AMES Australia (Adult Multicultural Education Services) and Kilvington Grammar School. He also holds audit, risk and finance committee roles with a number of organisations, including the Victorian Curriculum and Assessment Authority, the Office of the Australian Accounting Standards Board, and the Office of the Auditing and Assurance Standards Board.

Stuart is a Fellow of the Institute of Chartered Accountant in Australia and an Associate member of the Australian Institute of Company Directors.

Department executive members

Ms Kate Rattigan, Deputy Secretary, People and Executive Services Group

8 December 2015 – 31 December 2018

Mr Craig Robertson, Deputy Secretary, Higher Education and Skills Group

8 December 2015 – 31 December 2018

Statutory authorities

The Department works in conjunction with the following statutory authorities and boards:

- Victorian Curriculum and Assessment Authority
- Victorian Registration and Qualifications Authority
- Victorian Institute of Teaching
- Adult, Community and Further Education Board
- AMES Australia
- TAFE institutes
- Centre for Adult Education
- Children's Services Coordination Board
- Disciplinary Appeals Boards
- Merit Protection Boards
- Victorian Children's Council

Statutory authorities and boards make their own Annual Reports and produce them on financial years (1 July – 30 June) or calendar years (1 January – 31 December).

Financial Year reports (1 July 2015 – 30 June 2016)

- Adult, Community and Further Education Board
- Victorian Curriculum and Assessment Authority
- Victorian Institute of Teaching
- Victorian Registration and Qualifications Authority

Calendar Year reports (1 January 2016 – 31 December 2016)

- AMES Australia
- Centre for Adult Education
- TAFE institutes

Reports of the Children's Services Coordination Board, Disciplinary Appeals Board, Merit Protection Board and Victorian Children's Council are included as Appendix 3 of this report.

Report of Operations—workforce data

Public administration values and employment principles

The Department has taken the Public Sector Values as our organisational values.

A suite of materials has been developed for use across the Department to ensure consistent interpretation, strong engagement and connection with the values.

Occupational health and safety

The goal of the Department's occupational health and safety (OHS) strategy is to ensure all staff remain safe and healthy at work. An OHS management system has been put in place and the majority of business units within the Department have implemented OHS local action plans aimed at enhancing safety performance and ensuring safe systems of work. The employee attitude survey results (KPI 15) indicated improved attention to OHS matters in the Department and a high level of commitment to OHS management.

During the 2015–16 financial year, the Department developed a number of initiatives to improve the health and safety of staff including the Health and Safety Representative Collaboration web page, refreshed eLearning modules, quarterly safety inspections to identify and address any workplace risks, the school improvement program, and the new OHS audit program.

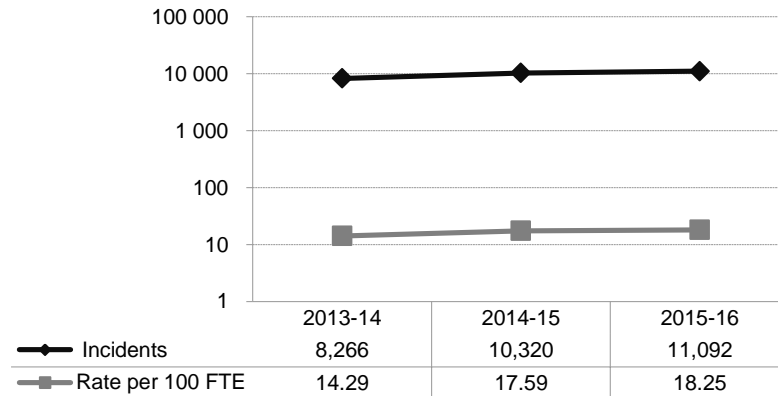
The main activities during 2015–16 were:

- continued implementation of the OHS Management System Improvement Pilot program with 291 schools visited, with an overall average improvement of 46.1 per cent
- provision of support and advice on implementation and maintenance of the OHS management system in Department schools and workplaces, including more than 4,438 communications of which 608 were site visits including 328 OHS management system support and improvement program visits
- completion of all 248 scheduled AS4801 OHS audits in schools
- continued implementation of an online OHS Learning Management System hosting 16 OHS training modules. Completion rate for all Department employees as at 30 June 2015 was 46.8 per cent (excluding specialist modules and including refreshed program data) with over 300,000 OHS and workers' compensation eLearning modules completed since December 2013
- 112 participants completed 'Safety Management for School Leaders' training program at Bastow institute
- providing access to an online Health and Wellbeing portal for all employees
- conducted mental health awareness workshops for 15 senior executives
- 4,252 hours of sessional Employee Assistant Program (EAP) counselling, manager assist contacts, and critical incident responses accessed by Department employees
- 925 hours of conflict resolution services accessed by Department workplaces including mediation, conflict coaching and team facilitations
- extensive OHS consultation with a range of stakeholders via various consultative forums including the statewide OHS Consultative Committee and the School Support Services Health and Safety Committee
- successful transition to improved OHS Advisory service and OHS Audit program contracts for Department schools and workplaces
- ongoing Department OHS Management System review and improvement.

Incident management

Incidents reported across the Department, including injuries and other hazard-related incidents, increased from 17.59 per 100 FTE in 2014–15 to 18.25 per 100 FTE in 2015–16 (Figure 1). This equates to an additional 772 reported incidents, with 11,092 in 2015–16 compared with 10,320 in 2014–15.

Figure 1—Number of incidents and rate per 100 FTE 2013–14 to 2015–16



Workers' compensation

Workers' compensation initiatives delivered by the Department aimed to improve return-to-work outcomes for injured employees, reduce human and financial costs associated with workplace injuries, provide support and advisory services to workplace managers and injured workers, build the capability of the organisation to manage workers' compensation and return-to-work responsibilities effectively, and meet legislative compliance.

During the 2015–16 financial year, the Department developed a number of initiatives to improve the health and wellbeing of staff including the new Medical Advisory Service, refreshed training and eLearning modules, appointment of a new WorkSafe Agent and improved collaboration with stakeholders.

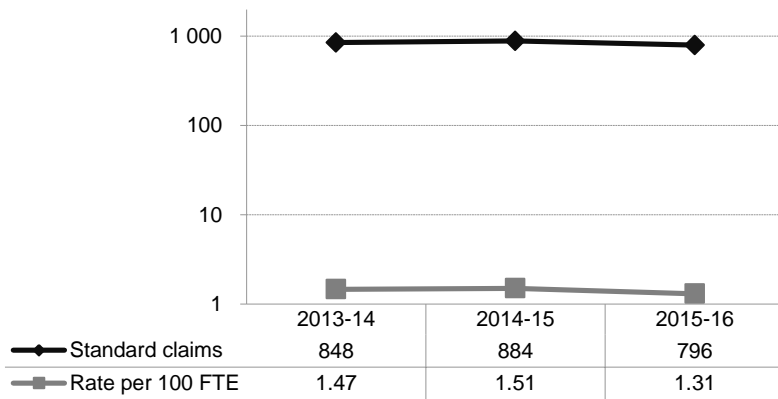
The main activities during 2015–16 were:

- delivered face-to-face workers' compensation training to over 1,500 participants
- ongoing improvement of the Department's workers' compensation management through employee and stakeholder consultation and analysis of workplace data
- undertook and completed a Request for Submission for the provision of WorkSafe Victoria Agent Workers' Compensation Insurance Services to the Department. This resulted in the Department moving its workers' compensation insurance policies from CGU Workers' Compensation Ltd to Gallagher Bassett Services Workers' Compensation Vic Pty Ltd
- ongoing review of existing workers' compensation claims and incident management systems, data and processes to identify opportunities for improvement
- ongoing review and implementation of improved reconciliation processes and procedures
- provision of support and advice to Department workplaces and schools through the Workers' Compensation Advisory Service
- ongoing improvement in workers' compensation management through initiatives to promote early intervention and improve claims performance
- continued implementation of online learning workers' compensation training

- ongoing support to Department workplaces and external stakeholders in dispute resolution matters including conciliation and workers' compensation legal proceedings
- on-boarding of the Department's new Medical Advisory Service provider. During the 2015–16 period the Medical Advisory Service managed 402 referrals. Eighty-four per cent of referrals were initiated by principals directly. Forty-four per cent of cases came from primary schools, with 34 per cent coming from secondary schools. There was a relatively even spread of cases received from the regions:
 - 29 per cent South Western
 - 27 per cent South Eastern
 - 22 per cent North Western
 - 20 per cent North Eastern.

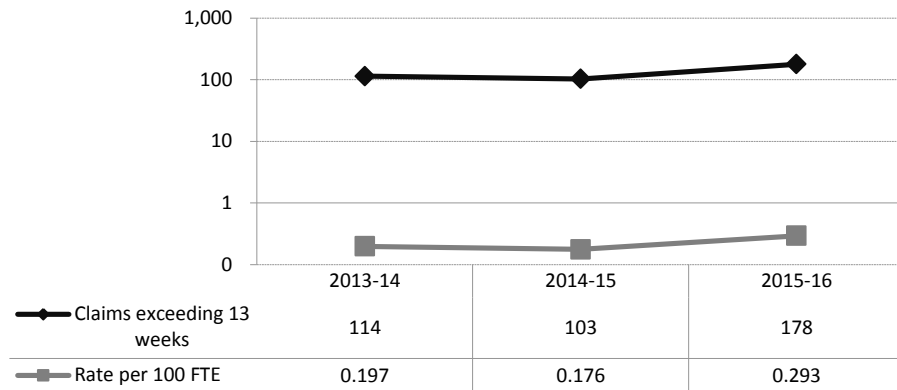
There were 796 standard workers' compensation claims in 2015–16, compared with 884 in 2014–15. The decrease in claim numbers is attributed to improved OHS and workers' compensation management systems and processes. This resulted on an improvement in the rate per 100 FTE staff which decreased from 1.51 per 100 in 2014–15 to 1.31 in 2015–16 (Figure 2).

Figure 2—Number of standard claims and rate per 100 FTE 2013–14 to 2015–16



The number of claims exceeding 13 weeks increased to 178 in 2015–16 compared with 103 in 2014–15 (Figure 3). This is attributed to the Department's WorkSafe Agent performance.

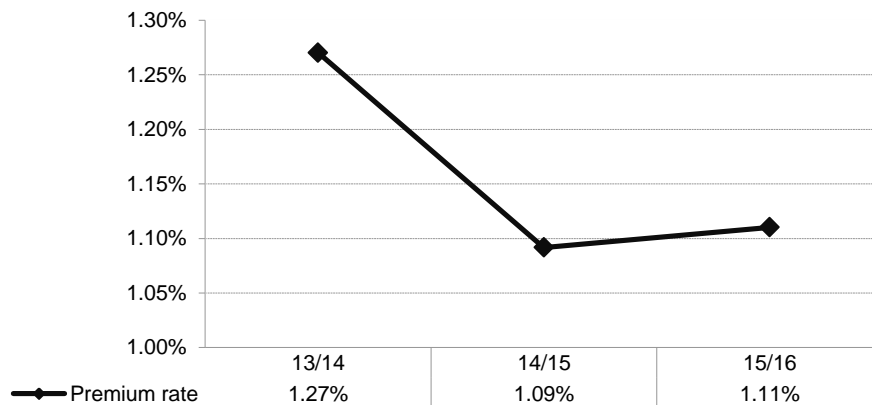
Figure 3—Claims exceeding 13 weeks and rate per 100 FTE 2013–14 to 2015–16



The Department’s initial workers’ compensation premium increased from \$53.81 million (excluding GST) in 2014–15 to \$58.16 million (excluding GST) in 2015–16, due to an increase in the weighted industry rate set by WorkSafe Victoria for premium calculation purposes. The Department’s workers’ compensation premium rate slightly increased in 2015–16 (Figure 4) from 1.09 per cent in 2014–15 to 1.11 per cent in 2015–2016, which is attributed to an increase in the weighted industry rates for premium calculation purposes set by WorkSafe Victoria.

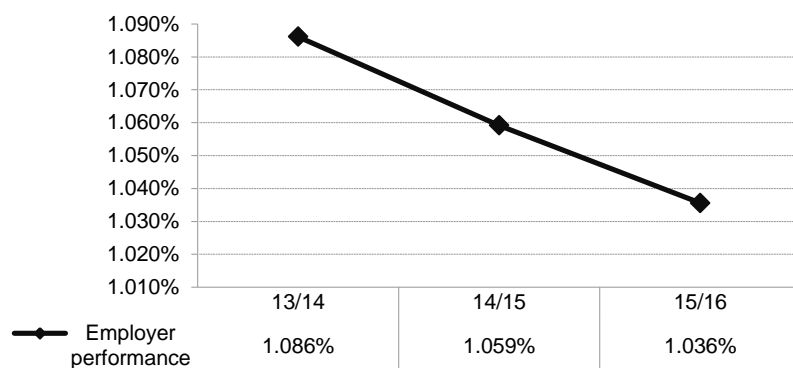
The average cost per standard claim increased from \$40,407 in 2014–15 to \$55,810 in 2015–16.

Figure 4—Premium rate 2013–14 to 2015–16



The Department’s workers’ compensation employer performance rate decreased in 2015–16 (Figure 5) from 1.059 per cent in 2014–15 to 1.036 per cent in 2015–2016 even though WorkSafe rates and Department remuneration increased. This is attributed to the Department’s improved Workers’ Compensation and OHS processes and management systems.

Figure 5—Employer performance 2013–14 to 2015–16



Performance against occupational health and safety and workers' compensation management measures

Measure	Key performance indicator	2013–14	2014–15	2015–16
Incidents	Number of incidents	8,266	10,320	11,092
	Rate per 100 FTE	14.29	17.7	18.25
Claims	Number of standard claims ¹	848	884	796
	Rate per 100 FTE	1.47	1.52	1.31
	Number of lost time claims ¹	326	321	291
	Rate per 100 FTE	0.563	0.551	0.479
	Number of claims exceeding 13 weeks ¹	114	103	178
	Rate per 100 FTE	0.197	0.200	0.300
Fatalities	Fatality claims	1 ²	1	0
Claim costs	Average cost per standard claim (\$) ¹	42,603	40,047	55,810
Management commitment	Evidence of occupational health & safety policy statement, objectives, regular reporting to senior management & plans (signed by CEO or equivalent)	Complete	Complete	Complete
	Evidence of occupational health & safety criteria in purchasing guidelines (including goods, services & personnel)	Complete	Complete	Complete
Consultation & participation	Evidence of agreed structure of designated workgroups, health & safety representatives, & issue resolution procedures	Complete	Complete	Complete
	Compliance with agreed structure of above	Complete	Complete	Complete
Risk management	Percentage of internal audits/inspections conducted as planned	100	100	100
	Percentage of issues identified actioned arising from internal audits, health & safety representatives, provisional improvement notices & WorkSafe notices	100	100	100
Training	Percentage of managers & staff that have received OH&S training (induction, management training, & contractors, temps & visitors) (%)	60	66	70
	Percentage of HSRs trained (acceptance of role, re-training/refresher, & reporting of incidents & injuries) (%)	60	77	86

1. Data sourced from the Victorian WorkCover Authority (VWA). Standard claims include those that the VWA accepts and rejects.
 2. A fatality claim was lodged with the VWA but liability was rejected on the grounds that it was not work related.

Comparative workforce data

Full-time equivalent of Department staff^{1,2,3}

	2012	2013	2014	2015	2016
Victorian Public Service	2831.1	2326.3	2349.9	2332.2	2473.7
Government Teaching Service	53,677.1	54,365.6	55,499.4	56,349.2	58,326.0
Total	56,508.2	56,691.9	57,849.3	58,681.4	60,799.7

1 Victorian Public Service includes Executive Officers, VPS classified staff, Allied Health Nurses, Senior Medical Advisors, Ministerial Transport Officers and LOTE advisors.

2 Government Teaching Service includes Executive Class, Principal Class, Teacher Class and Education Support Class.

3. 'Senior Officer' is a Governor in Council appointment to a statutory office, as defined in the Public Administration Act 2004. Governor in Council appointments are not included in total staff count. The table includes employees of the VCAA and VRQA who are also reported in those Authorities' annual reports.

Summary of employment levels in June 2015 and 2016

	Ongoing employees			Fixed term and casual employees	
	Employees (headcount)	Full time (headcount)	Part time (headcount)	FTE	FTE
June 2015					
Victorian Public Service	2432	1713	719	2168.9	163.3
Government Teaching Service	47,546	32,352	15,194	42,083.0	14,266.2
Total	49,978	34,065	15,913	44,251.9	14,429.5
June 2016					
Victorian Public Service	2479	1727	752	2209.6	264.1
Government Teaching Service	49,874	33,105	16,769	43,842.0	14,484.0
Total	52,353	34,832	17,521	46,051.6	14,748.1

Victorian Public Service staff employment levels June 2015 and 2016

	2015			2016		
	Ongoing		Fixed term and casual employees ²	Ongoing		Fixed term and casual employees ²
	Employees (headcount ¹)	FTE	FTE	Employees (headcount ¹)	FTE	FTE
Gender						
Male	595	581.4	36.3	597	582.9	66.7
Female	1,837	1,587.5	127.0	1,882	1,626.7	197.4
Total	2,432	2,168.9	163.3	2,479	2,209.6	264.1
Age³						
Under 25	21	20.9	10.2	18	17.6	11.7
25-34	398	361.1	73.6	376	341.2	107.6
35-44	610	525.6	42.1	641	553.0	73.4
45-54	670	602.0	23.4	668	604.2	39.9
55-64	659	598.3	11.0	674	608.8	28.3
Over 64	74	61.0	3.0	102	84.8	3.2
Total	2,432	2,168.9	163.3	2,479	2,209.6	264.1
Classification¹						
VPSG1	4	3.8	0.5	1	1.0	1.9
VPSG24	107	97.1	18.7	117	108.1	7.0
VPSG3	272	253.4	15.6	280	261.1	34.7
VPSG4	329	309.7	40.1	337	319.4	38.8
VPSG5	617	579.3	32.4	642	599.8	97.8
VPSG6	308	300.1	13.7	339	330.8	44.4
STS	14	14.0	0.8	18	17.3	1.8
Executive Officers	75	74.3	–	74	73.2	–
Allied Health	462	363.6	19.3	423	324.3	19.2
Nurse	242	172.8	22.2	246	173.7	18.5
Other ^{5,6}	2	0.9	–	2	0.9	0.0
Total	2,432	2,168.9	163.3	2,479	2,209.6	264.1

1 'Headcount' refers to the number of people employed where each person counts as an employee regardless of the number of hours engaged to work.

2 'Casual' means a person who is subject to clause 25, Casual Employees—loading of the VPS Agreement 2006, or similar clauses in other relevant agreements. It includes a person employed on a seasonal basis where such provision is made under an applicable industrial agreement.

3 'Age' of staff calculated as at 30 June each year.

4 The category VPSG2 includes graduate recruits.

5 'Other' includes Senior Medical Advisors, Ministerial Transport Officers and LOTE Advisors.

6 For 2016, comprises Senior Medical Advisors.

Government teaching service staff employment levels in June 2015 and 2016

	2015			2016		
	Ongoing		Fixed term and casual employees	Ongoing		Fixed term and casual employees
	Employees (headcount)	FTE	FTE	Employees (headcount)	FTE	FTE
Gender						
Male	11,668	11,121.5	3,032.5	12,044	11,436.2	3,148.1
Female	35,878	30,961.4	11,233.7	37,830	32,405.8	11,335.9
Total	47,546	42,083	14,266.2	49,874	43,842	14,484
Age						
Under 25	493	475	2,074.6	668	622.9	2,110.3
25–34	10,537	9,840.6	5,220.6	11,294	10,492.6	5,461.1
35–44	10,070	8,724.7	2,830.5	11,169	9,565.8	2,768
45–54	12,951	11,442.7	2,783.4	12,911	11,328.4	2,758.7
55–64	12,182	10,584	1,243.5	12,342	10,687.3	1,275.5
Over 64	1,313	1,016	113.6	1,490	1,145	110.4
Total	47,546	42,083	14,266.2	49,874	43,842	14,484
Classification						
Executive Class	72	71.5	1.5	98	97.0	11
Principal Class ¹	3,032	3,010.4	–	3,008	2,986.5	–
Teacher Class ²	33,836	30,411.7	8,661.9	34,904	31,295.0	8,944.9
Education Support Class	10,606	8,589.4	5,602.8	11,864	9,463.5	5,528.1
Total	47,546	42,083	14,266.2	49,874	43,842	14,484

1 Principal class includes Principals, Assistant Principals and Liaison Principals.
2 Teacher Class includes Classroom Teachers and Paraprofessionals.

Workforce inclusion

The Department is committed to supporting and developing a diverse and inclusive workforce. It adheres to the principles of access, equity and equal opportunity, and the Department's policies and practices also encourage people of all backgrounds to pursue challenging and rewarding public sector careers at all levels. In the coming year, the Department will formalise plans to improve the diversity and inclusion of its VPS workforce by developing a Workforce Diversity and Inclusion Strategy with measures to track and report on progress. It will also develop a new Aboriginal Inclusion Plan that builds on the existing plan and contains specific actions to engender a more inclusive workplace culture and provide greater support to Koori employees.

Industrial relations

Department employees, other than Executive Officers, are covered by industrial agreements. Industrial action is not permitted on matters within industrial agreements prior to their nominal expiry dates.

The Victorian Government Schools Agreement 2013 covers Government Teaching Service employees and has a nominal expiry date of 31 October 2016. Negotiations towards a new enterprise agreement have been underway since March 2016.

The Victorian Public Service Agreement 2016 came into effect on 18 May 2016 and will not expire until 31 December 2019. Negotiations to replace the Nurses (Department of Education and Early Childhood Development) Agreement 2012 have been underway since March 2016 following its 31 December 2015 expiration. Should negotiations for the Victorian Government Schools Agreement 2013 not be resolved by 31 October 2016, industrial action may be taken by the unions after that date. Similarly, should no agreement be reached to replace the Nurses (Department of Education and Early Childhood) Agreement 2012, the unions may pursue industrial action.

No time was lost due to industrial action during 2015–16.

Executive officers' data

Number of executive officer positions excluding statutory authorities

Class	All		Ongoing		Special projects	
	Number	Variance	Number	Variance	Number	Variance
Secretary	1	-	1	-	-	-
EO-1	3	-	3	-	-	-
EO-2	42	-	42	-	-	-
EO-3	30	-	30	-	-	-
Total	76	-	76	-	-	-

Breakdown of executive officers by gender excluding statutory authorities

Class	Ongoing					Special projects				
	Male		Female		Vacancies Number	Male		Female		Vacancies Number
	No.	Var.	No.	Var.		No.	Var.	No.	Var.	
Secretary	-	-	1	-	-	-	-	-	-	-
EO-1	1	-	2	(+1)	-	-	-	-	-	-
EO-2	17	(-3)	18	-	7	-	-	-	-	-
EO-3	10	-	15	(-1)	5	-	-	-	-	-
Total	28	(-3)	36	-	12	-	-	-	-	-

Reconciliation of executive officer numbers

		2015	2016
	Executives with total remuneration over \$100,000 (see Note 20)	70	71
Add	Vacancies	9	12
	Executives employed with total remuneration less than \$100,000	13	13
	Accountable Officer (Secretary)	1	1
Less	Separations	(17)	(21)
Total executive numbers at 30 June		76	76

Number of executive officers for the Department's portfolio agencies

Portfolio agencies	Total		Vacancies			Female	
	Number	Variance	Number	Number	Variance	Number	Variance
VCAA	6	-	0	4	-	2	-
VRQA	3	-	0	2	-	1	-
Total	9	-	0	6	-	3	-

Number of executive officers for the Department's portfolio entities

Portfolio agency	2016			2015			Change		
	Female	Male	Total	Female	Male	Total	Female	Male	Total
AMES Australia	6	5	11	3	4	7	3	1	4
Bendigo Kangan Institute	4	6	10	5	6	11	-1	0	-1
Box Hill Institute	8	5	13	6	6	12	2	-1	1
Centre for Adult Education	0	0	0	0	0	0	0	0	0
Chisholm Institute	6	5	11	5	5	10	1	0	1
Federation Training Institute	3	3	6	2	2	4	1	1	2
Gordon Institute of TAFE	3	1	4	1	2	3	2	-1	1
Goulburn Ovens Institute of TAFE	2	3	5	1	3	4	1	0	1
Holmesglen Institute	10	7	17	9	10	19	1	-3	-2
International Fibre Centre	0	1	1	0	1	1	0	0	0
Melbourne Polytechnic	12	20	32	8	11	19	4	9	13
South West Institute of TAFE	1	3	4	2	2	4	-1	1	0
Sunraysia Institute of TAFE	1	3	4	3	2	5	-2	1	-1
VET Development Centre	0	1	1	1	0	1	-1	1	0
Victorian Institute of Teaching	1	0	1	1	0	1	0	0	0
William Angliss Institute of TAFE	0	5	5	0	5	5	0	0	0
Wodonga Institute of TAFE	0	5	5	1	3	4	-1	2	1
Total	57	73	130	48	62	110	9	11	20

Notes:

1. For the purpose of this table, Executive Officers are defined as employees who have significant management responsibility and receive a TRP of \$152,000 or more.
2. All figures reflect executive levels as at 30 June 2016.
3. Excluded are those on leave without pay or absent on secondment; external contractors / consultants; and temporary staff employed by employment agencies.

Pecuniary interests

Declarations of pecuniary interests have been duly completed by all relevant officers.

Shares held by senior officers

No shares are held by a senior officer as nominee or held beneficially in a statutory authority or subsidiary.

Report of Operations—other disclosures

Victorian industry participation policy

The *Victorian Industry Participation Policy Act 2003* requires departments and public sector bodies to report on the implementation of the Victorian Industry Participation Policy (VIPP). The policy applies to procurement activities valued at \$3 million or more for projects in Metropolitan Melbourne, and \$1 million or more for procurement activities in regional Victoria.

During 2015–16, the Department commenced and completed contracts under the State Capital Works Program. The VIPP applied to 34 contracts totalling \$175 million: 10 metropolitan contracts totalling \$44.5 million and 24 regional contracts totalling \$130.5 million.

The commitments under the VIPP policy included:

- an average level of local content of 86.8 per cent across the contracts
- 900 continuing and new full-time equivalent jobs and 110 continuing and new full-time equivalent apprenticeships or traineeships
- benefits to the Victorian economy through: development and implementation of technology in schools; professional development for staff; skills development through work on infrastructure projects; and participation in related training in occupational health and safety and trades.

Government advertising expenditure

Campaigns with a media spend of \$100,000 or greater 2015–16 (excluding GST)

Campaign	Summary	Start/End	Advertising (media)	Creative & campaign development	Research & evaluation	Print & collateral	Other	Total
Never Leave Kids in Cars	To raise awareness of the dangers of leaving children unattended in cars on hot days, and the speed the temperature doubles inside a parked car. In partnership with the Department of Health and Human Services, Ambulance Victoria and KidSafe.	Dec 2015–Feb 2016	\$171,884	0	0	\$34,640	\$110,010	\$316,534

Consultancy expenditure

Details of consultancies valued at \$10,000 or greater

In 2015–16, there were 114 consultancies where the total fees payable to the consultants were \$10,000 or greater. The total expenditure incurred during 2015–16 in relation to these consultancies was \$11.5 million (excluding GST).

A list of consultancies \$10,000 or greater is published in the *Department of Education and Training Annual Report 2015–16 Additional Information* available at www.education.vic.gov.au.

Details of consultancies valued at less than \$10,000

In 2015–16, there was one consultancy where the total fees payable to the consultant was less than \$10,000. The total expenditure incurred during 2015–16 in relation to this consultancy was \$6,500 (excluding GST).

Information and Communication Technology (ICT) expenditure

In accordance with the ICT Reporting Standard the Victorian Public Service, the Department's ICT is reported in the table below.

Reference	Requirement	Expenditure \$ million	Detail
ICT-01	ICT BAU expenditure	286.83	Total agency ICT business-as-usual (BAU) expenditure for the full 12-month reporting period.
ICT-02	ICT Non-BAU expenditure	33.13	Total agency ICT Non BAU expenditure for the full 12-month reporting period.
	classified by		
	Operating Expenditure	5.02	

Disclosure of major contracts

The Department has disclosed, in accordance with the requirements of government policy and accompanying guidelines, all contracts greater than \$10 million in value which it entered into during the year ended 30 June 2016. Details of contracts that have been disclosed in the Victorian Government contracts publishing system can be viewed on the internet at www.procurement.vic.gov.au.

Contractual details have not been disclosed for those contracts for which disclosure is exempted under the *Freedom of Information Act 1982* and/or government guidelines.

Freedom of information

The *Freedom of Information Act 1982* (FOI Act) allows the public a right of access to documents held by the Department. During 2015–16, the Department received 373 applications. Of these, 193 were from individuals seeking access to their own records. Fifty-four were requests from Members of Parliament, 46 from media organisations and 80 from members of the public seeking access to policy-related documents.

In most instances, full or partial access was provided; 17 decisions were reviewed by the FOI Commissioner and two were reviewed by the Victorian Civil & Administrative Tribunal (VCAT). The FOI Commissioner also investigated 13 complaints relating to FOI applications made to the Department.

The information required to be published pursuant to section 7 of the FOI Act is contained elsewhere in this report or at www.education.vic.gov.au/about/contact/Pages/foi.aspx.

Making a request

Access to documents is via written request to the Freedom of Information Unit within the Department as detailed in section 17 of the FOI Act. In summary, a request must:

- be in writing
- identify as clearly as possible the document(s) being requested
- be accompanied by the appropriate application fee (the fee may be waived in certain circumstances).

Freedom of Information contacts

Agency	Postal address	Email	Telephone
Department of Education and Training	Manager, Freedom of Information Department of Education and Training GPO Box 4367 Melbourne 3001	foi@edumail.vic.gov.au	(03) 9637 2670
Victorian Curriculum and Assessment Authority	Level 1 2 Lonsdale Street Melbourne, 3000 Australia	vcaa.foi@edumail.vic.gov.au	(03) 9032 1700 1800 134 197
Victorian Registration and Qualifications Authority	Level 4 2 Lonsdale Street Melbourne 3000	vrqa@edumail.vic.gov.au	(03) 9637 2806
Merit Protection Boards	Level 4 2 Lonsdale Street Melbourne 3000	meritboards@edumail.vic.gov.au	(03) 9032 1701
Victorian Institute of Teaching	PO Box 531 Collins Street West Victoria 8007	vit@vit.vic.edu.au	1300 888 067
Disciplinary Appeals Boards	Level 4 2 Lonsdale Street Melbourne 3000	meritboards@edumail.vic.gov.au	(03) 9032 1701

Requests can also be lodged online at www.foi.vic.gov.au.

Access charges may apply once documents have been processed and a decision is made on access; for example, for photocopying, and search and retrieval charges.

Further information regarding Freedom of Information can be found at www.foi.vic.gov.au.

Compliance with DataVic Access Policy

Consistent with the DataVic Access Policy issued by the Victorian Government in 2012 the Department has released a total of 130 datasets to DataVic. These are available at www.data.vic.gov.au in an open format for public use. These datasets represent a cross-section of the Department's information assets.

Compliance with the *Building Act 1993*

Mechanisms to ensure that buildings conform with the building standards

The Department complies with the *Building Act 1993* and other statutory obligations with respect to construction and modernisation of educational facilities. The school

modernisation program and building compliance program progressively ensure that existing buildings comply with relevant legislative requirements.

Major works projects (greater than \$50,000)

For details of all such projects, see 2015–16 Budget Paper No. 4: State Capital Program.

During 2015–16, major works (greater than \$50,000) not subject to certification of plans, mandatory inspections of the works, and issue of occupancy permits or certificates of final inspection, were undertaken at the following schools:

Mount Waverley Secondary College	Lindenow Primary School
Epping Secondary College	Heatherhill Primary School
Thomastown Secondary College	Melton South Primary School
Sunshine Heights Primary School	Torquay P-6 College
Lalor East Primary School	Romsey Primary School
Baimbridge College	Woolsthorpe Primary School
Hamlyn Banks Primary School	Mooroopna Park Primary School
Roxburgh Park Primary School	Park Orchards Primary School
Drouin Secondary College	Noble Park Primary School
Thomastown Primary School	Dandenong North Primary School
Mortlake P-12 College	Drouin South Primary School
Lara Lake Primary School	Wonthaggi Primary School
Bell Park North Primary School	Willmott Park Primary School
Sunbury Heights Primary School	Glenferrie Primary School
Leopold Primary School	Wonthaggi Secondary College
Cobden Technical School	Gisborne Secondary College
Araluen Primary School	Leongatha Primary School
Lara Primary School	Traralgon (Liddiard Road) Primary School
Newcomb Secondary College	Ceres Primary School
Bellbrae Primary School	Katandra West Primary School
Glen Waverley Secondary College	Grovedale Primary School
Manifold Heights Primary School	Dimboola Primary School
Grovedale College	Noorat Primary School
Epping Primary School	Laharum Primary School
Horsham West and Haven Primary School	Mansfield Primary School

Mechanisms for inspection, reporting, scheduling and carrying out of rectification and maintenance works on existing buildings

The Department engages the program managers of compliance programs to carry out inspections, reporting, scheduling, and rectification works designed to bring existing buildings into compliance with current building regulations. Compliance programs cover areas such as asbestos removal, fire service upgrades, integration (disability access), environmental (such as the removal of underground petroleum storage systems), and works aimed at preventing falls. The Department also operates an emergency maintenance program to respond to any unforeseen issues that pose an immediate and serious health and safety risk.

National Competition Policy

Under the National Competition Policy, the guiding principle is that legislation, including future legislative proposals, should not restrict competition unless it can be demonstrated that the:

- benefits of the restriction to the community as a whole outweigh the costs

- objectives of the legislation can only be achieved by restricting competition.

Competitive neutrality requires government businesses to ensure, where services compete or potentially compete with the private sector, that any advantage arising solely from their government ownership be removed if it is not in the public interest. Government businesses are required to cost and price these services as if they were privately owned and are therefore required to be fully cost-reflective. The National Competition Policy provides government businesses with a tool to enhance decisions on resource allocation. It does not override other policy objectives and focuses on efficient service provision.

The Department continues to comply with the National Competition Policy.

Assessment of new legislation and regulations

All new legislation and regulations enacted within the portfolio during 2015–16 were subject to assessment against the National Competition Policy to ensure continued compliance.

Compliance with the *Protected Disclosure Act 2012* (formerly *Whistleblowers Protection Act 2001*)

The *Protected Disclosure Act 2012* encourages and helps people disclose improper conduct by public officers and public bodies. It provides protection to people who make disclosures and establishes a system for the matters disclosed to be investigated and rectifying action to be taken.

The Department does not tolerate improper conduct by employees, nor reprisals taken against those who disclose such conduct. It is committed to ensuring transparency and accountability in administrative and management practices, and supports the making of disclosures that reveal corrupt conduct, conduct involving a substantial mismanagement of public resources, or conduct involving a substantial risk to public health and safety or the environment.

The Department takes all reasonable steps to protect people from any detrimental action in reprisal for making such disclosures.

Making a disclosure

Disclosures of improper conduct or detrimental action by the Department or any of its employees may be made to:

Ms Melissa Dwyer
Protected Disclosure Coordinator
A/Executive Director, Integrity and Assurance Division

Department of Education and Training

Street address:
2 Treasury Place
East Melbourne Victoria 3002

Document Exchange address:
DX 210083

Postal address:
GPO Box 4367
Melbourne VIC 3001

Telephone: 03 9651 3650
Email: dwyer.melissa.j@edumail.vic.gov.au

or:

one of the following officers of the Department:

- a manager or supervisor of a person from the Department who chooses to make a disclosure

- a manager or supervisor of a person from the Department about whom a disclosure has been made
- the Secretary of the Department.

or:

The Independent Broad-based Anti-corruption Commission (IBAC)

Street address:

Level 1, North Tower
459 Collins Street
Melbourne Vic 3000

Postal address:

GPO Box 24234
Melbourne Victoria 3001

Telephone: 1300 735 135

Internet: www.ibac.vic.gov.au

Further information

The Department has published guidelines regarding the procedures it has instituted to comply with the Protected Disclosures Act 2012:

www.education.vic.gov.au/about/contact/Pages/protecteddisclosure.aspx

Disclosures under the Protected Disclosure Act 2012

Disclosures under the <i>Protected Disclosure Act 2012</i>	2015–16	2014–15
The number of disclosures made by an individual to the Department and notified to the Independent Broad-based Anti-corruption Commission—assessable disclosures	3	9
Non-assessable disclosures	21	38
Matters referred by IBAC pursuant to section 73 of the <i>Independent Broad-based Anti-corruption Commission Act 2011</i>	37	3
Total number of disclosures	61	50

Compliance with the *Disabilities Act 2006*

The Department of Education and Training has a Disability Action Plan (2013–16) in place, setting out the Department’s commitments and actions within the Victorian State Disability Action Plan 2013–16.

The Department is currently participating in the development of a new Victorian State Disability Plan 2017–20.

Office-based environmental impacts

The Department’s Environmental Management System provides a structured approach to planning and implementing environment protection measures in the Department’s office-based activities. In line with government directives, the Department reports on energy, paper and water consumption, waste generation, transportation, greenhouse gas emissions, and sustainable procurement for all non-school office sites with at least 10 full-time equivalents (FTE).

The Environmental Management System objectives include:

- reducing the amount of waste and maximising re-use and recycling
- separating office waste into reusable, recyclable, compostable and landfill
- minimising energy, paper and water consumption
- reducing passenger vehicle fleet emissions

- ensuring new office accommodation incorporates environmental sustainability principles
- adopting an environmental management system based on ISO14001
- communicating environmental performance through regular reporting
- encouraging staff to reduce their environmental impacts.

Unless otherwise stated, all consumption data is for 1 April 2015 – 31 March 2016.

Energy

The data presented below was collected through energy retailer billing information and represents 100 per cent of sites and 99 per cent of FTE staff.

Target

Reduce energy consumption per square metre by 15 per cent of 2013–14 levels by 31 March 2024, averaging an incremental reduction of 1.5 per cent each year for 10 years.

Indicator	2015–16			2014–15		
	Electricity	Natural gas	Green power	Electricity	Natural gas	Green power
Total energy usage segmented by primary source, measured in mega joules (MJ)	20,910,815	6,858,907	0	19,682,232	5,195,820	0
Greenhouse gas emissions	7319	380	–	7271	287	–
Units of energy used per FTE (MJ/FTE)		12,823			12,053	
Percentage of electricity purchased as green power		0			0	
Units of energy used per unit of office area (MJ/m ²)		736			664	

Actions undertaken

- Solar panels have been installed at one regional office.
- Lighting sensors and times restored where necessary across all central and some regional offices.
- The lease was not extended for one energy intensive regional office premise with staff relocated to another existing office.
- Significant improvements conducted to the HVAC gas system of the centrally-based offices.
- The Department participated in the national Earth Hour event.

Explanatory notes

Electricity and gas consumption has increased since 2013–14, 6 per cent and 13 per cent respectively in aggregate and 7 per cent in office areas. Given this increase, the Department will re-assess energy consumption and take further action to meet targets.

All central and some regional offices share energy meters with other non-Departmental buildings. The data presented is based on a percentage of the net leased area held by the Department's buildings.

Waste

The Department continues to address waste generation through a variety of re-use and recycling methods. The data below is based on collections at four central offices, which comprise 54 per cent of the total reportable net leased area and 55.8 per cent of FTEs.

Indicator	2015–16					2014–15				
	Landfill	Co-mingled recycling	Compost	Shredded paper	Other	Landfill	Co-mingled recycling	Compost	Shredded paper	Other
Total units of waste disposed of by destination (kg/yr)	24,343	8,734	13,440	12,103	1,435	15,198	9,225	10,103	36,507	2,138
Units of waste disposed of per FTE by destination (kg/FTE)	20	7	11	10	1	14	8	9	33	2
Recycling rate (% of total waste)			59					79		

'Other' includes collection of toner cartridges, polystyrene, steel, reusable plastics and batteries.

Target

Increase recycling rate to a minimum of 85 per cent by 31 March 2016.

Explanatory notes

Landfill waste increased significantly in 2015–16.

There has been a significant number of office relocations within the precinct adding to the increase in landfill. This was accompanied by lower co-mingled recycling (5 per cent reduction) and other waste (28 per cent reduction). This is despite a large (33 per cent) increase in compost which diverts organic waste from landfill.

Waste diverted from landfill represents 59 per cent of total waste, lower than diversion in 2014–15 (79 per cent). The Department will re-assess landfill waste in particular and take further action to meet targets.

Paper

The data presented below was collected through stationery suppliers and represents 100 per cent of sites and 100 per cent of FTE staff.

Indicator	2015–16	2014–15
Total units of copy paper used (reams)	33,185	27,967
Units of copy paper used per FTE (reams/FTE)	15	13
Percentage of 75–100% recycled content copy paper purchased (%)	74	79
Percentage of 50–74% recycled content copy paper purchased (%)	5	11
Percentage of 0–49% recycled content copy paper purchased (%)	21	9
Total units of A4-equivalent paper used in publications (reams)	30,012	39,326

Target

Reduce paper consumption to 12 A4 reams per FTE by 31 March 2016.

Increase the amount of copy paper purchased with 75–100 per cent recycled content to minimum of 75 per cent by 31 March 2016.

Explanatory notes

There was a significant increase in paper consumption (19 per cent) in 2015–16, compared to a reduction in 2014–15.

The Department nearly met its target to increase the use of paper with the highest recycled content (74 per cent). An increase in lower recycled content used (0–49 per cent) offset this.

An increase in online publications has reduced the need for printed copies, resulting in a record low for the total units of A4 equivalent paper used.

Water

The data in the table below is based on water meter readings at 78 per cent of office sites covering 86 per cent of FTEs.

Indicator	2015–16	2014–15
Total units of metered water consumed by usage types (kL)	18,013	17,723
Units of metered water consumed in offices per FTE (kL/FTE)	9.69	9.96
Units of metered water consumed in offices per unit of office area (kL/m ²)	0.55	0.51

Target

Reduce water consumed per FTE by 15 per cent of 2013–14 levels by 31 March 2024, averaging an incremental reduction of 1.5 per cent each year for 10 years.

Explanatory notes

The central region recorded a modest 2 per cent increase in water consumption.

All central and some regional offices share a water meter with other non-Departmental buildings. The data presented is therefore based on a percentage of the buildings' net leased area held by the Department. Water consumption data for some regional offices is unavailable due to the offices being shared facilities. The shared meter makes it impossible to confirm the source of any increase.

The Department will re-assess its water consumption and take further action to meet targets.

Transport

The Department-owned operational fleet comprises 249 vehicles. Of these, 42 per cent are hybrid electric vehicles, 2 per cent are LPG-fuelled, 52 per cent are petrol-fuelled, and 4 per cent are diesel-fuelled.

The data in the table below measures the kilometres, energy consumption and associated emissions for work-related travel by corporate employees, segmented by transport type, excluding public transport. This excludes executive vehicles.

Operational vehicles

Operational vehicles	2015–16				2014–15			
	Hybrid	LPG	Petrol	Diesel	Hybrid	LPG	Petrol	Diesel
Total energy consumption by vehicles (MJ)	3,659,494	609,523	5,702,249	963,027	4,680,322	1,387,730	4,532,459	1,149,078
Total vehicle travel associated with entity operations (km)	2,051,734	195,262	2,053,244	357,327	2,509,970	437,410	1,635,819	434,770
Total greenhouse gas emissions from vehicle fleet (t CO ₂ -e)	261	39	406	71	338	90	327	86
Greenhouse gas emissions from vehicle fleet per 1,000 km travelled (t CO ₂ -e)	0.13	0.20	0.20	0.20	0.13	0.21	0.20	0.20

Air travel

Air travel	2015–16			2014–15		
	Short <500 km	Medium 500–3,700 km	Long >3,700 km	Short <500 km	Medium 500–3,700 km	Long >3,700 km
Total distance (km) travelled by aeroplane	156,412	495,194	483,802	234,744	660,031	1,197,003

Sustainable commuting

Sustainable commuting	2015–16		2014–15	
	CBD	Regional	CBD	Regional
Percentage of employees regularly (>75 per cent of attendance days) using public transport, cycling, walking or car-pooling to and from work or working from home, by workplace locality.	93	0	70	4

Target

Reduce by five per cent of 2014–15 levels the total kilometres travelled by operational vehicles by 31 March 2016. Reduce air travel by 25 per cent by 31 March 2016.

Explanatory notes

Total kilometres travelled by operational vehicle fleet fell by 7.2 per cent against the previous year resulting in the reduction target of 5 per cent being achieved. Hybrid-fuelled vehicles were the most used, contributing to a 7 per cent fall in total energy consumption against last year. These factors clearly led to the 8 per cent reduction in total emissions.

In 2015–16, air travel reduced by 46 per cent to 1,135,408 km compared to the previous year. This is the lowest distance recorded in all flight categories since 2010–11. The greatest contributor to this overall reduction is the significant 60 per cent fall in long-distance flights compared to 2014–15.

Sustainable commuting figures are obtained via staff survey and depend on response rates.

Greenhouse gas emissions

The emissions disclosed in the section below are taken from the previous sections and brought together here to show the Department's greenhouse footprint.

Indicator	2015–16	2014–15
Total greenhouse gas emissions from energy use (t CO ₂ e)	7,699	7,559
Total greenhouse gas emissions from waste production (t CO ₂ e)	29	18
Total greenhouse gas emissions from paper purchases (t CO ₂ e)	115	103
Total greenhouse gas emissions from water consumption (t CO ₂ e)	25	24
Total greenhouse gas emissions from vehicle fleet (t CO ₂ e)	777	842
Total greenhouse gas emissions from air travel (t CO ₂ e)	251	477
Grand total greenhouse gas emissions created by the Department	8,896	9,023

Target

Reduce by 15 per cent of 2013–14 levels the Department's office-based greenhouse gas emissions by 31 March 2024, averaging an incremental reduction of 1.5 per cent each year for 10 years.

Explanatory notes

Total greenhouse gas emissions decreased in 2015–16 compared to the previous year with two indicators, air travel and vehicle fleets, achieving a reduction.

Procurement

The Department continues to promote the purchase of environmental friendly products, specifically in stationery/office products. This is achieved by incorporating more environmentally friendly items listed as 'preferred product options'. Before purchasing new stationery items, business units are also encouraged to visit the Department's 'Swap Shop'—a stationery re-use system.

The Department continues to work with print management provider Finsbury Green to ensure sustainability is a consideration in all externally printed publications, for example, by using vegetable dyes and minimal packaging.

The Procurement Division encourages Procurement Evaluation Panels to add environmental commitments into the Invitation to Supply (ITS) template. This ITS template is available on request to all business units.

With infrastructure projects, tenders are evaluated against the criteria of their 'ability to satisfy environmental sustainability requirements'.

Details of changes in prices, fees, charges, rates and levies

Details of current prices, fees, charges, rates and levies charged by the Department are outlined on www.education.vic.gov.au and www.foi.vic.gov.au.

Additional information available on request

Financial Reporting Direction (FRD) 22G requires the Accountable Officer to retain and make available specified information. This material may be made available subject to the provisions of the *Freedom of Information Act 1982*.

The Department has made this information available (or provided details of how the material may be sourced) in the *Department's Annual Report 2015–16* or the *Department's Annual Report 2015–16—Additional Information* report.

Requirements covered in this report include:

- a statement that declarations of pecuniary interests have been duly completed by all relevant officers
- details of shares held by a senior officer as nominee or held beneficially in a statutory authority or subsidiary
- details of publications produced by the entity about itself and how these can be obtained
- details of assessments and measures undertaken to improve the occupational health and safety of employees
- a general statement on industrial relations within the entity and details of time lost through industrial accidents and disputes
- details of changes in prices, fees, charges, rates and levies charged by the entity.

The requirements listed below are included in the *Department's Annual Report 2015–16—Additional Information* report available from the Department's website at www.education.vic.gov.au.

- details of any major external reviews carried out on the entity
- details of major research and development activities undertaken by the entity
- details of overseas visits undertaken including a summary of the objectives and outcomes of each visit
- details of major promotional, public relations and marketing activities undertaken by the entity to develop community awareness of the entity and its services
- a list of major committees sponsored by the entity, the purposes of each committee and the extent to which the purposes have been achieved
- details of all consultancies and contractors including:
 - consultants/contractors engaged
 - services provided
 - expenditure committed to for each engagement.

Risk attestation

Risk management context

During 2015-2016, the Department has progressed significant and system-wide Education reforms. This level of activity has necessarily increased the number, and altered the nature of risks being managed by the Department of Education and Training. At the same time, the Department has initiated large scale organisational transformation activities.

Risk attestation

I, Jenny Atta, certify that the Department of Education and Training has partially complied with *Ministerial Standing Direction 4.5.5 - Risk Management Framework and Processes (Standing Direction 4.5.5)*.

The partial compliance is due to the evolving maturity of management of inter-agency risk. The Department will collaborate with other agencies to progressively strengthen and further integrate inter-agency risk management into new and existing risk review processes. This will ensure there are improvements in the quality of inter-agency risk information and an improved understanding of the management of these risks across Departments.

The Department is also partially compliant in relation to the insurance requirements of *Standing Direction 4.5.5*, because it has not fully maintained a current register of all indemnities. The Department has alternatively provided a list of significant indemnities to the Victorian Managed Insurance Authority and accounts for these as contingent liabilities.

The Department has fully complied with all other mandatory requirements of the *Standing Direction 4.5.5*.

The Department of Education and Training's Portfolio Audit and Risk Committee has verified this.



Jenny Atta
Acting Secretary
19 September 2016

Details of publications about the Department

Publication	Produced	
<i>The Department's Strategic Intent</i>	October 2015	www.education.vic.gov.au/about/department/Pages/stratplan.aspx
<i>The Department's Annual Report 2014–15</i>	November 2015	www.education.vic.gov.au/about/department/Pages/annual-reports-2014–15.aspx

About this report

In accordance with Ministerial Reporting Direction (FRD) 22G that annual reports be 'reports of the financial and business operations of an entity, produced to comply with relevant Victorian legislation and pronouncements', material not required under relevant legislation and pronouncements is not included in this report.

An index that identifies the Department's compliance with statutory requirements is provided in Appendix 1.

