October 2003

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

Dear Minister

On behalf of the Victorian Learning and Employment Skills Commission (VLESC) I am pleased to submit the annual report for the year 2002–03, in accordance with the requirements of the Financial Management Act 1994.

In pursuit of the Government’s goals and targets for post-compulsory education and training, 2002–03 has seen major developments in relation to post-compulsory education in the school, vocational education and training (VET) and adult community education (ACE) sectors.

As articulated in your June 2002 Ministerial Statement on Knowledge & Skills for the Innovation Economy, the Commission has played a critical role in supporting the Government’s agenda for greater innovation and specialisation in the Victorian VET system. This includes implementing the findings of the review of industry advisory arrangements, developing new ways to determine and allocate priorities for public expenditure for vocational education and training and developing options for securing long-term sustainable financing arrangements.

During 2002 you requested that the Commission develop a post-compulsory policy framework. A consultation document entitled ‘A Post-Compulsory Framework for Education and Training (Young People 15–24)’ has been prepared. The Commission looks forward to the consultation process involving all of the post-compulsory education and training community.

Other outcomes in 2002–03 included:

- the 31 Local Learning and Employment Networks (LLENs) developed 171 partnerships with education and training providers, industry, and community organisations to achieve sustained education, training and employment outcomes for young people in their regions
- the Managed Individual Pathways (MIP) initiative successfully expanded across schools, TAFE and ACE providers, with schools developing pathway plans for 85,029 Year 10 to 12 students, TAFE institutions supporting 1471 young people through MIP, and ACE providers supporting 800 young people through MIP
- the commencement, in 2003, of the On Track initiative, which builds on the MIP program by following up school students through a telephone survey after they leave school and offering assistance and advice if they are not in education, training or full-time employment.

In 2002, registered training organisations provided approximately 514,000 students with over 108 million student contact hours of vocational training and further education. This is an increase of 4 per cent on the 2001 delivery.

I would like to take this opportunity to thank Peter Kirby, Stuart Hamilton and Jennifer Westacott for their valuable contributions to the Commission and to welcome Grant Hehir and Lynne Wannan.

Yours sincerely

Peter Laver
Chair
AT A GLANCE

Post-compulsory education and training policy

- Work to develop a post-compulsory education and training policy framework has commenced with initial implementation in progress.
- LLENs have developed 171 formal partnerships based on formal Memoranda of Understanding and facilitated many other agreements between and with stakeholders to achieve outcomes for at-risk groups including young mothers, refugee groups, Koorie youth, youth with disabilities and homeless youth.
- Over 4030 organisations are members of their local LLEN. Over 600 of these members also participate on LLEN committees of management.
- In 2001, the LLENs highlighted access to transport as one of the major difficulties in increasing engagement of young people aged 15–19 in education and training. Initiatives to target this issue in 2002–03 included:
  - the Highlands LLEN Youth Bus pilot project to transport young people attending education and training providers other than schools
  - working with the Department of Human Services and the Department of Infrastructure Transport Connections project to ensure that the needs of the post-compulsory cohort are considered
  - the Wimmera VET in Schools bus, which transports 130 rural young people to their VET provider in Horsham
- The MIP program successfully expanded across schools, TAFE and ACE providers.
- The On Track initiative commenced in 2003, building on the MIP program and following up students (both government and non-government) through a telephone survey after they have left school.

Training and further education

- Registered training organisations provided approximately 514,000 students with over 108 million student contact hours of vocational training and further education.
- Victoria endorsed nine new training packages.
- During 2002, 363 audits were undertaken to monitor the compliance of training organisations with the Australian Recognition Framework and government-funded training contracts.
- Ongoing implementation of the Ministerial Statement on Knowledge & Skills for the Innovation Economy included:
  - funding 15 Specialist Centres and a Centre for Excellence in Digital Design that are now fully operational
  - passing of the Vocational Education and Training (TAFE Qualifications) Act 2003 by the Victorian Parliament, allowing TAFE institutions to offer degrees
  - the release of the Review of Industry Advice on Training in September 2002, with recommendations implemented throughout 2003
  - the development of a new framework for assessing demand and establishing priorities for training in Victoria
  - funding for Industry Liaison Agents in six Victorian manufacturing industry sectors being made available.
- In 2002, total commencements for apprenticeships and traineeships increased to 85,915. There were 61,263 apprentice and trainee commencements by new employees, an increase of over 8 per cent on commencements in 2001.
- In 2002, completions of apprenticeships and traineeships by new employees increased by 1.4 per cent to 21,802. Total completions increased by 9 per cent to 27,231.
- Between January and June 2003 almost 31,992 new employees took on an apprenticeship or traineeship. In total, there were 46,405 commencements in this period.

AT A GLANCE

Warracknabeal Secondary College VCAL students at a broadcasting day sponsored by the Wimmera/Southern Mallee LLEN

Apprentice training at Bosch Australia
• The number of new employees in training in June 2003 was 101,257, almost 10 per cent higher than in June 2002. When existing employees are included, the number in training increases to 147,994, an increase of over 16 per cent compared to the same period in 2002.
• In 2002, 1300 school students undertook a part-time apprenticeship or traineeship.

VET activity in the TAFE system, excluding hobby and personal enrichment, Victoria 1998–2002

Student contact hours increased by 24.1 per cent in the five-year period 1998–2002.

Summary of financial results

The figure below provides information on the Commission’s financial results and financial position for 2002–03 and provides comparisons with the preceding four years.

The operating result for the 2002–03 financial year was a surplus of $4.9 million, which contrasts with last year’s deficit of $21.2 million.

There were no extraordinary items to report in 2002–03.

The Commission is not aware of any event subsequent to balance date that could have a material effect on the operations of the Commission in subsequent years.

Revenue

Expenses

Source: Department of Education & Training
Summary financial information

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<td>Operating revenue</td>
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<td>Revenue from State Government</td>
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<td>463.0</td>
<td>478.3</td>
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<td>697.2</td>
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<td>693.1</td>
<td>761.5</td>
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<td>4</td>
<td>7.7</td>
<td>48.5</td>
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<td>5</td>
<td>73.2</td>
<td>122.2</td>
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<td>7</td>
<td>69.5</td>
<td>118.0</td>
<td>130.1</td>
<td>108.9</td>
<td>102.6</td>
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<td>Net cash inflow/(outflow)</td>
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<td>8</td>
<td>(14.2)</td>
<td>45.5</td>
<td>14.7</td>
<td>(7.6)</td>
<td>11.6</td>
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1. Revenue from State Government increased from $569.3 million in 2001–02 to $596.1 million in 2002–03, an increase of $26.8 million (4.7 per cent), reflecting additional funding by the Government for the Enterprise Bargaining Agreement and new capital initiatives.

2. Other revenue increased from $271.0 million in 2001–02 to $293.4 million in 2002–03, an increase of $22.4 million (8.3 per cent). This was due to increased Commonwealth/ANTA funding received under the new ANTA Agreement.

3. Total operating expenses increased from $861.5 million in 2001–02 to $884.6 million in 2002–03, an increase of $23.1 million (2.7 per cent). The increased expenditure was due to additional funding to TAFE institutions for Enterprise Bargaining Agreements and the additional growth funding to TAFE institutions and private providers under the new ANTA Agreement.

4. An operating surplus of $4.9 million has been recorded for 2002–03.

5. Total assets decreased from $114.3 million in 2001–02 to $112.9 million in 2002–03, a decrease of $1.4 million (1.2 per cent).

6. Total liabilities increased from $5.4 million in 2001–02 to $10.4 million in 2002–03, an increase of $5.0 million (92.6 per cent).

7. The retained funds as at 30 June 2003 totalled $102.6 million, which largely related to funds held in trust accounts for specific purposes. The retained funds are either committed or in the process of being committed to projects in the 2002–03 financial year. Although the Commission reports a surplus of $4.9 million in 2002–03, the equity balance was lower than that reported in 2001–02 ($108.9 million) as a result of the reduction of $11.3 million in contributed capital with the transfer of the International Fibre Centre buildings to Deakin University.

8. An $11.6 million net increase in cash was recorded for the period under review. This was due largely to the surplus for the period and the increase in liabilities as at 30 June 2003.

Revenue and expenses comparison

Source: Department of Education & Training

Operating result

Source: Department of Education & Training
Organisation chart as at June 2003

STUDENTS

Schools

Private Training Providers

TAFE Institutions

ACE Organisations

Adult Education Institutions

PROVIDERS

Local Learning and Employment Networks

Department of Education & Training

Victorian Curriculum and Assessment Authority

Victorian Learning and Employment Skills Commission

Victorian Qualifications Authority

Adult, Community and Further Education Regional Councils

Industry Training Advisory Boards

Minister for Education Services

Minister for Education and Training

INDUSTRY

Adult, Community and Further Education Board

Minister for Education Services

Minister for Education and Training

Direct relationship

Indirect relationship
Government goals and targets for education and training

In recognition of the importance of education and training, the Premier announced goals and targets for education and training in October 2000. The goals are:

• to improve the standards of literacy and numeracy in primary schooling
• to increase the percentage of young people who complete Year 12 or equivalent
• to increase the number of adults undertaking education and training and so increase the overall level of educational attainment and literacy levels in Victoria
• to increase the level of participation and achievement in education and training in rural and regional Victoria and among groups where it is presently low
• to make near-universal participation in post-school education the norm in our society.

The targets are:
• by 2010, 90 per cent will successfully complete Year 12 or its equivalent
• by 2005, the percentage of young people aged 15–19 years in rural and regional Victoria engaged in education and training will rise by 6 per cent
• by 2005, Victoria will be at or above national benchmark levels for reading, writing and numeracy as they apply to primary students.

In recognition of the challenges set by the goals and targets, actions encompassing additional investment, policy initiatives and the creation of a number of statutory authorities, including the Commission, were undertaken.

Goals and targets were developed as an integrated set of outcomes and their achievement requires a concerted action by all components of the education and training system. Within the set of goals and targets, the Commission has a particular focus on the four goals and two targets that relate most directly to post-compulsory education and training.

Functions of the Commission

The Commission has a broad role of providing policy advice and direction to the Minister for Education and Training. Its functions are outlined in section 9 of the Vocational Education and Training Act 1990, amended in May 2001:

Section 9 (1)

(a) to advise the Minister about the development and implementation of the policy framework for post-compulsory education and training and employment in Victoria that will ensure high-quality services and programs are provided to meet the needs of industry, government and individuals

(ab) to advise the Minister about statewide planning for post-compulsory education and training and employment

(ac) to advise the Minister about emerging post-compulsory education and training requirements of government, industry, the community and individuals

(ad) to advise on the planning for the integration of post-compulsory education and training with labour market programs

(b) to advise the Minister about vocational education and training strategies to complement State and national economic and social development

(c) to identify major vocational education and training issues and make recommendations to the Minister about those issues

(d) to provide for the delivery of post-compulsory education and training in Victoria by education and training organisations registered under the Victorian Qualifications Authority Act 2000

(da) to monitor the outcomes of post-compulsory education and training for the broad purposes of economic and regional development, community and individual development and social justice

(db) to support the local learning and employment networks of providers and stakeholders in post-compulsory education and training programs and services

(e) to promote research in relation to vocational education and training

(f) to advise the Minister about curriculum in vocational education and training

(g) to advise the Minister about the effective spending of money made available for vocational education and training

(h) to advise the Minister about the provision of adult, community and further education in TAFE colleges

(i) to advise the Minister on any other matter that the Minister refers to the Commission

(j) to carry out any other function that is conferred on the Commission by this or any other Act.

Section 9 (2)
The Commission must:

(a) have regard to the whole of the functions conferred on councils of TAFE colleges by or under this Act

(b) establish systems to achieve cooperation between the Commission and the Adult, Community and Further Education Board in relation to, among other things, planning and curriculum development, accreditation, cross-crediting and linking of courses and recognition of prior learning for adult, community and further education

(c) ensure that its actions are consistent with arrangements for the provision of adult, community and further education in Victoria

(d) give effect to the adult, community and further education plan in carrying out its functions.
Functions of the Commission in relation to the Australian National Training Authority

Section 9A

(1) The Commission is the State training agency for Victoria under the National Statement.

(2) The functions of the Commission as the State training agency are:

(a) to provide data and advice to the Australian National Training Authority (ANTA) about the vocational education and training needs and priorities in Victoria and the funding implications of those needs and priorities

(b) to advise ANTA about:
   (i) the development of vocational education and training policy
   (ii) the development of a National Strategic Plan for vocational education and training

(c) to develop for ANTA a State Training Profile having regard to:
   (i) the planning parameters set by the Ministerial Council referred to in the National Statement
   (ii) the National Strategic Plan referred to in that Statement

(d) to ensure that vocational education and training in Victoria is managed and delivered having regard to the National Strategic Plan

(e) to provide annual vocational education and training performance reports to ANTA

(f) to perform any other function given to the Victorian State training agency under the National Statement

(3) In this section ‘vocational education and training’ includes adult, community and further education.

For the Commission this means creating a post-compulsory education and training system that is:

• Seamless – one that meets the needs of all students over 15 years of age, and is easily understood by both students and education and training providers including schools, private training organisations, TAFE institutions, universities and adult and community education centres.

• Quality assured – one that includes monitoring and improvement processes that assure student satisfaction and compliance with quality measures such as the Australian Quality Training Framework (AQTF).

• Sustainable – one that is broadly and sufficiently resourced, and that is accountable for the effective use of its resources for learning.

• Balanced – one that balances the needs of individuals with those of industry and the broader community.

• Responsive – one that is flexible, future-focused and responsive to the needs of individuals, industry and the broader community.

• Economically and socially equitable – one that is accessible to all Victorians and contributes to the economic and social development of metropolitan, regional and rural communities across the State.

Mission

The Commission will lead strategic change in post-compulsory education and training. It will collaborate with stakeholders and balance their diverse interests, and reflect this commitment in its independent advice to the Minister for Education and Training, and in all aspects of its role as the State training agency.

For the Commission, achieving this mission means:

• leading strategic and systemic change – the Commission will provide leadership for the whole post-compulsory education and training system

• collaborating – the Commission will consult, collaborate with and support key stakeholders to achieve systemic change

• remaining independent – the Commission will represent a diversity of stakeholder views and will, as an independent body, develop balanced advice.

Goals of the Commission

To guide its work, the Commission has developed vision and mission statements.

Vision

A quality, balanced and sustainable post-compulsory education and training system that responds to stakeholder needs and contributes to Victoria’s economic and social development.

For the Commission this means creating a post-compulsory education and training system that is:

• Seamless – one that meets the needs of all students over 15 years of age, and is easily understood by both students and education and training providers including schools, private training organisations, TAFE institutions, universities and adult and community education centres.

• Quality assured – one that includes monitoring and improvement processes that assure student satisfaction and compliance with quality measures such as the Australian Quality Training Framework (AQTF).

• Sustainable – one that is broadly and sufficiently resourced, and that is accountable for the effective use of its resources for learning.

• Balanced – one that balances the needs of individuals with those of industry and the broader community.

• Responsive – one that is flexible, future-focused and responsive to the needs of individuals, industry and the broader community.

• Economically and socially equitable – one that is accessible to all Victorians and contributes to the economic and social development of metropolitan, regional and rural communities across the State.

Key relationships

The Commission:

• supports the LLNEs

• is the State training agency for the purposes of national vocational education and training arrangements and agreements (ANTA Agreement) and continues a close working relationship with ANTA
About the Victorian Learning and Employment Skills Commission

• works with Victorian industry training advisory bodies to identify the skills requirements of Victorian industry
• works with the Victorian Qualifications Authority, the Victorian Curriculum and Assessment Authority, the Victorian Schools Innovation Commission and the Department of Education & Training to improve the education and training system to achieve the Government’s goals and targets
• supports and works with the Adult, Community and Further Education Board in relation to planning, curriculum development, linking of courses and recognition of prior learning for adult, community and further education to ensure that its actions are consistent with arrangements for the provision of adult, community and further education in Victoria.

The State Training System

As at June 2003, the State Training System included the Commission, as the State training agency, 14 TAFE institutes, five TAFE divisions within universities, 1173 registered training organisations, and 19 industry advisory bodies. Over 400 secondary schools participated through the VET in Schools program.

The State Training System provides general education and skills training across all occupational levels.

In 2002, registered training organisations provided approximately 514,000 students with over 108 million student contact hours of training and further education (excluding non-VET activity). This is an increase of 4 per cent on the 2001 delivery.

Further details are provided in Appendix 1.

Executive support

The Commission is supported by a Secretariat that operates within the Office of Portfolio Integration as part of the Department of Education & Training. This Office has responsibility for cross-sectoral policy and strategic planning related to post-compulsory education and training, and for supporting the LLENs.

Commission members

The Commission consists of nine members. Its membership reflects its responsibility to ensure effective linkages with community stakeholders, industry and key government advisory bodies, including the Victorian Qualifications Authority and the Adult, Community and Further Education Board.

Audit Committee

The Audit Committee consists of the Chair of the Commission and two other members. It meets regularly and operates within the guidelines of the Financial Management Act 1994.

The members of the Audit Committee are:
Peter Laver (Chair)
Peter Kirby (to 25 March 2003)
Patricia Forward

VLESC member, Ms Rowena Allen addressing the VLESC/LLEN Conference, Building Pathways to the Future, May 2003

Lynne Kosky, Minister for Education and Training, with the Rt Hon. Estelle Morris, MP, former Secretary of State, Education and Skills, UK, at the VLESC/LLEN Conference, Building Pathways to the Future, May 2003
Mr Peter Laver
Chair
Appointed 1 March 2001 – 29 February 2004
Mr Peter Laver is Chair of the Victorian Learning and Employment Skills Commission. He is Chair of the Community Advisory Council of the Community Support Fund, Chairman of the Australian Building Codes Board, former Chair National Board of Employment, Education and Training, former Chancellor of Victoria University of Technology and retired BHP senior executive.

Ms Rowena Allen
Appointed 1 March 2001 – 31 August 2005
Ms Rowena Allen is the Chief Executive Officer of Cutting Edge Youth Services – UnitingCare, an agency she established in the Goulburn Valley to work with disadvantaged and rurally isolated young people. Ms Allen has held positions in the area of community development and direct youth services with rural and metropolitan local governments, including the City of Greater Shepparton, City of Stonnington and City of Waverley. She is currently chair of the Goulburn Regional Youth Committee, chair of the Youth Affairs Council of Victoria, president of the Australian Human Rights and Equal Opportunity Commission’s rural youth ‘Outlink’ project, and a member of a ministerial advisory committee on health.

Mr Neil Coulson
Appointed 23 October 2001 – 29 February 2004
In August 2001, Mr Neil Coulson was appointed Chief Executive Officer of the Victorian Employers’ Chamber of Commerce and Industry, Victoria’s most influential employer organisation servicing over 25,000 Victorian businesses per annum. During his six years there, Mr Coulson has performed roles that include Group General Manager of Policy and Strategy and General Manager of Business Services, and has had extensive experience in business management consulting. His background has focused on human resource management and industrial relations and he has worked in a variety of industries including heavy engineering construction, transport, local government and not-for-profit organisations.

Ms Patricia Forward
Appointed 1 March 2001 – 31 August 2005
Ms Patricia Forward has been federal TAFE president of the Australian Education Union since 1998. Presently, she is the Vice-President TAFE and Adult Provision, Australian Education Union, Victorian Branch. Previous positions include working at a variety of Victorian TAFE institutions and La Trobe and Monash universities, and with trade union and community groups in Victoria and Queensland.

Mr Stuart Hamilton AO
Appointed 1 March 2001 – 14 December 2002
Mr Stuart Hamilton was appointed Secretary, Department of Education, Employment and Training, Victoria, on 26 February 2001. He was Executive Director of the Australian Vice-Chancellors’ Committee, the national representative organisation for Australia’s universities, from 1996 to 2001.

Ms Jennifer Westacott
Appointed 16 December 2002 – 4 May 2003
Ms Jennifer Westacott was appointed Secretary, Department of Education & Training following a career in the New South Wales Department of Community Services where she was Deputy Director General, and the Victorian Department of Human Services where she was an Executive Director.

Mr Grant Hehir
5 May 2003 –
Mr Grant Hehir was appointed Secretary, Department of Education & Training following a career in public sector budget management and policy development. Mr Hehir joined the Department of Treasury and Finance in 1998 as Deputy Secretary, Budget and Financial Management Division. In this role, he provided advice to the Government on State budget strategy and management and advised on emerging policy issues. In early 2003, he joined the Department of Premier and Cabinet as Deputy Secretary, Strategic, Economic and Social Policy, advising the Premier on social and economic policy matters. Prior to moving to Melbourne, he worked in Canberra for the Commonwealth, holding senior positions in the Department of Finance and Administration.
Mr Leigh Hubbard

Appointed 1 March 2001 – 29 February 2004

Mr Leigh Hubbard is the Secretary of the Victorian Trades Hall Council, a position he was appointed to in May 1995. Previous to this, Mr Hubbard was the Council’s Research and Policy Officer, involved in the areas of economic policy, WorkCover, changes to the State industrial system and privatisation. Prior to his work with the Council, he was employed as an articled clerk then solicitor with the law firm Slater and Gordon. His earlier career experience includes employment in the aluminium and health industries and as an industrial officer with the Plumbers and Gasfitters Employees Union of Australia.

Mr Peter Kirby

Appointed 1 March 2001 – 25 March 2003

Mr Peter Kirby was Chair of the Adult, Community and Further Education Board. A former Secretary of the Department of Education, Employment and Training, he served in the British, Commonwealth and Victorian public services between 1956 and 1996. Chair of the 2000 Review of Post Compulsory Education and Training Pathways in Victoria, Mr Kirby had leadership roles in TAFE and higher education in Victoria and South Australia in the 1980s. He was Chair of the Board of the National Centre for Vocational Education Research and Secretary of the Department of Premier and Cabinet.

Mr Timothy Piper

Appointed 1 June 2002 – 29 February 2004

Mr Timothy Piper is CEO of the Australian Industry Group, Victoria, the largest industry body in Australia representing some 11,000 companies employing more than one million people. It provides representation on public policy issues and advice on industrial relations, trade and international services, workforce strategies and training and regional services. Mr Piper is a barrister and solicitor who has had extensive business and industry experience and serves on a number of bodies that advise the Government on business and industry.

Professor Helen Praetz

Appointed 1 March 2001 – 29 February 2004

Professor Helen Praetz is Pro Vice-Chancellor (Students) at RMIT. Professor Praetz has had more than 20 years’ experience in education. She was a senior manager in the Department of Education, Employment and Training and Dean, Faculty of Education and Training and Pro Vice-Chancellor (Higher Education) at RMIT. A professor of education, she has served on numerous boards and reviews dealing with post-compulsory education and training and is the Chair of the Victorian Qualifications Authority.

Ms Lynne Wannan


Ms Lynne Wannan is a social policy analyst who has worked in senior management positions in local government in Victoria, in the private sector and in State government. She has been an adviser to government at both the state and national levels and at local government level over the past 25 years. She has worked in the broad community and health services industry for the past 20 years. She was a founding member of the Western Institute, the inaugural Deputy Chancellor of Victoria University of Technology and convenor of the Victorian Women’s Consultative Council and is the Chair of the Adult, Community and Further Education Board.

National VET system

The national VET system operates on the basis of a joint partnership between the Commonwealth, States and Territories. Under this arrangement, the States and Territories retain responsibility for their own training systems and are accountable to the ANTA Ministerial Council on matters of national policy. As the State training agency the Commission ensures that Victoria’s strategic directions are reflected in national policy settings.
Future directions

In 2003–04, the Commission will:

• advise on the Government’s strategies for innovation and specialisation in the VET system as outlined in the Ministerial Statement on Knowledge & Skills for the Innovation Economy including:
  – strategies to reinvigorate the TAFE sector
  – facilitating the development of better VET products
  – strengthening lifelong learning
  – further developing and implementing new frameworks to ensure public funding is directed towards meeting areas of demand
  – developing and implementing strategies to ensure a sustainable financial system for vocational education and training

• advise on the Government budget initiatives for 2003–04, including Skill Up, the Parents Returning to Work program, the completion bonus initiative for employers of apprentices and trainees, and the provision of additional funding to replace and upgrade obsolete equipment in TAFE institutions

• participate in negotiations with other States and Territories and the Commonwealth for the next ANTA Agreement and the new National Strategy for VET to ensure that these reflect Victoria’s priorities for vocational education and training

• advise on strategies to address the training needs for disadvantaged groups, including Koorie communities and students with disabilities.

In 2003–04, to further the post-compulsory education and training aim of greater educational outcomes for young people:

• a post-compulsory education and training policy framework will continue to be developed

• the LLENs will continue to focus on their core business of improving education, training and employment outcomes for young people

• a summative evaluation of the LLEN initiative will be in progress

• destinations of school leavers from Years 10 and 11 in 2002 will be followed up through the On Track initiative

• a second cycle of the On Track initiative will survey destinations of school leavers from Years 10, 11 and 12 in 2003

• local provision planning will be further developed.
Post-compulsory education and training policy

During 2002, the Minister for Education and Training requested that the Commission develop a post-compulsory policy framework. A consultation document entitled ‘A Post-Compulsory Framework for Education and Training (Young People 15–24)’ has been prepared in response to that request. The Commission has developed a consultation process that involves the full post-compulsory education and training community.

Local Learning and Employment Networks

Thirty-one LLENs were established across Victoria in 2001 and 2002.

In order to achieve sustained improvements in the education, training and employment outcomes for young people, the LLENs are developing and brokering strategic and distinctive local partnerships with education and training providers, industry, and community organisations. All 31 LLENs have undertaken local research, prepared strategic plans, engaged stakeholders, brokered partnerships and facilitated and supported local initiatives to achieve the changes needed. The strategic planning process was augmented by the learning the LLENs gained through their engagement with On Track.

LLENs connected young people referred by On Track to programs and services within the local community. This process increased LLENs’ knowledge of the experiences of young people making the transition from school and the range of support services available to them.
The LLENs have developed 171 formal partnerships based on Memoranda of Understanding and facilitated many other agreements between and with stakeholders to improve outcomes for at-risk groups, including young mothers, refugee groups, Koorie youth with disabilities and homeless youth. Many of the activities of the LLENs also link education and training provision with local and regional economic development.

Local stakeholders are actively engaging with the LLENs and this is reflected in LLEN membership. Over 4030 organisations are members of their local LLEN and over 600 of these members also participate on LLEN committees of management.

Over 91 per cent of government secondary schools, 85 per cent of Catholic secondary schools and nearly 40 per cent of independent secondary schools are members of a LLEN. All TAFE institutions and a high proportion of ACE providers are also engaged in the LLEN initiative.

Valuable advice has been provided by the LLENs to the Commission and the Department of Education & Training on statewide policy and program issues, including access to school buses, cross-sectoral funding, administrative barriers to pathway options, connecting education and training with industry, relationships with Commonwealth policies and programs, and measuring school effectiveness.

The Commission published a formative evaluation of the LLENs in December 2002. The evaluation identified that, through their role in community building, the LLENs are improving outcomes for young people. It confirmed that the networks are bringing many stakeholders together to develop strategic action on shared initiatives and projects.

In implementing the recommendations of the evaluation, the Commission and the LLENs worked together to ensure that strategic advice provided by the LLENs is captured in post-compulsory education and training planning processes.

The report, LLENs Making a Difference, published in May 2003 by the Commission provided 300 examples of LLEN activities, including examples of increased industry education partnerships, engagement of under-represented and at-risk groups, improved pathways for the new industry-based Victorian Certificate of Applied Learning (VCAL) and support of innovative education and training programs.

The May 2003 VLESC/LLEN Conference, Building Pathways to the Future, attracted substantial interest with over 300 delegates. The conference focused on planning for the future. Keynote speakers were Lynne Kosky, MP, Minister for Education and Training, and the Rt Hon. Estelle Morris, MP, former Secretary of State, Education and Skills, United Kingdom.

On Track

The On Track initiative commenced in 2003. It has funding of $4.8 million over four years. On Track builds on the MIP program, which supports school students to develop individual career plans. On Track follows up school students (both government and non-government) through a telephone survey after they leave school, and offers them assistance if they are not in education, training or full-time employment.

Young people not in education, training or full-time employment at the time of the survey, and who requested further assistance, were referred to local programs and services through the LLENs. (See the Department of Education & Training’s Annual Report 2002–03 for more information on the On Track initiative.)
Managed Individual Pathways

The MIP program has been successfully expanded across schools, TAFE and ACE providers this year. This program focuses on the negotiation of a pathway to continued education, further training or employment for a young person. (See the Department of Education & Training's Annual Report 2002–03 for more information on MIP.)

Coordination with the Commonwealth

Victoria has focused on creating synergies with the Commonwealth programs that further Victoria’s efforts to assist young people to achieve improved educational outcomes.

Following the signing of the Stepping Forward ministerial declaration by State and Commonwealth ministers, Victoria has ensured an effective sharing of information and joint action to enhance pathways for young people.

A key example of this has been the cooperation between Victoria and the federally funded Enterprise and Career Education Foundation. This provided structured workplace learning funds for school clusters and the LLENs across the State. In 14 cases, the clusters have integrated with a LLEN to provide enhanced services for local schools, industry and students.

Improved transport arrangements for post-compulsory students

In 2001, a number of the LLENs highlighted access to transport as one of the major difficulties in increasing engagement of young people aged 15–19 in education and training. Progress in 2002–03 included:

• the Highlands LLEN Youth Bus project piloting the use of spare seats on the free school bus service by young people who attend education and training providers (other than schools) and subsequent implementation with the assistance of the LLENs in a number of areas across the State
• working with the Department of Human Services and the Department of Infrastructure Transport Connections project to ensure that the needs of the post-compulsory cohort were considered by grant recipients
• the Wimmera VET in Schools’ bus transporting 130 rural young people to their VET provider in Horsham. This project is being funded in 2003 through a once-off grant from the Department of Education & Training and contributions from parents, with future funding contingent on evaluation of this program and identification of a sustainable funding source
• a process was implemented to ensure investigation of transport barriers for the post-compulsory cohort will continue during 2003–04.
Program provision

In 2002, registered training organisations provided approximately 514,000 students with over 108 million student contact hours of vocational training and further education. This is an increase of 4 per cent on the 2001 delivery.

In addition, almost 2.5 million student contact hours in personal enrichment programs were delivered to over 91,000 students.

Of this total delivery, government-funded delivery accounted for over 82.8 million of the reported contact hours, an increase of 3.2 per cent on 2001.

In 2002, TAFE institutions delivered over 65 million of the government-funded hours, an increase of 2.6 per cent on 2001. The remaining 17.8 million government-funded student contact hours were delivered by ACE and private registered training organisations.

Over 80.7 million student contact hours of delivery were within the scope of activity covered by the ANTA Agreement.
Government-funded training and further education by provider type, Victoria, 1998–2002

Student contact hours of training and further education by Australian Qualifications Framework level, Victoria, 2002

Participation of persons aged 15–64 in training and further education programs by Victorian regions, 2002
Ministerial Statement on Knowledge & Skills for the Innovation Economy

In June 2002, the Government released the Ministerial Statement on Knowledge & Skills for the Innovation Economy, a comprehensive plan for addressing the future skills requirements for Victoria. Since the release of the statement substantial progress has been made on its implementation.

Reinvigorating TAFE

The Ministerial Statement outlines a series of strategies to reinvigorate the TAFE sector as the public provider of vocational education and training.

Specialist Centres

The statement announced that the Government would provide $5 million in seed funding for Specialist Centres. The Centres give TAFE institutions and other training providers enhanced capacity to deliver specialist training to industry clients, fostering closer relationships between training providers and industry, encourage diversification of training provision and increase the confidence of employers in the TAFE sector.

Fifteen Specialist Centres have been funded and are now operational. The Specialist Centres cover the areas of advanced manufacturing, food processing, printing and graphic arts, creative arts and design, building, hospitality, environmental technology and design, and services to small- and medium-sized companies. Although a number of the Specialist Centres have a strong developmental focus, all are delivering training.

Two feasibility projects concerned with the education and training needs arising from the industrial application of biotechnology and the Australian Synchrotron (particle beam accelerator) being built in the Monash precinct at Clayton were also funded. Specialist Centres may be established in these areas in the future as funds become available.

Design initiative

In the context of the 2002–03 Budget the Government announced funding of $9.2 million over
two years to develop Victoria’s design capabilities in areas such as digital design and automotive/aerospace design.

The initiative included funding for the skills development of secondary school and TAFE teachers, a new design qualifications framework and new design qualifications, and the establishment of a Centre of Excellence in Design.

Skills Development program
A professional development program in Design and Innovative Thinking for TAFE teachers and managers has been established and the support and cooperation of a number of TAFE institutions has been secured for commencement of pilot programs in July 2003.

Arrangements for the funding of five visiting international specialists in design in a number of industries have been finalised. The five overseas specialists will conduct a series of teaching and learning activities with TAFE staff and students.

New design qualifications
New design qualifications are being developed to meet the training needs and interests of two groups of potential students:
• those wishing to become specialist designers, including craft workers seeking design skills
• those wishing to gain a better understanding of design concepts and processes, including those already in technical, marketing or management positions.

The design qualifications framework will incorporate at least three qualification outcomes – for schools, post-trade (Certificate IV) and higher levels (diploma and advanced diploma).

The Victorian Qualifications Authority has responsibility for implementing the new design qualifications. (See the Victorian Qualifications Authority’s Annual Report 2002–03 for more information.)

Centres of Excellence in Design
The design initiative provided funding for two Centres of Excellence in Design, the first being a Centre of Excellence in Digital Design at RMIT called lab.3000.

Established on 1 November 2002, lab.3000 is developing and implementing innovative digital design education and research programs that demonstrate the applications of digital design.

lab.3000 is also undertaking the planning for, and initial implementation of, a broader design precinct. This is to comprise viable design industry clusters and dynamic networks of stakeholders (including developers, manufacturers and users) to implement Victoria’s design and innovation strategy, drive future regional development and provide a range of education programs and research activities.

The feasibility of the second proposed centre, in the automotive/aerospace field, is being tested through a study commissioned by the Department of Innovation, Industry and Regional Development.

The proposed design precinct will provide education programs and research activity and will involve dynamic industry partnerships aimed at creating innovative digital products. The initial program being implemented will comprise:
• Digital Drawcards – a cluster-based seminar and lecture series aimed at identifying and promoting Victoria’s digital design clusters to help establish Victoria as a world leader in design
• Digital Design Careers – an initiative aimed at creating interest and excitement in young people about the educational and career pathways that exist with design as the basis
• Digital Youth Incubator – a program commencing in July 2003 targeting potential early school leavers and young people who have already left school without a qualification, and developing their skills and talent in design areas and re-engaging them with the learning environment by providing links to the rapidly changing computer games industry, animation and other design learning opportunities
• Exhibition and Engagement – a combination of five key marketing and promotional initiatives aimed at raising the profile of digital design and the Centre of Excellence in Digital Design.

New and emerging skills research
As foreshadowed in the Ministerial Statement, the Department is gathering and analysing broader information and research on new and emerging skills, and has begun to undertake the task of obtaining more detailed information in priority areas.

Textile/Fashion student at RMIT (TAFE Division)
Transforming the TAFE institution workforce

This major policy initiative is designed to support the TAFE institutions and the development of the TAFE workforce. It aims to support TAFE institutions to manage and develop their workforces and to ensure that they can attract and maintain a workforce with the necessary capability.

Direct funding to TAFE institutions for workforce development was maintained by the allocation of $3 million in State staff development funds to meet the training priorities determined by individual TAFE providers.

A further $1 million was allocated to upgrade flexible learning skills among TAFE staff as part of Victoria’s participation in the Australian Flexible Learning strategy (LearnScope 2003). An additional $210,000 in grants was allocated under the LearnScope program to staff in adult and community education and private training providers who are publicly funded to deliver TAFE programs.

The allocation of the $4 million to TAFE institutions was undertaken within the performance agreement system whereby individual TAFE institutions contract with the Commission to set and achieve their own workforce training targets.

The Department of Education & Training has begun to implement a statewide three-year workforce development strategy in 2002–03 with an additional $12 million allocated by the Minister for Education and Training.

The TAFE Institution Workforce Working Party has undertaken research in four key action areas: Building Skills, Growing Leadership, Managing the Workforce Strategically and Raising Status.

A Ministerial Advisory Committee on the TAFE Development Centre, chaired by Robert Fordham, was established in late 2002 to undertake extensive consultations with the TAFE sector over a six-month period leading up to a proposal and final report (July 2003). The Centre is expected to be established in the second half of 2003 with five core functions and the role of raising the professional standing of the whole TAFE workforce, including leaders and managers, educators and other staff.

Research conducted by the Working Party and the Committee include investigations of educational qualifications held by TAFE teachers, retirement and replacement rates for TAFE teachers, teacher attitudes to their work, arrangements for industry release, and new leadership development capabilities required by the TAFE sector. This will inform new programs and schemes, many of which will be implemented in the second half of 2003.

Innovation Fund

The Innovation Fund, a priority of the Ministerial Statement, was established to enable TAFE institutions to trial new initiatives in innovation, emerging skills and industries, and leveraged flexible delivery. TAFE institutions were invited to propose innovative projects that they would undertake in 2003 and beyond.

In October 2002, 44 initiatives to a value of $8.5 million across 17 TAFE institutions were endorsed for implementation in 2003 and have been incorporated into the 2003 Performance and Funding Agreements.

VET products for the innovation economy

The Ministerial Statement outlines the goal for VET providers to move beyond standard products and take a new approach to design, development and delivery.

Degrees in TAFE

The Vocational Education and Training (TAFE Qualifications) Act 2003 is the result of a key strategy put forward in the Ministerial Statement to allow TAFE institutions to offer a broader range of training products for individuals and industry.

The Act includes provision for amendments to the Vocational Education and Training Act 1990 to enable TAFE colleges to conduct courses in higher education and to issue higher education awards.

Learning pathways

The new Product Development Fund has been successfully implemented, supporting the development of six degrees and two associate degrees.

The Department of Education & Training has implemented innovative teaching and learning initiatives to develop VET products to support training package delivery, to provide professional development opportunities for trainers, and to enhance partnerships between registered training organisations, industry and the community. These include:

• Additional Delivery advice
• Support for Teacher networks
• Training Package Advisory Service
• development of the Training Support Network website
• training package options for young people
• Assessment Bank for training packages.

Victoria has provided leadership in the strategic development of national, state and cross-sectoral policy advice with the production of the National Implementation Guide. The National Implementation Guide is designed to provide information to assist registered training organisations, teachers, trainers
and assessors in using nationally endorsed industry training packages.

Victoria has contributed to the national debate on generic employability skills, which culminated in the report, Employability Skills for the Future, and is now developing strategic guidelines for delivery.

A Review of the Curriculum Maintenance Managers’ role and function was commissioned by the Department of Education & Training to determine future arrangements for curriculum maintenance and development in Victoria. Stage 1 of the review has been completed and Stage 2 is nearing completion. See Appendix 1 for further information on curriculum maintenance managers.

Lifelong learning
The Ministerial Statement notes the central role of vocational education and training in lifelong learning through entry-level vocational education, training for the existing workforce, and pathways to higher education.

Youth Pathways program
In 2002, over 2000 unemployed early school leavers were re-engaged in education and training through a TAFE Youth Pathways program. Many of these students have low levels of literacy and numeracy combined with high welfare or health needs. The Youth Pathways program provides customised training and education and MIP support.

The aim of the program is to provide approximately six months of training and support to assist young people aged 15–19 years with no formal qualifications to achieve either an employment or further training outcome that is sustained for at least six months after the completion of training.

The program has very positive outcomes. Over half of the students who participated were continuing with their studies or training. Around 30 per cent secured employment, including 11 per cent who successfully obtained an apprenticeship or traineeship.

VCE and VCAL at TAFE institutions
Over the past three years there has been a coordinated effort to increase opportunities for young people who have left school to achieve their Victorian Certificate of Education (VCE) or VCAL.

Two thirds of all TAFE institutions now provide a second chance to young people aged 15–19 years who have left school early but are interested in completing a school qualification through the TAFE VCE pilot program. Students participating in this program receive support and individual pathway plans as part of their education program.

TAFE also actively supports the VCAL. In 2002, two TAFE institutions participated in the VCAL trial. The success of these pilots has resulted in virtually all TAFE institutions offering a VCAL program to over 800 young people in 2003.

Vocational and further education options for young people at TAFE
Over 53,000 young people aged 15–19 years undertook TAFE programs in 2002. This is almost the same as the number of Year 12 students (approximately 50,000) undertaking the VCE in 2002. The TAFE students included almost 10,000 apprentices and over 4800 trainees.

In 2003, two innovative programs for young people aged 15–17 years requiring alternative education options were funded at the Box Hill and South West Institutes of TAFE. These programs focus on providing opportunities for early school leavers to continue in education and improve their career and employment options.

School-based traineeships and apprenticeships
Work continued to address the Commission’s action plan to increase traineeship and apprenticeship pathways for senior school students.

In 2002, almost 1300 school students were doing a part-time traineeship or apprenticeship as part of a school-endorsed program of studies that combined their VCE or VCAL with a nationally accredited training certificate and employment.

The goal is to increase this number to 3000 students by 2005.

Participation rates have increased through the School-Based New Apprenticeship Support program, which has enabled the employment of a statewide network of local coordinators. These coordinators provide information, support and links to employment for students choosing a school-based new apprenticeship pathway.

Other initiatives included a review of guidelines for school-based new apprenticeships and a project to reduce regulatory barriers to participation in this pathway.

VET in Schools
The VET in Schools program provides a broad choice of industries and certificates for school students interested in vocational training.

For many students, the program will involve attending a TAFE institution for vocational training. In 2002, almost one-third of all VET in Schools was provided by TAFE institutions through partnership arrangements.
with schools. The program continued to experience very strong growth during the reporting period.

**Ministerial references**

The Ministerial Statement announced that the Commission would provide more detailed advice on two key issues facing the VET sector in the long term: the development of priorities for public expenditure on vocational education and training in an innovation economy and securing the long-term financial sustainability of the system.

Projected growth and increased demand for vocational education and training will affect financial sustainability. The statement outlines options to address these effects through leveraging greater investment in training from industry and individuals, greater investment from the Commonwealth Government through the next ANTA Agreement, and ensuring public funding for vocational education and training is being directed towards priority skill areas.

**Review of Industry Advice on Training**

The Review of Industry Advice on Training, released in September 2002, set out the key elements of the industry advisory system:

- The Industry Advisory Committee – a small group (comprising prominent representatives of key stakeholders) that reports to the Commission and provides guidance on the strategic directions of the system
- Industry Training Advisory Boards – bodies that act as the representatives of industry
- Industry Relations Unit – a unit located within the Department of Education & Training that manages all aspects of the Commission and Government involvement with Industry Training Advisory Boards and other parties to the system
- Research Program – a coordinated approach to the collection, organisation and analysis of information relevant to training and industry skill needs from a broad range of sources.

In implementing the review, the Department:

- established the State Training Agency Standing Committee, a Committee of the Commission that has subsumed the functions of the Industry Advisory Committee
- implemented performance agreements for the State Industry Training Advisory Boards’ network and commenced activities that will contribute to their long-term viability and further enhance the future contribution of industry advice
- reviewed the Industry Relations Unit within the Department, resulting in realignment of the structure and functions of the Unit to better respond to the requirements of the new industry advisory system
- designed and implemented a comprehensive research program that drew on the input of a far broader range of stakeholders than in the past to develop future policy and planning for vocational education and training.

**Establishing priorities for vocational education and training**

In December 2002, the Commission endorsed a Framework for Assessing Demand and Establishing Priorities for VET in Victoria. The Framework provides a structure to the processes used for assessing demand and establishing and implementing priorities for skills development in Victoria. The Framework is designed to balance individual, industry and community needs and provide a basis for achieving systemic change through collaboration with key stakeholders. The Framework has three elements:

- a research program that included analysis of quantitative and qualitative data and strategic dialogues with key stakeholders
- strategic priority-setting processes that include developing relationships across industry, community and other government department stakeholders
- resource allocation processes and dialogue with providers.

In May 2003, the Commission endorsed a proposal on how to establish priorities for government-funded vocational education and training in Victoria. The proposal establishes a set of principles for prioritising Government expenditure. It also provides criteria for assessing demand and supply to make decisions about priorities for vocational education and training. The principles and criteria are consistent with the Government’s goals and targets for education and training.

The principles and criteria have been applied to the analysis of training demand and supply undertaken through the research program to identify macro-level priorities for Government expenditure on vocational education and training.

Forty-eight priority reports have been produced by applying the principles and criteria for determining priorities – one on each industry sector in the Victorian workforce. The reports provide a detailed assessment of demand within the industry sectors using the following identifiers.

- High priorities: the principal targets for government-funded training. Training demand assessed against the criteria as having a significant impact on critical skill needs in the industry sector and providing pathways into employment primarily for youth.
• Medium priorities: other training that is eligible for Government funding. Training demand assessed against the criteria as having an impact on skill needs in the industry sector and providing pathways into employment primarily for mature-age workers.

• Low priorities: Training demand assessed against the criteria as not aligned with the skill needs of industry or the community.

The priority reports will inform:
• the Department of Education & Training Annual Purchasing Plan
• arrangements for managing demand for apprenticeships and traineeships
• workforce and capital infrastructure planning process.

Stakeholder input is a critical element of the framework. Approximately 200 representatives of VET providers, Industry Training Advisory Boards, employer and employee associations, LLEns, Adult, Community and Further Education Regional Councils and Government agencies took part in dialogues and a large amount of valuable feedback was received.

Industry Liaison Agents

As an initiative of the Ministerial Statement, Industry Liaison Agents were established to stimulate demand and promote the delivery of manufacturing training to small- and medium-sized enterprises.

The Department of Education & Training sought tenders from organisations with a commitment to, and understanding of, the training needs of such enterprises. Seventeen applications were received and six organisations were recommended for funding of $1,710,453 for 2003 and 2004.

A new approach to financing skill development

A key objective outlined in the Ministerial Statement involves the Commission developing a series of options to improve the long-term financial sustainability of the VET system in the context of increased demand for vocational education and training and high projected growth. The Statement requested that the Commission provide advice to the Minister for Education and Training on strategies to secure long-term sustainable financing arrangements for vocational education and training in Victoria.

The Commission is currently considering an options paper prepared by the Department of Education & Training and is expected to provide advice to the Minister later in 2003.

Purchasing arrangements

TAFE institution profiles

TAFE institution profiles detail the training to be purchased by the Government from TAFE institutions on an annual basis. Over $526 million worth of training was purchased through the profile process in 2002–03. The profiles in 2002 included minimum provision for total training delivery, training in apprenticeships and traineeships, training for Koories, training in correctional settings, and training related to Government policies that address statewide and regional skill shortages and community needs.

In 2003, the annual performance agreements and training profiles of institutions were converted to three-year agreements to provide organisations with a longer planning timeframe and to allow institutions to respond to the Ministerial Statement. Institutions were also given the flexibility to divert a small proportion of their training profile and associated funding towards innovation projects for the 2003–05 period. A new approach to negotiating training profiles was established through the use of dialogue teams and the removal of mandatory minimum delivery levels within the profiles.

The profile arrangements also included targets negotiated with individual institutions to:
• increase the number of 15–19-year-old students enrolled (who have left school) compared to 2001
• increase the participation rate of 15–19-year-old students in rural and regional Victoria by 6 per cent by 2005
• increase the level of fee-for-service activity as a proportion of total revenue between 2002–05
• improve the module completion rate for Koorie students by at least 10 per cent where the institution’s rate was 57 per cent or lower in 2001.

Apprenticeship and Traineeship Training program

The Apprenticeship and Traineeship Training program funds the delivery of training for apprentices and trainees by private registered training organisations. Funding under the program is given for delivery of an approved training scheme to apprentices and trainees who sign their training contracts within three months of commencing employment as full-time employees (12 months for part-time employees).

In May 2002, registered training organisations were invited to submit expressions of interest for the delivery of training to apprentices and trainees for
the period 1 July 2002 to 31 December 2002. The expression-of-interest process was open to all registered training organisations, with the exception of Victorian TAFE institutions.

Registered training organisations were awarded an ‘entitlement’ to deliver training to a set number of apprentices or trainees. The size of the entitlement was based on the number of apprentices and trainees that the organisation had trained in their previous contract. Organisations not previously funded under the program were each offered a maximum of 15 places for the specified period, subject to being able to substantiate their financial viability.

A similar expression-of-interest process was announced in late 2002 for the allocation of funds for training delivery in 2003. In keeping with Government priorities, a key component of the 2003 program was the allocation of training places for the delivery of integrated school-based new apprenticeships – apprenticeships and traineeships undertaken as an integral part of a student’s VCE or VCAL. Under these arrangements, private registered training organisations were encouraged to sign up school-based new apprentices and trainees in excess of their entitlement.

Priority Education and Training program

The Priority Education and Training program funds the delivery of training to boost the skills base essential to the continued growth and development of regional and metropolitan Victoria. The training purchased through the program is based on priorities developed in the context of the Victorian Government policy framework, including an emphasis on:

- information and communication technology
- manufacturing
- frontline management
- regional and rural skill needs
- social development.

The program guidelines include a requirement that at least 35 per cent of funds be for training delivery in non-metropolitan Victoria.

The Priority Education and Training program in the calendar year 2002 had a budget of $14.5 million and concluded in December 2002. More than 2.2 million student contact hours were delivered through nearly 14,000 course enrolments.

The 2003 Priority Education and Training program, with a $12.5 million budget for the purchase of training from private registered training organisations in 2003, was announced in August 2002. A total of 1824 submissions, valued at $75.22 million, were received from 178 organisations.

Consistent with a key strategy identified in the Ministerial Statement to increase investment from the private sector in vocational education and training, emphasis was given to an industry contribution as a selection criterion. The total value of industry contributions for the approved submissions was $970,000. This facilitated the purchasing of an additional 155,000 student contact hours above that identified in the purchase schedule and increased the total value of the training purchased to $13.3 million.

As a result of the application process, 128 providers were offered funding under the program for 2003. Priority areas for purchasing included programs for persons with disabilities, Koories, disengaged youth (15–19 years), and further education programs and training to meet industry priorities.

Apprenticeships and traineeships delivery

There was strong growth in apprenticeships and traineeships in Victoria in 2002. By the end of 2002, the number of new employees commencing apprenticeships and traineeships increased by over 8 per cent to 61,263 and the total commencements increased to 85,915.

VLESC sponsors the Outstanding Student of the Year Award for an Apprentice. The winner of the 2003 Award (Apprentice) was Hampton plumber Chris Malcolmson.
Completions of apprenticeships and traineeships by new employees increased marginally by over 1 per cent to 21,802. Total completions increased by 9 per cent to 27,231.

The number of new employees in training as apprentices or trainees increased by nearly 21 per cent to 100,273 as at 31 December 2002. All apprentices and trainees in training increased by approximately 28 per cent to 142,798.

Growth continued in 2003. Almost 31,992 new employees took on an apprenticeship or traineeship between January and June 2003. In total, there were 46,405 commencements in this period. The number of new employees in training in June 2003 was 101,257, almost 10 per cent higher than in June 2002. When existing employees are included, the number in training increases to 147,994, an increase of over 16 per cent compared to the same period in 2002.

To address low commencement numbers in the building and construction industry, funding was provided for careers promotion project officers with the Master Builders Association of Victoria and the Construction, Forestry, Mining and Energy Union. During the funding period commencements for the industry have increased by more than 20 per cent.

The manufacturing industry was assisted with a major project to address skill shortages, and seasonally based traineeships were facilitated in local government and for the Alpine regions.

Management and regulation of apprenticeship and traineeship programs

These functions are managed by the Department of Education & Training under delegation, and include responsibilities for the:

- creation of approved training schemes
- registration and monitoring of training contracts
- investigation of complaints and disputes
- operations of associated programs.

During the year substantial progress was made towards the integration of State and Commonwealth apprenticeship and traineeship database functions. It is anticipated that early in 2003–04, new apprenticeships centres will commence data entry of new training contract details, enabling staff at the Apprenticeship Administration Branch to focus more on quality assurance issues.

The 2003–04 State Budget announced the withdrawal of the pay roll tax exemption for employers of apprentices and trainees and also the introduction of a Completions Bonus.

An external audit of complaint investigation processes produced highly satisfactory outcomes, with only minor matters identified for attention. Field officers have also been involved in responding to complaints and strategic industry audit programs.

Victoria continued to play a major role in Commonwealth–State working groups addressing administrative and other barriers to the take-up of new apprenticeships, and is progressively implementing the outcomes of those negotiations. A revised version of the National Training Contract is to be adopted during 2003–04.

Approved training schemes

The Commission established over 170 additional apprenticeship and traineeship pathways during the year. Most of these pathways offered qualifications based on the national training packages. These pathways covered industry sectors including health, local government, correctional services, furniture making, transport and distribution, printing and graphic arts, pulp and paper-making, conservation and land management, and hospitality. Enterprise-based pathways included manufacturing operations qualifications for Kodak.

New rules and definitions for integrated school-based new apprenticeships were introduced during the year.
Engineering Action plan
In 2002, the Commission endorsed the Engineering Action plan to stem the decline in public provision of engineering training. Five projects have commenced to contribute to an improvement in engineering enrolments in TAFE institutions.

Fresh Start
The Fresh Start program was established in 1996 as a response to the increase in reported incidences of workplace violence and harassment against apprentices.

The objectives of the program are to:
• encourage the reporting of workplace violence
• take action against those employers engaging in these practices
• assist apprentices subjected to abuse to successfully complete their vocational training, usually through placements with group training organisations.

In 2002–03, 24 cases of workplace violence and harassment were recorded. While this was one more than in 2001–02, 21,000 additional apprentices and trainees were in training. Of these, 13 apprentices were placed in positions, found their own work, or were offered alternative employment. In addition, four apprentices returned to their employer and seven left the trade. Approximately 40 per cent of complaints received were accompanied by other complaints, usually concerning wages, quality of training, conditions of employment and unfair dismissals.

Nine employers had their approval to train withdrawn and, in another nine cases, measures were implemented to prevent any recurrence of workplace abuse of apprentices.

Occupational licensing
Victoria has continued to participate in working groups addressing occupational licensing issues at the national level. This includes a specific working group addressing national occupational health and safety competencies within training packages and participation in the national email newsletter Licensing Line. A national licensing project aims to integrate, as far as possible, the attainment of a TAFE qualification with the relevant occupational licensing outcome and to provide a role for licensing bodies in training package development and review and in strategic industry audits.

In conjunction with the Victorian Plumbing Industry Commission, Victoria played a major role in facilitating agreement by the National Plumbing Regulators Forum and industry representatives to the finalisation of the Plumbing National Training Package.

There is ongoing liaison with other Victorian occupational licensing bodies on issues related to quality assurance and audit of TAFE delivery in related qualifications.

Enterprise and Leverage Training programs
The Enterprise and Leverage Training programs provided $4 million in funding for 25 projects in public and private organisations to support changes in workplace culture and leveraged initiatives linked to Government priorities across the manufacturing, automotive, food processing, agriculture, construction and computer animation industries.

VCAL student at McPherson’s Printing Group, Maryborough
Quality in apprenticeships and traineeships

A number of initiatives to support quality in apprenticeships and traineeships were launched.

- The establishment of the Partners for Quality program to develop, showcase and promote the quality of apprenticeship and traineeship delivery. The program funded 16 projects to develop models for training manuals, teaching and learning resources and assessment guides. The projects are being assessed for dissemination in 2003.
- The implementation of a national training contract, which replaced training agreements, from 1 January 2002.
- The implementation of the Organisational Review of the Apprenticeship Administration Branch to achieve a more efficient processing of training contracts.
- The redevelopment of the DELTA database (of apprentices, trainees and their employers) to prepare for single point-of-data entry through new apprenticeships centres, and to provide access to the database for private registered training organisations.
- An increase in the number of Apprenticeship Field Officers.

Regular liaison with the Commonwealth Department of Education, Science and Training, new apprenticeships centres, schools, industry associations, group training organisations and employee associations ensured stakeholders were aware of, and understood, regulated training policies and programs.

Administration and field services

A telephone advisory service and apprenticeship field officers continued to deliver quality field services in the context of increasing participation rates in apprenticeships and traineeships.

In addition to the normal regulatory tasks, there was a focus by field officers on the achievement of quality training outcomes, including involvement with individual and strategic industry audits. An independent internal audit by Stockford Limited was commissioned to examine the process for administering and handling apprentices’ complaints. The final report was positive in all aspects and the findings of the audit were accepted.

Group training

Victoria provided funding to Group Training Australia (Victoria) to assist group training organisations to prepare for the national standards audits. New national standards were implemented from 1 January 2003. An initial set of audits was conducted against the standards for 33 such organisations, with the majority found to be highly compliant. In future only group training organisations that meet the national standards will be eligible for group training organisation-specific funding.

Victoria participated in the continuing work under the auspices of ANTA on a new funding model for group training. The new model and funding principles are expected to be effective from 1 July 2004.

The Joint Group Training funding provided $5 million of matched State and Commonwealth government funding assistance to 23 group training organisations during 2003–04. These funds are used to reward these organisations for commencement, progression and completion outcomes, with increased payments being made for outcomes against managing diversity and other equity groups and for school-based new apprenticeships.

As part of 2003–04 Budget decisions to withdraw pay roll tax exemptions and implement a completions bonus, the Departments of Education & Training and Treasury and Finance addressed a number of implementation issues and introduced a parallel group training employment support scheme for not-for-profit group training organisations. This comprised transitional payments to assist group training organisations to become employment agents, negotiating matters relating to pay roll tax applicability for periods of down time, annual leave and training time, and additional completions outcomes payments.

Further education

In Victoria, further education programs include Language and Literacy and Basic Education programs, Adult VCE and General Preparatory programs. Further education can be defined as adult education that provides the basic educational foundations necessary for employment, retraining, further study and other forms of participation. The Vocational Education and Training Act 1990 defines further education as ‘that part of technical and further education which is not vocational education and training and which is not provided or offered by a university or autonomous college’.

Further education offers adults the opportunity to complete the equivalent of a full secondary education when, for a variety of reasons, they have not done so. Further education also supports and enables people to return to study, training or employment by assisting them to develop foundation and generic skills needed for these pursuits.

Government funding for these programs is allocated through the TAFE institutions’ profile process, the Priority Education and Training program and the Adult, Community and Further Education Board.
Further education programs are responsive to individual demand and represented over 19 per cent of government-funded training and further education for 2002. In 2002, over 16 million student contact hours of further education were delivered in Victoria from all funding sources, and over nine million student contact hours of further education were delivered from funds managed by the Victorian Government.

Further education is different from the ACE industry sector reported on page 17. Further education is classified at the module level and includes all modules that provide basic education foundations across all industry sectors. The ACE industry sector is classified at the course level.

### Training and further education opportunities

#### Small Business Development program

Registered training organisations were invited to submit applications to deliver innovative and responsive training programs to small businesses by fostering stronger links between providers and small businesses. A budget of $1 million was allocated for this program.

Fourteen providers from across Victoria were successful in securing funding: six TAFE institutions, six ACE Centres and two private registered training organisations.

#### Marketing opportunities

During 2002–03, high-quality promotional initiatives, directed at increasing participation in and awareness of the diverse education and training opportunities available throughout Victoria, included the following.

- **Publications**
  - *Success*, a quarterly newsletter that highlights excellence in all areas of vocational education and training across Victoria, was forwarded to over 13,000 businesses, training providers and community organisations.
  - The *TAFE Courses Directory 2003* provided course information on all TAFE institutes, universities with TAFE divisions and registered training organisations.

- **TAFE Course Line**
  The TAFE Course Line assisted with more than 47,000 enquiries on accredited and short courses conducted by TAFE institutions and private training providers.

### TAFE institution infrastructure

#### Information and communication technology infrastructure investment

The Department is integrating hardware, communications and software into infrastructure development projects to better align student needs to training programs. Bandwidth connection to TAFE institutions and local area networks is being enhanced.

During 2002–03, the three-year ICT Infrastructure program for improved bandwidth, for which $19 million was allocated, was completed. This has resulted in major improvements in the performance and reliability of the internal networks of TAFE institutions.

A new $1.5 million ICT project is being funded by the Department of Education & Training and project-managed by Central Gippsland Institute of TAFE to connect all participants of the Gippsland Education Precinct. Scheduled for completion in December 2003, this project will result in a very high-speed ICT hub connecting TAFE institutions, group training organisations, secondary schools and Monash University. It is expected that the flexible modes of learning and improved pathways arising from the use of this technology will result in enhanced learning opportunities for students and significant professional development for teachers.

### Awards

A number of awards programs were held to promote and celebrate education and training in Victoria, including:

- Victorian Training Awards, which celebrate and reward excellence in the Victorian training sector
- Adult Learners’ Week Awards, which recognise excellence in Victoria’s ACE sector.

#### Promotional events

Significant events, such as TAFE and Adult Learners’ weeks, were also successfully conducted to increase participation and awareness of education and training opportunities. Attendance at key career expos across the State was high.
Capital planning
Planning for TAFE capital works was based on the Ministerial Statement. Resources will be directed towards the initiatives outlined in that Statement. Guidelines were established and circulated to TAFE institutions.

Funding was allocated towards maintaining the asset base of TAFE institutions, refurbishing infrastructure for training delivery, constructing new projects, and property acquisition and disposal.

Revised Department of Education & Training guidelines for all new capital work projects were subject to more stringent assessments. Projects now undergo an extensive planning phase before any consideration is given to advancing the project to construction.

New projects
The 2002–03 Victorian Budget announced a total of $16.7 million in new capital works. Of significance were the allocations to the Automotive Centre of Excellence at the Docklands precinct for Kangan Batman Institute of TAFE, the Primary Industries and Production Training Centre at Northern Melbourne Institute of TAFE’s Epping campus, and the Food Technology Centre at Wodonga Institute of TAFE.

A number of property acquisitions and asset sales were finalised during 2002–03. The acquisitions included:

- purchase of land on Bullock Island at Lakes Entrance to allow the construction of the Marine and Research Centre jointly managed by East Gippsland Institute of TAFE and RMIT

Commonwealth-funded projects announced for construction in 2003 totalled $13.9 million. These projects included:

- installation of a lift for disabled students at Box Hill Institute of TAFE
- refurbishment of the Multicultural Education Centre at the Fryers Street campus of Goulburn Ovens Institute of TAFE
- construction of a new teaching and administration centre for the Driver Education Centre of Australia at Altona North
- development of the Fashion Centre at the Richmond campus of Kangan Batman Institute of TAFE
- refurbishment of the Engineering Training Centre at RMIT
- construction of a new Horticulture Workshop (incorporating environmentally sustainable design features) at Swinburne University of Technology (TAFE Division)
- rationalisation of two food science laboratories at William Angliss Institute of TAFE.

TAFE capital works projects
Projects completed in 2002–03
State-funded projects

- Refurbishment of the Central Business District headquarters of the Centre for Adult Education ($4.7 million)
- Various asset upgrades at the Yallourn campus of Central Gippsland Institute of TAFE ($4.9 million)
- Planning for new and replacement facilities for Chisholm Institute of TAFE ($1.9 million)
- Fit-out and relocation of the Industry Skills Department at the Chadstone campus of Holmesglen Institute of TAFE ($1.6 million)
- Establishment of a Flexible Learning Centre at Malcolm Creek, Craigieburn for the Kangan Batman Institute of TAFE ($1.6 million)
- Establishment of a Fashion Industry Centre at the Brunswick campus for RMIT ($1.3 million)
- Refurbishment of the ground floor of the Beanland building at the Footscray campus of Victoria University of Technology ($1.2 million)
• Construction of a Lecture Theatre and Confectionery Centre for William Angliss Institute of TAFE ($0.95 million)
• Construction of the Flexible Learning Technology Centre at Glenormiston for the Institute of Land and Food Resources ($0.9 million)
• Refurbishment of the library at the Wodonga campus of Wodonga Institute of TAFE ($2.7 million)
• Establishment of Cyber Centre Stage 2 and administration facility for William Angliss Institute of TAFE ($0.4 million)

ANTA-funded projects
• Relocation of the Centre for Building and Construction to the East Geelong campus of the Gordon Institute of TAFE ($6.6 million)
• Establishment of a new transport, warehousing and distribution facility at the Broadmeadows campus for the Kangan Batman Institute of TAFE ($3.8 million)
• Asset refurbishment at the Preston campus of Northern Melbourne Institute of TAFE ($4 million)

Projects under construction

State-funded projects
• Development of the Elgar Road campus for Box Hill Institute of TAFE ($6.5 million)
• Refurbishment of the Koorie Educational Centre at the Bairnsdale campus of East Gippsland Institute of TAFE ($0.5 million)
• Construction of Forestech – Stage 2 at Bairnsdale for East Gippsland Institute of TAFE ($0.9 million)
• Construction of the Marine and Research Centre on Bullock Island, Lakes Entrance for East Gippsland Institute of TAFE and RMIT ($4.0 million)
• Development of a Koorie Learning Centre at Broadmeadows for Kangan Batman Institute of TAFE ($1.2 million)
• Establishment of the Australian College of Wine at Aradale and Yarra Glen for Northern Melbourne Institute of TAFE ($7.4 million)
• Development of a new campus at Swan Hill for Sunraysia Institute of TAFE ($4.0 million)
• Construction of the Land and Water Science Centre at Mildura for Sunraysia Institute of TAFE ($2.8 million)

ANTA-funded projects
• Commencement of work at the former Fairfield Hospital site for the establishment of a campus of Northern Melbourne Institute of TAFE ($21.5 million)
• Relocation of dental programs to the new Royal Dental Hospital in Swanston Street Carlton for RMIT ($5.7 million)
• Refurbishment of Building 56 to deliver engineering technology programs for RMIT ($4.9 million)
• Stage 1 development of the Warrnambool campus for South West Institute of TAFE ($7.5 million)
• Stage 2 development of the Warrnambool campus for South West Institute of TAFE ($6.3 million)

Asset management
A new electronic Facilities Management Information System for TAFE institutions became operational and is now being implemented in all institutions. This system features a database that records all TAFE facilities and their condition and compliance with building regulations. This information will assist in developing better planning for capital investment, identifying the facilities to upgrade to optimise use of space and planning to reduce the maintenance backlog. The benefits are reorganisation of TAFE delivery and optimal capital costs of delivery.

In 2002–03 surplus assets were sold. These included a portion of land at the Avondale Heights campus of Kangan Batman Institute of TAFE and the former Melbourne College of Textiles. The proceeds from these sales will be reinvested in the TAFE system.

National arrangements
The national VET system operates on the basis of a joint partnership between the Commonwealth, States and Territories. Under this arrangement, the States and Territories retain responsibility for their own training systems and are accountable to the ANTA Ministerial Council on matters of national policy. The Commission:
• as the State training agency, ensures that Victoria’s strategic directions are reflected in national policy settings
• provides policy advice and information on training needs and the funding implications of these needs in consultation with all interested stakeholders
• develops detailed State Training Profiles based on the National Strategic Plan and agreed planning parameters
• ensures that the management of the State Training System, including the planning, regulation and provision of public and private training at State and Territory levels, is in accordance with the National Strategic Plan and agreed State Training Profile
• reports on performance annually to enable the compilation of an annual integrated report.

ANTA Agreement
At the ANTA Ministerial Council meeting, which was held on 13 June 2003, Ministers agreed to develop a forward-looking new ANTA Agreement that reflects
national priorities for vocational education and training agreed collectively by Ministers. The new ANTA Agreement will also reflect growth in vocational education and training and the new national VET strategy and deliver improved outcomes for employers, individuals and communities.

National strategy for vocational education and training

The Australian National Training Authority (ANTA) Act 1992 requires the ANTA Board to develop a draft national strategic plan for the VET system within the framework of national goals, objectives and priorities established by the Ministerial Council.

The ANTA Board invited stakeholders to consider the future of vocational education and training. Stakeholder and regional forums were held across Australia to provide input into the strategy. Forums were held in Bendigo, Traralgon, Melbourne and Wodonga.

A vision, four objectives and 12 strategies were endorsed in principle at the Ministerial Council meeting in June. An action plan and key performance measures to implement the National strategy will now be developed.

Training packages

Training packages describe the skills and knowledge needed to achieve a qualification. The standards that underpin the qualification specify the skills and knowledge necessary to work effectively in particular industries.

ANTA funds the development of training packages through national industry training advisory bodies. States and Territories are consulted and provide advice to ANTA as part of the development and endorsement process. State and Territory Ministers responsible for vocational education and training endorse each training package, generally for a period of three years, following agreement by the National Training Quality Council.

There are currently 70 endorsed industry training packages and nine enterprise training packages. Fifteen packages have been fully reviewed, while 41 are currently being reviewed.

Victoria is contracted by ANTA to develop training package implementation guides for national use. The guides address issues such as transition arrangements, relationships between existing curriculum and new qualifications, apprenticeship and traineeship pathways, and the nominal duration of units and qualifications.

During 2002–03, the Department of Education & Training facilitated the development and endorsement of nine new training packages and reviewed 12 training packages.

Programs to further assist registered training organisations in implementing training packages in metropolitan and regional Victoria were implemented during 2002–03. They included:

- a purchasing guide and additional delivery advice
- funding support for teacher networks
- a training package advisory service managed by the curriculum maintenance managers.

A full list of training packages implemented in Victoria and further information on the programs is available through the training support network website <http://trainingsupport.otte.vic.gov.au>.

Training packages endorsed 1 July 2002 – 30 June 2003

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Source: Department of Education & Training
2002 Annual National Reports

States and Territories are required to report on their achievements against planned activities in response to the agreed Annual National Priorities outlined in the Annual VET Plan endorsed by the ANTA Ministerial Council in the previous year.

The 2002 Annual National Report Volume 2 included additional information on:
- relative efficiency
- effectiveness of the operation of the AQTF
- implementation of training packages and the extent to which registered training organisations are using training packages to respond to clients’ needs at the local level
- additional VET activity achieved under the Australians Working Together – Helping People to Move Forward package.

The 2002 Annual National Report Volume 3 is currently being finalised.

2003 Annual VET Plan

The 2003 Annual VET Plan was endorsed as part of the Report on Directions and Resource Allocation for 2003 at the Ministerial Council meeting on 15 November 2002. The plan outlines:
- the proposed actions against the outcomes of the 2003 agreed Annual National Priorities and key result areas
- activity and funding tables
- progress against annual national priorities and key result areas for 2002
- an innovation strategy
- 2003–05 Strategic Infrastructure Management Plan
- user choice compliance details
- funding of new apprenticeships in training
- language, literacy and numeracy funding

Innovation in teaching and learning

International education

The delivery of education and training services to overseas markets continues to increase Victoria’s fee-for-service revenue and export growth. In Victoria there are 108 registered training organisations, including 19 TAFE institutions, approved to deliver training to overseas students. Over 700 courses are offered to an increasing number of overseas, full...
fee-paying students. Victoria’s growing international reputation generated increased interest from international delegates seeking to understand more about Victoria’s vocational education and training system. International Training Australia (ITA) continues to represent the Victorian TAFE sector in large international projects. Overseas contract work that ITA has managed in project activity is now valued in excess of $60 million. In association with Victorian TAFE providers, ITA works directly with governments in Vietnam, Indonesia, Malaysia, Thailand, China, Saudi Arabia and the Philippines. It also undertakes direct training projects throughout South-East Asia and the Pacific, and continues with a number of industry and institutional strengthening projects in Malaysia, China, Samoa, New Caledonia, French Polynesia and Vanuatu.

In the past year ITA continued to provide opportunities for staff development through job placement and the participation of institute staff in the compilation of project bids for both small and large projects. Over 100 personnel from across the Victorian TAFE system have participated in ITA projects since ITA’s inception in 1995.

The International Division, Department of Education & Training, has responsibility across the Department for the management of international education. (See the Department of Education & Training’s Annual Report 2002–03 for more information.)

VET Planning and Research Network

The VET Planning and Research Network supports practitioners who engage with strategic planning and research in the field of vocational education and training.

Members include public practitioners in TAFE institutions and private training providers, government departments, industry training advisory bodies, employer organisations, unions and university academics who do VET-focused research.

The network holds regular forums to showcase new research, facilitate communication about planning and research issues and share ideas and strategies.

Four forums were conducted in the past year. These addressed issues of using data for planning; the future of VET practice; VET and innovation; generic skills; and analysis of regional and community engagement with labour markets, education and training.

Managing diversity

The Managing Diversity policy applies to all government-funded providers and other agencies of the State Training Service, and Adult, Community and Further Education Regional Councils. Through the framework for managing diversity, providers have developed practices to address the training needs and to improve outcomes and employment prospects for disadvantaged groups and people living in rural and remote areas. Initiatives in 2002–03 included:

- supporting the implementation and report on annual Managing Diversity plans by TAFE institutions
- an analysis of Managing Diversity plans and their implementation in the Victorian TAFE sector
- establishment of a Managing Diversity Reference Group to suggest areas for refinement and improvement.

Koories

The Wurreker Strategy is being implemented progressively in 2003. Consistent with Partners in a Learning Culture, the national strategy for Aboriginal and Torres Strait Islander people in vocational education and training, Wurreker was developed to ensure that Koorie communities are involved in decisions about the planning and delivery of training and that TAFE delivery and support services respect Koorie culture and value the needs and aspirations of individual Koorie students.
Support for initiatives to date include the development of:
• a resource for management training for Koorie managers and coordinators
• a TAFE Pathways database, which was developed to identify and map pathways between accredited courses where the curriculum and delivery strategies have been customised to meet the needs of Koorie students.

Current initiatives include the development of:
• an information card on TAFE for Koories
• a Koorie website, to assist in the provision of TAFE to Koorie students through the provision of easily accessed communications and information-sharing systems.

The Victorian Aboriginal Education Association Incorporated was funded to provide advice on Koorie training needs, develop an annual training plan and promote Indigenous training in Victoria.

Funds were provided to support the employment of 14 Koorie Liaison Officers in TAFE institutions. Approximately $12 million was allocated to support Koorie-specific training delivery and enrolments of Koories in mainstream training. Funds were also provided for additional support services for Indigenous learners in TAFE programs, including community capacity-building projects. Funding of $500,000 was allocated through the Priority Education and Training program to resource the delivery by private providers of accredited training for Koorie students.

People with disabilities
A major feature of 2002–03 was the implementation and monitoring of Bridging Pathways, the national strategy for increasing opportunities for people with a disability in vocational education and training. This involved the development of the Disability Agenda, Victoria’s implementation plan for 2003–05.

Funding of $1.7 million was allocated through the Disability Support Fund (Department of Human Services funding) to assist TAFE institutions to meet their obligations under the Disability Discrimination Act 1992.

Funding was allocated through the Priority Education and Training program to resource the delivery by private providers of accredited training for people with a disability.

Specific projects to improve participation and outcomes for people with disabilities to date included:
• production of a professional development resource that identifies key success factors for people with a disability making the transition from vocational education and training to employment

Women
Specific initiatives to improve women’s access to training and further education included:
• development and dissemination of strategies to improve training and employment opportunities for women, with particular focus on regional locations
• reports on the ongoing implementation of the Victorian Government’s Forward Plan for Women: Valuing Victoria’s Women, which details strategies to be undertaken across and between departments for the period 2000–03
• development of partnerships with industry to raise awareness of the opportunities for women in non-traditional industries
• support for the development of educational programs that meet the particular needs of women in rural and regional Victoria
• development of training and support programs to assist women re-entering the workforce
• provision of funding to the Access Training and Employment Centre to provide advice on training needs and opportunities for women, particularly in emerging and non-traditional industries.
Participating in a multicultural society

VET providers have a central role in equipping young people and adults from culturally and linguistically diverse backgrounds with English proficiency and the vocational skills they need to function effectively in the workforce and in society, and to proceed to more advanced levels of education and training.

TAFE institutions provide a range of language services including English Language Intensive Courses for Overseas Students, as well as opportunities to learn languages other than English.

Statistical information is submitted by all providers recognised by the Commission in accordance with the Statistical Submission Guidelines issued by the Department of Education & Training. These guidelines incorporate the Australian Vocational Education and Training Management Information Statistical Standard, which provides a framework and definition for statistical information items. Information normally collected by training organisations via a standard question on the enrolment form includes:

- country of birth
- main language spoken at home
- proficiency in spoken English.

Flexible Learning Strategy

The Department’s Flexible Learning Strategy: Towards a Learning Society, and Skilling Victoria for the Information Age are critical strategies for meeting the Government’s goals and targets for education, with a particular focus on young people, rural and regional Victoria and promoting universal participation in post-school education and training. The three goals of the Flexible Learning Strategy are to:

- develop widespread technological literacy and encourage lifelong learning
- provide effective relevant and accessible vocational learning options to all Victorians
- ensure Victorian TAFE and ACE personnel are in the best position to realise the potential of online learning.

TAFE VC

An initiative of the Flexible Learning Strategy, the TAFE Virtual Campus (TAFE VC) is a major vehicle for the provision of e-learning in Victoria. It provides information and a learning environment for students, teachers and employers who wish to gain or upgrade skills through increased and more flexible access to TAFE programs.

The TAFE VC also provides a free service for all Victorians to increase their skills and knowledge in information and communication technology (ICT). The TAFE VC’s high level of accessibility means that it is available to all learners and potential learners of the VET system. Currently there are 1200 individuals registered.

Since July 2002, there has been a large increase in the usage of the TAFE VC. In 2003, 119 providers used this platform for training delivery, an increase from 90 in 2002. Student numbers (registered users) increased from 25,469 to 58,387, while 4350 units/modules were being delivered compared to 2480 in July 2002.

A new portal was designed to enable easier access to information on the TAFE VC and was launched on 13 April 2003. The new portal can be viewed at <www.tafevc.com.au>.

Information and communication technology infrastructure funding

A success factor in achieving the goals of the Flexible Learning Strategy for TAFE in Victoria (released in 2000) is the development of an appropriate technology infrastructure within the State Training System.

A total of $19 million has been allocated over three years to improve ICT infrastructure across all Victorian TAFE institutions. In 2002–03, the second round of funding ($7 million) was distributed to TAFE institutions to improve the bandwidth and electronic services provided to staff and students by upgrading and standardising the ICT infrastructure. Particular attention was given to extending and improving Local Area Networks to a core backbone of Gigabit standard, and Wide Area Networks to a standard that will enable delivery of core administrative and educational applications across campuses.

Notebook computers for teachers

In 2002, the Notebook Computers for TAFE Teachers Professional Development and Trainer program continued to be delivered to TAFE institutions. Over 1100 TAFE staff participated in the program, which has been central to the progress towards achievement of ICT literacy and fluency targets across the sector.

Throughout 2002 and the first half of 2003, resources were produced to support the delivery of two ICT units, Operations and Concepts and ICT – Applications for Teachers, including comprehensive manuals developed specifically for the units and web-based information and tools accessed via the ICT Professional Development site on the TAFE VC.

Flexible Learning Networks

Flexible Learning Networks are cooperatives of education providers working together at a community level to provide flexible options for lifelong learning.
via the TAFE VC. Flexible Learning Networks improve participation in education and training by providing a supportive environment with a particular focus on disadvantaged groups. In 2001–02, 11 Flexible Learning Networks were funded, with training organisations forming partnerships with community providers, industry groups and enterprises that span metropolitan and rural and regional Victoria. A review of the outcomes of the networks is currently in progress.

**TAFE Frontiers**
TAFE Frontiers is funded by the Department of Education & Training to work with training providers to increase flexibility in the provision of TAFE programs in Victoria. TAFE Frontiers provides services and products to support and develop flexible learning, including online delivery by training providers. The services include strategic planning, promotion, research, professional development and evaluation. The products include online and multimedia learning resources, print resources and a resource database.
TAFE Frontiers is managed by a consortium of Swinburne University of Technology (TAFE Division), South West Institute of TAFE, Adult Multicultural Education Services and Northern Metropolitan Regional Council of Adult, Community and Further Education.

**Flexible Learning Week**
Flexible Learning Week, managed by TAFE Frontiers, is an annual event whereby registered training organisations promote and celebrate their achievements in the development and implementation of flexible learning options for their learners. In 2002, events were held in the metropolitan and rural and regional areas, and many activities were conducted online via the TAFE VC.

On 15 August 2002, the Flexible Learning Week Conference was held at the World Trade Centre in Melbourne. Over 300 TAFE and ACE teachers, managers and administrators from registered training organisations participated in this conference.

**National new learning technology projects**
Victoria has a lead role in the implementation of the Australian Flexible Learning Framework 2000–04, which aims to develop flexible and online learning nationally. The Flexible Learning Advisory Group, based in Victoria and chaired by the Director of the Office of Training and Tertiary Education, is responsible for overseeing the annual implementation of the Framework.

Further details of the Australian Flexible Learning Framework and specific projects can be found at <http://flexiblelearning.net.au>.

**E-learning resource development**
To increase access to quality resources, Victorian registered training organisations are able to use, free of charge:
- online programs for over 400 competencies from 24 fields of study that have been developed by the Victorian TAFE system, using State funds
- email communication with tutors and electronic transfer of assignments following conversion of TAFE Frontiers’ most commonly used off-campus material.

Victoria is the National Project Manager for the Resources for Teaching, Learning and Assessment program funded by ANTA under the Australian Flexible Learning Framework. This program includes the development of:
- quality e-learning resources, including Toolboxes ($3.48 million)
- resources for Collaboration and Interoperability ($280,000)
- VET Learning Objects Repository ($150,000)
- the EdNA VET online website ($250,000).

**Review of education in prisons**
A Review of Education and Training in Victorian Prisons, commissioned by the Minister for Corrections and the Minister for Education and Training, took place in 2002–03. The review provided:
- an overview of current education and training provision across the Victorian correctional services system
- an analysis of the issues and constraints influencing provision
- recommendations regarding a policy and standards framework for education and training programs
- options for future provision that will ensure equitable and effective access to prison education and training, and also ensure that this provision fits within the rehabilitation framework of the Government’s Corrections Long Term Management strategy.

The review will be considered by the Ministers in the second half of 2003.
Quality assurance

Implementation of the Australian Quality Training Framework

In 2002–03, the AQTF Standards for Registered Training Organisations (AQTF Standards) were established across Victoria’s registered training organisations. The AQTF Standards provide a benchmark for registering and monitoring the performance of training organisations and ensuring a nationally consistent, high-quality vocational education and training system.

The Victorian Qualifications Authority has delegated to the Department of Education & Training the responsibility for registering and monitoring the performance of registered training organisations. As part of this responsibility, the Department develops a comprehensive audit program for monitoring the compliance of registered training organisations with the AQTF Standards. Registered training organisations are audited in their first 12 months of operation, prior to re-registration and on a risk management basis during their five-year period of registration. To minimise compliance costs, audits, where relevant, include compliance with both the AQTF Standards and the performance agreement for government-funded training.

Although the Commission is not directly responsible for the registration of training organisations under the AQTF, it has a leading role in monitoring the quality of training outcomes. The processes that underpin the registration and compliance monitoring of training organisations under the AQTF are the primary quality assurance mechanism for the State Training System.

Risk assessment

In managing its annual audit program, the Department of Education & Training has developed a risk management strategy that includes national key risk areas. These key risk areas include:

- high number and/or seriousness of verified complaints against registered training organisations
- apprenticeships and traineeships delivered by exclusive (full-time in a workplace) pathways
- accountability in priority interface areas (as defined by a State or Territory) that may involve government-funded providers and unsatisfactory statistical returns, courses or qualifications.

Strategic industry audits

The Department continued to implement the strategic industry audits program that was introduced to identify compliance and quality issues in specific industry areas or training market sectors, providing a basis for systematic improvements in the quality of training delivery. Criteria for selection of areas for audit include recent strong growth in training, importance to the Victorian economy, a short history of participation in recognised training and the existence of any concerns about the quality of training offered.

Strategic industry audits generally include delivery and assessment of qualifications at Certificate II or Certificate III level to enable comparisons to be made across sectors. Apprenticeship and traineeship provision is also concentrated at these levels.

Given the strategic importance of the Certificate IV in Assessment and Workplace Training in the implementation of the AQTF Standards, a strategic industry audit was conducted at the end of 2002. The overall audit found that:

- some registered training organisations were still struggling to meet the requirements of the AQTF Standards and the majority of registered training organisations did not have adequate policies and procedures in place
- there were limited examples of good practice in the delivery and assessment of the Certificate IV in Assessment and Workplace Training
- registered training organisations delivering and assessing a program over a short period of time were frequently not meeting the requirements of the relevant training package
- a significant number of registered training organisations misinterpreted the requirements for the units of competency BSZ403A Review Assessment, BSZ405A Plan and Promote a Training Program and BSZ408A Review Training, therefore failing to ensure appropriate delivery and assessment strategies.

A strategic industry audit of schools operating as registered training organisations commenced in March 2003. During Term 1 of 2003, 15 schools across the Western, Northern and Southern Metropolitan regions were audited. Audits commenced in a further 11 schools in the Eastern and Southern Metropolitan regions in Term 2. The audit sample included a mix of government, Catholic and independent schools.

Other strategic industry audits undertaken in 2002–03 included the provision of education services to overseas students and the delivery of the Certificate IV in Health (Nursing). Strategic industry audits will be conducted during 2003–04 for training in the areas of security, first aid, information technology, schools operating as registered training organisations, training delivery to overseas students and accredited further education courses delivered by community-based providers.
Compliance audits

During the second half of 2002, 139 registered training organisations were audited for compliance with the AQTF Standards. During the first half of 2003, an additional 200 organisations were audited, including 50 organisations that were also receiving Government funds to deliver training. The audit program for the second half of 2003 will include a further 160 registered training organisations.

In May, a third intensive three-day auditor training program was conducted. The first two days of the program focused on the AQTF Standards. Fifty participants including training recognition consultants, curriculum maintenance managers, staff at TAFE institutions responsible for AQTF implementation, apprenticeship field officers and representatives from the Australian Council for Private Education and Training attended the program. Fifteen participants completed the full three-day program in order to meet the AS/NZS ISO 19011:2003 Standards for Auditing. The AQTF sets minimum standards for individuals conducting audits.

Complaints and grievances

The Department investigates written complaints and grievances raised by vocational education and training consumers. Vocational education and training consumers who have grievances with their registered training organisations are required to lodge their complaints directly with that organisation in the first instance. Registered training organisations are required under the AQTF Standards to have policies and procedures in place for dealing with customer complaints.

During 2002–03, approximately 100 complaints were received in areas including the quality of training delivery and assessment, accuracy of marketing and promotional materials and grievance management. After investigation, approximately 12 per cent of the complaints were found to be partly or fully substantiated.

During 2003–04, the Department of Education & Training will implement the National Code of Good Practice for responding to complaints about vocational education and training quality. The code strengthens existing complaints-handling processes and ensures that the Department:
• listens to the views of vocational education and training consumers
• addresses any concerns they may have
• improves the quality of vocational education and training products, services and policies.
Financial report

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Auditor-General’s report 55
Statement of financial performance
for the year ended 30 June 2003

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Revenues from ordinary activities</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Grant revenue</td>
<td>2 (a) (i)</td>
<td>853,453</td>
<td>819,478</td>
</tr>
<tr>
<td>Specific-purpose revenue</td>
<td>2 (a) (ii)</td>
<td>29,636</td>
<td>15,327</td>
</tr>
<tr>
<td>Other revenue</td>
<td>2 (b)</td>
<td>6,440</td>
<td>5,494</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td></td>
<td>889,529</td>
<td>840,299</td>
</tr>
<tr>
<td><strong>Expenses from ordinary activities</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Employee benefits</td>
<td>3 &amp; 14</td>
<td>10,673</td>
<td>9,408</td>
</tr>
<tr>
<td>Board expenses</td>
<td></td>
<td>–</td>
<td>48</td>
</tr>
<tr>
<td>Provider grants</td>
<td>3</td>
<td>821,797</td>
<td>780,225</td>
</tr>
<tr>
<td>Specific-purpose and trust payments</td>
<td></td>
<td>47,197</td>
<td>55,752</td>
</tr>
<tr>
<td>Depreciation and amortisation</td>
<td>1 (g) &amp; 3</td>
<td>729</td>
<td>888</td>
</tr>
<tr>
<td>Other expenses</td>
<td>4,075</td>
<td>3,061</td>
<td></td>
</tr>
<tr>
<td>Resources provided free of charge</td>
<td>68</td>
<td>12,354</td>
<td></td>
</tr>
<tr>
<td>Loss on sale of assets</td>
<td>14</td>
<td>–</td>
<td></td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td></td>
<td>884,553</td>
<td>861,536</td>
</tr>
<tr>
<td><strong>Result from ordinary activities and net result for the reporting period</strong></td>
<td></td>
<td>4,976</td>
<td>(21,237)</td>
</tr>
<tr>
<td>Decrease in accumulated surplus on adoption of new accounting standard</td>
<td></td>
<td>(38)</td>
<td>–</td>
</tr>
<tr>
<td>Total changes in equity other than those resulting from transactions with owners as owners</td>
<td>7 (b)</td>
<td>4,938</td>
<td>(21,237)</td>
</tr>
</tbody>
</table>

The above statement of financial performance should be read in conjunction with the accompanying notes.
Statement of financial position
as at 30 June 2003

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Current assets</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash assets</td>
<td>16 (b)</td>
<td>108,506</td>
</tr>
<tr>
<td>Receivables</td>
<td></td>
<td>893</td>
</tr>
<tr>
<td>Work in progress</td>
<td>5</td>
<td>1,822</td>
</tr>
<tr>
<td>Total current assets</td>
<td></td>
<td>111,221</td>
</tr>
<tr>
<td><strong>Non-current assets</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Property, plant and equipment</td>
<td>4</td>
<td>1,714</td>
</tr>
<tr>
<td>Total non-current assets</td>
<td></td>
<td>1,714</td>
</tr>
<tr>
<td><strong>Total assets</strong></td>
<td></td>
<td>112,935</td>
</tr>
<tr>
<td><strong>Current liabilities</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Payables</td>
<td>6</td>
<td>6,839</td>
</tr>
<tr>
<td>Provisions for employee benefits</td>
<td>14 (a)</td>
<td>1,109</td>
</tr>
<tr>
<td>Total current liabilities</td>
<td></td>
<td>7,948</td>
</tr>
<tr>
<td><strong>Non-current liabilities</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Provisions for employee benefits</td>
<td>14 (a)</td>
<td>2,429</td>
</tr>
<tr>
<td>Total non-current liabilities</td>
<td></td>
<td>2,429</td>
</tr>
<tr>
<td><strong>Total liabilities</strong></td>
<td></td>
<td>10,377</td>
</tr>
<tr>
<td><strong>Net assets</strong></td>
<td></td>
<td>102,558</td>
</tr>
<tr>
<td><strong>Equity</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Contributed capital</td>
<td>7 (a)</td>
<td>14,350</td>
</tr>
<tr>
<td>Accumulated surplus</td>
<td>7 (b)</td>
<td>88,208</td>
</tr>
<tr>
<td><strong>Total equity</strong></td>
<td></td>
<td>102,558</td>
</tr>
</tbody>
</table>

The above statement of financial position should be read in conjunction with the accompanying notes.
Statement of cash flows
for the year ended 30 June 2003

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Cash flows from operating activities</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Receipts from Government</td>
<td>853,453</td>
<td>819,478</td>
</tr>
<tr>
<td>Receipts from other entities</td>
<td>30,930</td>
<td>16,564</td>
</tr>
<tr>
<td>GST recovered</td>
<td>719</td>
<td>1,086</td>
</tr>
<tr>
<td>Interest received</td>
<td>5,524</td>
<td>5,355</td>
</tr>
<tr>
<td>Payments to suppliers and employees</td>
<td>(12,234)</td>
<td>(22,796)</td>
</tr>
<tr>
<td>Payments to service providers</td>
<td>(865,588)</td>
<td>(825,616)</td>
</tr>
<tr>
<td><strong>Net cash inflow/(outflow) from operating activities</strong></td>
<td>16 (a)</td>
<td>12,804</td>
</tr>
<tr>
<td><strong>Cash flows from investing activities</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Payment for property, plant and equipment</td>
<td>(1,234)</td>
<td>(1,665)</td>
</tr>
<tr>
<td><strong>Net cash inflow/(outflow) from investing activities</strong></td>
<td></td>
<td>(1,234)</td>
</tr>
<tr>
<td><strong>Net increase/(decrease) in cash held</strong></td>
<td>11,570</td>
<td>(7,584)</td>
</tr>
<tr>
<td>Cash at beginning of financial year</td>
<td>96,936</td>
<td>104,520</td>
</tr>
<tr>
<td><strong>Cash at end of financial year</strong></td>
<td>16 (b)</td>
<td>108,506</td>
</tr>
</tbody>
</table>

The above statement of cash flows should be read in conjunction with the accompanying notes.
Notes to and forming part of the financial statements
for the year ended 30 June 2003

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3 Result for the reporting period 46
4 Property, plant and equipment 47
5 Work in progress 47
6 Current liabilities – payables 47
7 Equity and movements in equity 48
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13 Commitments for expenditure 51
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16 Cash flow reconciliation 53
Note 1 Summary of significant accounting policies

This general-purpose financial report has been prepared in accordance with the Financial Management Act 1994, Australian Accounting Standards, Statements of Accounting Concepts and other authoritative pronouncements of the Australian Accounting Standards Board, and Urgent Issues Group Consensus Views. The financial report is prepared in accordance with the historical cost convention, except for certain assets and liabilities which, as noted, are at valuation. The accounting policies adopted, and the classification and presentation of items, are consistent with those of the previous year, except where a change required to comply with an Australian Accounting Standard or Urgent Issues Group Consensus View, as permitted by an Australian Accounting Standard, is adopted to improve the relevance and reliability of the financial report. Where practicable, comparative amounts are presented and classified on a basis consistent with the current year.

(a) Reporting entity
The Victorian Learning and Employment Skills Commission is a Statutory Authority under the Vocational Education and Training Act 1990 and as amended by the Victorian Qualifications Authority Act 2001. The Victorian Learning and Employment Skills Commission (VLESC) reports separately to the Parliament through the Minister for Education and Training. The financial statements include all the activities of the Commission for the year ending 30 June 2003.

(b) Accrual basis
The accrual basis of accounting has been adopted in preparing these financial statements.

(c) Cash
For purposes of the statement of cash flows, cash includes short-term deposits that are readily convertible to cash and are subject to an insignificant risk of changes in value.

(d) Rounding of amounts
Amounts in the financial report have been rounded to the nearest thousand dollars, or in other cases, to the nearest dollar.

(e) Acquisitions of assets
The cost method of accounting is used for all acquisitions of assets. Cost is measured as the fair value of the assets given up or liabilities undertaken at the date of acquisition plus incidental costs directly attributable to the acquisition.

Assets acquired at no cost, or for nominal consideration, are initially recognised at their fair value at the date of acquisition. Where settlement of any part of cash consideration is deferred, the amounts payable in the future are discounted to their present value as at the date of the acquisition. The discount rate used is the incremental borrowing rate, being the rate at which a similar borrowing could be obtained from an independent financier under comparable terms and conditions.

(f) Revenue recognition
Grants over which the Commission gains control during a reporting period are recognised as revenues of that reporting period consistent with Australian Accounting Standard AAS 15, ‘Revenue’, and other relevant accounting concepts and pronouncements and views. ‘Control’ arises on the earlier event of receipt or notification of eligibility for grants by relevant authorities. Revenue also includes minor amounts for services provided.

(g) Depreciation of property, plant and equipment
Depreciation is calculated on a straight-line basis to write off the net cost or re-valued amount of each item of property, plant and equipment (excluding land) over its expected useful life to the Commission. Estimates of remaining useful lives are reviewed at least annually. The expected useful lives are as follows:

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Computers and peripherals</td>
<td>3 years</td>
<td>3 years</td>
</tr>
<tr>
<td>Furniture, fittings and office equipment</td>
<td>5–10 years</td>
<td>5–10 years</td>
</tr>
</tbody>
</table>

(h) Receivables
All debts are recognised at the amounts receivable and are due for settlement within 30 days of recognition.

(i) Leased non-current assets
At reporting date:
- no assets subject to a finance lease were held
- no incentives had been received on entering into operating leases
- no surplus leased space existed under non-cancellable operating leases.

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

(j) Non-current assets constructed by the Department
At reporting date there were assets that had been constructed by the Commission. These assets relate to a Facilities Management Information System and outlays for establishing a Learning Centre at the Malcolm Creek Campus (Kangan Batman Institute of TAFE), Aboriginal and Torres Strait Islanders Community Centres and other minor system developments.

(k) Trade and other creditors
These amounts represent liabilities for goods and services provided to the Commission prior to the end of the financial year. The liabilities are unsecured and are usually paid within 30 days of recognition.

(l) Goods and services tax (GST) systems changes
Cost incurred to update existing systems or to design, develop and implement new systems to deal with the GST are charged as expenses as incurred, except where they result in an
enhancement of future economic benefits, then they are recognised as an asset.

Revenues, expenses and assets are recognised net of GST except where the amount of GST incurred is not recoverable, in which case it is recognised as part of the cost of acquisition of an asset or part of an item of expense. The net amount of GST recoverable from, or payable to, the Australian Taxation Office (ATO) is included as part of receivables or payables in the statement of financial position. The GST component of a receipt or payment is recognised on a gross basis in the statement of cash flows in accordance with Accounting Standard AAS 28, ‘Statement of Cash Flows’.

(m) Resources provided and received free of charge
Contributions of resources and resources provided free of charge are recognised at their fair value in the reporting period. These relate to the transfer of Employment Program assets from the Commission to the Department of Innovation, Industry and Regional Development. The Employment Program was transferred from the Commission to the Department of Innovation, Industry and Regional Development on 28 February 2002 as part of the Machinery of Government changes.

(n) Investments
Investments are brought to account at cost. Interest revenues are recognised as they accrue.

(o) Contributed capital
Consistent with UIG Abstract 38, ‘Contributions by Owners Made to Wholly-Owned Public Sector Entities’ transfers that are in the nature of capital contributions or distributions have been designated as contributed capital.

(p) Employee benefits
(i) Wages, salaries and annual leave
Liabilities for wages and salaries, including non-monetary benefits and annual leave expected to be settled within 12 months of the reporting date, are recognised in respect of employees’ services up to the reporting date and are measured as the amounts expected to be paid when the liabilities are settled. Liabilities for non-accumulating sick leave are recognised when the leave is taken and measured at the rates paid or payable.

(ii) Long-service leave
The liability for long-service leave expected to be settled within 12 months of the reporting date is recognised in the provision for employee benefits and is measured in accordance with (i) above. The liability for long-service leave expected to be settled more than 12 months from the reporting date is recognised in the provision for employee benefits and measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using interest rates on national Government guaranteed securities with terms to maturity that match, as closely as possible, the estimated future cash outflows.

(iii) Superannuation
The amount charged to the statement of financial performance in respect of superannuation represents the contribution by the Department of Education & Training to the superannuation fund. Refer to note 14.

(iv) Transitional adjustment
The application of Australian Accounting Standard AASB 1028, ‘Employee Benefits’ has given rise to a transitional adjustment in that the opening annual leave provision has been increased by $37,923 and the accumulated surplus has been decreased by the same amount.
Note 2 Revenue

(a) Revenue from operating activities

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>(i) Grants revenue</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>State Government grants</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Recurrent</td>
<td>547,920</td>
<td>529,024</td>
</tr>
<tr>
<td>Grants for capital works</td>
<td>48,221</td>
<td>40,249</td>
</tr>
<tr>
<td><strong>Total grants revenue</strong></td>
<td>596,141</td>
<td>569,273</td>
</tr>
<tr>
<td>Commonwealth/ANTA grants</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Recurrent</td>
<td>212,768</td>
<td>204,151</td>
</tr>
<tr>
<td>Grants for capital works</td>
<td>44,544</td>
<td>46,054</td>
</tr>
<tr>
<td><strong>Total grants revenue</strong></td>
<td>257,312</td>
<td>250,205</td>
</tr>
<tr>
<td><strong>Total grants revenue</strong></td>
<td>853,453</td>
<td>819,478</td>
</tr>
</tbody>
</table>

**(ii) Specific-purpose revenue**

The following projects have been recognised as revenue for which specific expenditure outcomes are prescribed.

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Indigenous education</td>
<td>1,128</td>
<td>1,758</td>
</tr>
<tr>
<td>Australians Working Together</td>
<td>1,972</td>
<td>–</td>
</tr>
<tr>
<td>Group training</td>
<td>2,527</td>
<td>2,496</td>
</tr>
<tr>
<td>Industry planning advice</td>
<td>582</td>
<td>1,821</td>
</tr>
<tr>
<td>Leamscope</td>
<td>955</td>
<td>970</td>
</tr>
<tr>
<td>Online learning</td>
<td>7,260</td>
<td>4,701</td>
</tr>
<tr>
<td>Resources for teaching and learning</td>
<td>1,935</td>
<td>–</td>
</tr>
<tr>
<td>National consistency projects and framework</td>
<td>236</td>
<td>805</td>
</tr>
<tr>
<td>Other</td>
<td>679</td>
<td>783</td>
</tr>
<tr>
<td><strong>Total specific-purpose revenue</strong></td>
<td>17,274</td>
<td>13,334</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Common Youth Allowance and TAFE Training Entitlement</td>
<td>–</td>
<td>24</td>
</tr>
<tr>
<td>Developing Victoria’s design capabilities</td>
<td>2,900</td>
<td>–</td>
</tr>
<tr>
<td>Digital design precinct</td>
<td>–</td>
<td>100</td>
</tr>
<tr>
<td>Local Learning and Employment Networks</td>
<td>8,980</td>
<td>–</td>
</tr>
<tr>
<td>Victorian Training Awards</td>
<td>143</td>
<td>–</td>
</tr>
<tr>
<td>Other</td>
<td>339</td>
<td>1,869</td>
</tr>
<tr>
<td><strong>Total specific-purpose revenue</strong></td>
<td>12,362</td>
<td>1,993</td>
</tr>
<tr>
<td><strong>Total specific-purpose revenue</strong></td>
<td>29,636</td>
<td>15,327</td>
</tr>
</tbody>
</table>

(b) Revenue from non-operating activities

<table>
<thead>
<tr>
<th>Interest and other revenue</th>
<th>2002–2003 $’000</th>
<th>2001–2002 $’000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Interest</td>
<td>5,497</td>
<td>5,261</td>
</tr>
<tr>
<td>Other</td>
<td>943</td>
<td>233</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>6,440</td>
<td>5,494</td>
</tr>
<tr>
<td><strong>Total revenue from ordinary activities</strong></td>
<td>889,529</td>
<td>840,299</td>
</tr>
</tbody>
</table>
Note 3 Result for the reporting period

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$’000</td>
<td>$’000</td>
</tr>
<tr>
<td>Depreciation</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Furniture, fittings and office equipment</td>
<td>21</td>
<td>33</td>
</tr>
<tr>
<td>Computers and peripherals</td>
<td>708</td>
<td>655</td>
</tr>
<tr>
<td>Total depreciation</td>
<td>729</td>
<td>688</td>
</tr>
<tr>
<td>Employee benefits</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Salaries and wages</td>
<td>8,254</td>
<td>7,463</td>
</tr>
<tr>
<td>Superannuation</td>
<td>1,005</td>
<td>802</td>
</tr>
<tr>
<td>Annual leave and long-service leave expense</td>
<td>760</td>
<td>638</td>
</tr>
<tr>
<td>Other oncosts</td>
<td>654</td>
<td>505</td>
</tr>
<tr>
<td>Total employee benefits</td>
<td>10,673</td>
<td>9,408</td>
</tr>
<tr>
<td>Rental expense relating to operating leases</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Minimum lease payments</td>
<td>367</td>
<td>246</td>
</tr>
<tr>
<td>Total rental expense relating to operating leases</td>
<td>367</td>
<td>246</td>
</tr>
<tr>
<td>Provider grants</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Grants to Victoria University (TAFE Division)</td>
<td>61,209</td>
<td>58,136</td>
</tr>
<tr>
<td>Grants to Swinburne University (TAFE Division)</td>
<td>60,854</td>
<td>57,735</td>
</tr>
<tr>
<td>Grants to Holmesglen Institute of TAFE</td>
<td>59,173</td>
<td>48,345</td>
</tr>
<tr>
<td>Grants to Chisholm Institute of TAFE</td>
<td>58,501</td>
<td>63,067</td>
</tr>
<tr>
<td>Grants to RMIT University (TAFE Division)</td>
<td>54,002</td>
<td>51,551</td>
</tr>
<tr>
<td>Grants to Northern Melbourne Institute of TAFE</td>
<td>53,208</td>
<td>50,267</td>
</tr>
<tr>
<td>Grants to Box Hill Institute of TAFE</td>
<td>45,373</td>
<td>42,781</td>
</tr>
<tr>
<td>Grants to Kangan Batman Institute of TAFE</td>
<td>44,089</td>
<td>40,790</td>
</tr>
<tr>
<td>Grants to Gordon Institute of TAFE</td>
<td>28,917</td>
<td>26,763</td>
</tr>
<tr>
<td>Grants to University of Ballarat (TAFE Division)</td>
<td>25,186</td>
<td>23,262</td>
</tr>
<tr>
<td>Grants to Goulburn Ovens Institute of TAFE</td>
<td>22,043</td>
<td>21,215</td>
</tr>
<tr>
<td>Grants to Bendigo Regional Institute of TAFE</td>
<td>19,717</td>
<td>17,942</td>
</tr>
<tr>
<td>Grants to William Angliss Institute of TAFE</td>
<td>18,173</td>
<td>16,518</td>
</tr>
<tr>
<td>Grants to Central Gippsland Institute of TAFE</td>
<td>16,732</td>
<td>15,220</td>
</tr>
<tr>
<td>Grants to South West Institute of TAFE</td>
<td>14,183</td>
<td>12,763</td>
</tr>
<tr>
<td>Grants to Wodonga Institute of TAFE</td>
<td>13,386</td>
<td>12,351</td>
</tr>
<tr>
<td>Grants to Sunraysia Institute of TAFE</td>
<td>11,522</td>
<td>10,809</td>
</tr>
<tr>
<td>Grants to East Gippsland Institute of TAFE</td>
<td>10,700</td>
<td>9,479</td>
</tr>
<tr>
<td>Grants to various private providers</td>
<td>104,505</td>
<td>90,657</td>
</tr>
<tr>
<td>Grants to Adult, Community and Further Education Board</td>
<td>13,730</td>
<td>14,655</td>
</tr>
<tr>
<td>Capital grants to TAFE institutions</td>
<td>60,629</td>
<td>79,030</td>
</tr>
<tr>
<td>Other grants</td>
<td>25,965</td>
<td>13,879</td>
</tr>
<tr>
<td>Total provider grants</td>
<td>821,797</td>
<td>780,225</td>
</tr>
</tbody>
</table>
Note 4 Property, plant and equipment

<table>
<thead>
<tr>
<th></th>
<th>2002–2003 $'000</th>
<th>2001–2002 $'000</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Computers and peripheral equipment</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>At cost</td>
<td>3,650</td>
<td>3,339</td>
</tr>
<tr>
<td>Less: Accumulated depreciation</td>
<td>(2,000)</td>
<td>(1,649)</td>
</tr>
<tr>
<td></td>
<td>1,650</td>
<td>1,690</td>
</tr>
<tr>
<td><strong>Office equipment and furniture</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>At cost</td>
<td>112</td>
<td>200</td>
</tr>
<tr>
<td>Less: Accumulated depreciation</td>
<td>(48)</td>
<td>(131)</td>
</tr>
<tr>
<td></td>
<td>64</td>
<td>69</td>
</tr>
<tr>
<td><strong>Total property, plant and equipment</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>1,714</td>
<td>1,759</td>
</tr>
</tbody>
</table>

Reconciliation

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Computers &amp; peripheral equipment</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Carrying amount at start of year</td>
<td>1,690</td>
<td>69</td>
</tr>
<tr>
<td>Additions</td>
<td>751</td>
<td>21</td>
</tr>
<tr>
<td>Disposals</td>
<td>(85)</td>
<td>(3)</td>
</tr>
<tr>
<td>Depreciation and amortisation</td>
<td>(706)</td>
<td>(23)</td>
</tr>
<tr>
<td>Carrying amount at end of year</td>
<td>1,650</td>
<td>64</td>
</tr>
</tbody>
</table>

Note 5 Work in progress

(i) The cost of establishing the International Fibre Centre was $23,752,757 and includes $11,030,702 for buildings, $9,047,072 for plant and machinery and $3,674,983 for oncosts. The Government, after extensive consultation, has decided to establish two new centres of excellence in Technical Textiles and Advanced Wool Products in Victoria aimed at stimulating advanced training, education, research and product development in the textile, clothing and footwear industries. To facilitate the establishment of these centres, the plant and machinery held by the International Fibre Centre have been handed over to these two centres and the accumulated work-in-progress cost for plant and machinery amounting to $12,353,591 was charged as ‘assets given free of charge’ in 2001–2002. The balance in the work-in-progress account represented mainly the cost of the buildings. As the buildings were in the land owned by Deakin University the Government has decided to transfer the ownership of the buildings to Deakin University. As a result the cost of the buildings ($11,302,466) was written off against the contributed capital. The remaining amount ($96,700) has been expensed.

(ii) The Commission is in the process of developing a system for Facilities Management and the cost involved to date ($910,000) is held in the work-in-progress account. Another $912,000 is also held in the work-in-progress account for the Aboriginal and Torres Strait Island Community Centres at Barnah and Lake Tyers.

Note 6 Current liabilities – payables

<table>
<thead>
<tr>
<th></th>
<th>2002–2003 $'000</th>
<th>2001–2002 $'000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Trade creditors</td>
<td>6,256</td>
<td>1,146</td>
</tr>
<tr>
<td>Other creditors</td>
<td>583</td>
<td>723</td>
</tr>
<tr>
<td></td>
<td>6,839</td>
<td>1,869</td>
</tr>
</tbody>
</table>
Note 7 Equity and movements in equity

### (a) Contributed capital

<table>
<thead>
<tr>
<th>Description</th>
<th>2002–2003 $’000</th>
<th>2001–2002 $’000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Balance at the beginning of the reporting period</td>
<td>25,652</td>
<td>–</td>
</tr>
<tr>
<td>Deemed contributed capital – opening balance</td>
<td>–</td>
<td>25,656</td>
</tr>
<tr>
<td>Disposal of (net) assets not recognised in the statement of financial performance</td>
<td>(11,302)</td>
<td>(4)</td>
</tr>
<tr>
<td><strong>Balance as at 30 June</strong></td>
<td>14,350</td>
<td>25,652</td>
</tr>
</tbody>
</table>

### (b) Accumulated surplus

<table>
<thead>
<tr>
<th>Description</th>
<th>2002–2003 $’000</th>
<th>2001–2002 $’000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Balance at the beginning of the reporting period</td>
<td>83,270</td>
<td>130,163</td>
</tr>
<tr>
<td>Deemed contributed capital (transferred to contributed capital)</td>
<td>–</td>
<td>(25,656)</td>
</tr>
<tr>
<td><strong>Adjusted opening balance at the beginning of the reporting period</strong></td>
<td>83,270</td>
<td>104,507</td>
</tr>
<tr>
<td>Adjustment resulting from the adoption of new accounting standard</td>
<td>(38)</td>
<td>–</td>
</tr>
<tr>
<td><strong>Net surplus/(deficit) for the reporting period</strong></td>
<td>4,976</td>
<td>(21,237)</td>
</tr>
<tr>
<td><strong>Balance as at 30 June</strong></td>
<td>88,208</td>
<td>83,270</td>
</tr>
</tbody>
</table>

**Total equity as at 30 June**

<table>
<thead>
<tr>
<th>Description</th>
<th>2002–2003 $’000</th>
<th>2001–2002 $’000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total equity as at 30 June</td>
<td>102,558</td>
<td>108,922</td>
</tr>
</tbody>
</table>

Note 8 Financial instruments

(a) Interest rate risk exposure

The Commission’s exposure to interest rate risk and the effective weighted average interest rate by maturity periods are set out in the following table.

<table>
<thead>
<tr>
<th>2002–2003</th>
<th>Floating interest $’000</th>
<th>Fixed interest maturing in:</th>
<th>Non-interest bearing $’000</th>
<th>Total $’000</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Balance at the beginning of the reporting period</td>
<td>1 year or less</td>
<td>1–5 years</td>
<td>Over 5 years</td>
</tr>
<tr>
<td>Financial assets</td>
<td>108,506</td>
<td>–</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>Cash assets</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>Receivables</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td><strong>Total Financial assets</strong></td>
<td>108,506</td>
<td>–</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>Weighted average interest rate</td>
<td>4.81%</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Financial liabilities</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>Creditors and accruals</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td><strong>Total Financial liabilities</strong></td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td><strong>Net financial assets (liabilities)</strong></td>
<td>108,506</td>
<td>–</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>Weighted average interest rate</td>
<td>4.81%</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Note 8 Financial instruments (continued)

(a) Interest rate risk exposure (continued)

<table>
<thead>
<tr>
<th>2001–2002</th>
<th>Fixed interest maturing in:</th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Floating interest $'000</td>
<td>1 year or less $'000</td>
<td>1–5 years $'000</td>
<td>Over 5 years $'000</td>
<td>Non-interest bearing $'000</td>
<td>Total $'000</td>
</tr>
<tr>
<td>Financial assets</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash assets</td>
<td>96,936</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>96,936</td>
</tr>
<tr>
<td>Receivables</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>2,931</td>
<td>2,931</td>
</tr>
<tr>
<td></td>
<td>96,936</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>2,931</td>
<td>99,867</td>
</tr>
<tr>
<td>Weighted average interest rate</td>
<td>4.59%</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Financial liabilities</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Creditors and accruals</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>1,869</td>
<td>1,869</td>
</tr>
<tr>
<td></td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>1,869</td>
<td>1,869</td>
</tr>
<tr>
<td>Net financial assets (liabilities)</td>
<td>96,936</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>1,062</td>
<td>97,998</td>
</tr>
<tr>
<td>Weighted average interest rate</td>
<td>4.59%</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

(b) Net fair value of financial assets and liabilities

The net fair value of cash and cash equivalents and non-interest bearing monetary financial assets and financial liabilities of the Commission approximates their carrying amounts.

The net fair value of other monetary financial assets and financial liabilities is based upon the market price where a market exists or by discounting the expected future cash flows by the current interest rates for assets and liabilities with similar risk profiles.

(c) Carrying amounts and net fair values of financial assets and liabilities at reporting date

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>On-balance sheet financial instruments</td>
<td>Financial assets</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash assets</td>
<td>108,506</td>
<td>96,936</td>
<td></td>
</tr>
<tr>
<td>Receivables</td>
<td>893</td>
<td>2,931</td>
<td></td>
</tr>
<tr>
<td>Non-traded financial assets</td>
<td>109,399</td>
<td>99,867</td>
<td></td>
</tr>
<tr>
<td>Financial liabilities</td>
<td>Trade creditors</td>
<td>6,839</td>
<td>1,869</td>
</tr>
<tr>
<td>Non-traded financial liabilities</td>
<td>6,839</td>
<td>1,869</td>
<td></td>
</tr>
</tbody>
</table>
Note 9 Ministers and Accountable Officers

In accordance with the Directions of the Minister for Finance under the Financial Management Act 1994, the following disclosures are made regarding responsible persons for the categories shown:

**Responsible Minister**
Ms Lynne Kosky, MP

**Commission/(Board) members**
Mr Peter Laver
Mr Neil Coulson
Mr Leigh Hubbard
Ms Patricia Forward
Ms Rowena Allen
Mr Stuart Hamilton (until 14 December 2002)
Professor Helen Praetz
Ms Jennifer Westacott (from 16 December 2002 to 4 May 2003)
Ms Lynne Wannan (from 25 March 2003)
Ms Jennifer Westacott (from 16 December 2002 to 4 May 2003)
Mr Grant Hehir (from 5 May 2003)

**Accountable Officers**
Mr Stuart Hamilton (until 14 December 2002)
Ms Jennifer Westacott (from 16 December 2002 to 4 May 2003)
Mr Grant Hehir (from 5 May 2003)

### Remuneration

Remuneration received or receivable by the Accountable Officer (excluding those acting in the position) in connection with the management of the Commission during the reporting period was in the range of:

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>$40,000–$49,999</td>
<td>1</td>
<td>–</td>
</tr>
<tr>
<td>$130,000–$139,999</td>
<td>1</td>
<td>–</td>
</tr>
<tr>
<td>$140,000–$149,999</td>
<td>1</td>
<td>–</td>
</tr>
<tr>
<td>$280,000–$289,999</td>
<td>–</td>
<td>1</td>
</tr>
</tbody>
</table>

The accountable officer(s) remuneration was paid by the Department of Education & Training and included in the Department’s financial report.

**Commission Members’ remuneration**

The remuneration/emolument received or receivable by members of the Commission as members of the Commission totalled:

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$122,873*</td>
<td>$121,815*</td>
</tr>
</tbody>
</table>

*The Department of Education & Training pays the Commission members’ remuneration.

The number of members of the Commission with remuneration/emolument that fell within the following bands were:

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>$0–$9,999</td>
<td>1</td>
<td>–</td>
</tr>
<tr>
<td>$10,000–$19,999</td>
<td>8</td>
<td>8</td>
</tr>
<tr>
<td>$20,000–$29,999</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>$30,000–$39,999</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>10</strong></td>
<td><strong>9</strong></td>
</tr>
</tbody>
</table>

Mr Grant Hehir, as Secretary of the Department of Education & Training, has responsibility for the disbursement of grants to the Commission. The amount of grants made by the Department of Education & Training in 2002–03 was $596,140,444.

Note 10 Remuneration of executives

The number of Executive Officers (excluding the Accountable Officer(s)) whose remuneration exceeded $100,000 during the reporting period is shown on page 51 in the relevant income bands. Total remuneration includes long-service leave payments and bonuses paid at the end of contracts. Base remuneration is exclusive of these items.
Note 10 Remuneration of executives (continued)

<table>
<thead>
<tr>
<th>Income range</th>
<th>2002–2003 No. of executives</th>
<th>2001–2002 No. of executives</th>
<th>Total remuneration</th>
<th>Base remuneration</th>
</tr>
</thead>
<tbody>
<tr>
<td>$60,000–$69,999</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>1</td>
</tr>
<tr>
<td>$80,000–$89,999</td>
<td>–</td>
<td>1</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>$90,000–$99,999</td>
<td>–</td>
<td>1</td>
<td>1</td>
<td>–</td>
</tr>
<tr>
<td>$100,000–$109,999</td>
<td>2</td>
<td>1</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>$110,000–$119,999</td>
<td>–</td>
<td>1</td>
<td>4</td>
<td>4</td>
</tr>
<tr>
<td>$120,000–$129,999</td>
<td>4</td>
<td>4</td>
<td>2</td>
<td>2</td>
</tr>
<tr>
<td>$130,000–$139,999</td>
<td>1</td>
<td>1</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>$140,000–$149,999</td>
<td>–</td>
<td>–</td>
<td>2</td>
<td>1</td>
</tr>
<tr>
<td>$150,000–$159,999</td>
<td>1</td>
<td>2</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>$160,000–$169,999</td>
<td>1</td>
<td>–</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>$170,000–$179,999</td>
<td>1</td>
<td>–</td>
<td>1</td>
<td>–</td>
</tr>
<tr>
<td>$180,000–$189,999</td>
<td>1</td>
<td>–</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>$200,000–$209,999</td>
<td>1</td>
<td>–</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>Total officers</td>
<td>12</td>
<td>9</td>
<td>12</td>
<td>9</td>
</tr>
<tr>
<td>Total remuneration ($)</td>
<td>1,720</td>
<td>1,166</td>
<td>1,447</td>
<td>1,031</td>
</tr>
</tbody>
</table>

Note 11 Remuneration of auditors

<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>$</td>
<td>$</td>
</tr>
<tr>
<td>36,000</td>
<td>35,000</td>
</tr>
<tr>
<td>36,000</td>
<td>35,000</td>
</tr>
</tbody>
</table>

Payable at 30 June and provided – Auditor-General

Note 12 Contingent liabilities and contingent assets

The Commission has no known contingent liabilities or contingent assets at the reporting date.

Note 13 Commitments for expenditure

(a) Operating lease commitments

<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>$’000</td>
<td>$’000</td>
</tr>
<tr>
<td>174</td>
<td>148</td>
</tr>
<tr>
<td>188</td>
<td>32</td>
</tr>
<tr>
<td>362</td>
<td>180</td>
</tr>
</tbody>
</table>

Commitments in relation to contracted leases for which no liabilities have been recognised
Payable within one year
Payable later than one year but not later than five years
Payable later than five years

These commitments refer to the leases the Commission has entered into for motor vehicles and photocopiers.

(b) Capital commitments

The Commission has outstanding commitments for capital expenditures totalling $46,226,000 as at 30 June 2003 ($22,561,000 as at 30 June 2002). These projects are funded from State and Commonwealth/ANTA funds. These commitments are payable within one year.
Note 13 Commitments for expenditure (continued)

(c) Outsourcing commitments

The Commission has entered into training contracts with a number of registered training organisations under the Priority Education Training program and the Apprenticeship/Traineeship Training program. These contracts cover training over a number of years and payments are due as long as the contractual obligations are fulfilled by the registered training organisations. These commitments have not been recognised as liabilities and are payable:

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Payable within one year</td>
<td>51,000</td>
<td>–</td>
</tr>
<tr>
<td>Payable later than one year but not later than 5 years</td>
<td>18,800</td>
<td>–</td>
</tr>
<tr>
<td>Payable later than 5 years</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td></td>
<td>69,800</td>
<td>–</td>
</tr>
</tbody>
</table>

Note 14 Provisions for employee benefits

(a) Provisions

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Current</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Annual leave</td>
<td>862</td>
<td>788</td>
</tr>
<tr>
<td>Long-service leave</td>
<td>247</td>
<td>262</td>
</tr>
<tr>
<td>Total current</td>
<td>1,109</td>
<td>1,030</td>
</tr>
<tr>
<td>Non-current</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Long-service leave</td>
<td>2,306</td>
<td>2,461</td>
</tr>
<tr>
<td>Executive bonus scheme</td>
<td>123</td>
<td>–</td>
</tr>
<tr>
<td>Total non-current</td>
<td>2,429</td>
<td>2,461</td>
</tr>
<tr>
<td>Aggregate carrying amount of provisions</td>
<td>3,538</td>
<td>3,491</td>
</tr>
</tbody>
</table>

(b) Superannuation

Government Employees’ Superannuation Fund

All employees of the Commission are entitled to benefits on retirement, disability or death from the Government Employees’ Superannuation Fund. This fund provides defined pension and/or lump-sum benefits based on years of service and final average salary. The bases for contributions are determined by the various schemes. The employees are members in at least one of the following public sector superannuation schemes (State Superannuation Fund) administered by the Government Superannuation Office (GSO):

- Revised and New Schemes of GSO
- State Employees Retirement Benefit Fund
- VicSuper Scheme

Employer contributions to the fund at retirement vary, depending upon the scheme to which the employee contributed. To date they have been met from the Consolidated Revenue. Benefits payable under the State Superannuation Fund are as follows:

Revised Scheme

Any person completing 30 years of service and aged 55 is eligible for approximately 53 per cent of the final average salary as a pension. They also have the option of taking 50 or 100 per cent of the pension as a lump sum.

New Scheme

Retirement benefits from the New Scheme vary according to employee contributions.

<table>
<thead>
<tr>
<th>Contribution</th>
<th>Benefit</th>
</tr>
</thead>
<tbody>
<tr>
<td>Nil</td>
<td>10 per cent of the final average salary X years contributed</td>
</tr>
<tr>
<td>3 per cent of salary</td>
<td>16 per cent of the final average salary X years contributed</td>
</tr>
<tr>
<td>5 per cent of salary</td>
<td>20 per cent of the final average salary X years contributed</td>
</tr>
<tr>
<td>7 per cent of salary</td>
<td>24 per cent of the final average salary X years contributed (for prescribed class members or for catch-up purposes only)</td>
</tr>
</tbody>
</table>
Note 14 Provisions for employee benefits (continued)

**VicSuper Scheme**

From 1 January 1994 VicSuper came into operation for all staff employed on or after that date. The employer contribution for this scheme in 2002–03 was 9 per cent of salary per annum. Executive staff members under employment contracts, in accordance with the Public Sector Management Act 1992, have the option to leave the State scheme and join other superannuation funds.

Unfunded liabilities associated with the State Superannuation Revised and New Schemes are assumed by the Department of Treasury and Finance. There are no unfunded liabilities associated with VicSuper funds, as this is an accumulation scheme.

**Contributions**

The superannuation contributions for the reporting period are included as part of employee benefits in the statement of financial performance of the Commission.

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

<table>
<thead>
<tr>
<th>Fund</th>
<th>Contribution paid</th>
<th>Contribution outstanding</th>
</tr>
</thead>
<tbody>
<tr>
<td>State Superannuation Fund</td>
<td>802</td>
<td>715</td>
</tr>
<tr>
<td>State Employees’ Retirement Benefit Fund</td>
<td>17</td>
<td>15</td>
</tr>
<tr>
<td>VicSuper Fund</td>
<td>397</td>
<td>248</td>
</tr>
<tr>
<td>Private</td>
<td>2</td>
<td>1</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>1,218</strong></td>
<td><strong>979</strong></td>
</tr>
</tbody>
</table>

Note 15 Events occurring after reporting date

The Commission is not aware of any event, subsequent to reporting date, that will have a material effect on its operations over subsequent years.

Note 16 Cash flow reconciliation

(a) Reconciliation of results from ordinary activities to net cash inflow from operating activities

<table>
<thead>
<tr>
<th></th>
<th>2002–2003 $'000</th>
<th>2001–2002 $'000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Results from ordinary activities</td>
<td>4,976</td>
<td>(21,237)</td>
</tr>
<tr>
<td>Depreciation and amortisation</td>
<td>729</td>
<td>688</td>
</tr>
<tr>
<td>Loss on disposal of property, plant and equipment</td>
<td>14</td>
<td>–</td>
</tr>
<tr>
<td>Increase/(decrease) in payables</td>
<td>4,970</td>
<td>1,267</td>
</tr>
<tr>
<td>(Increase)/decrease in receivables</td>
<td>2,038</td>
<td>890</td>
</tr>
<tr>
<td>Increase/(decrease) in recreation leave provision</td>
<td>56</td>
<td>162</td>
</tr>
<tr>
<td>Increase/(decrease) in long-service leave provision</td>
<td>(170)</td>
<td>172</td>
</tr>
<tr>
<td>Increase/(decrease) in bonus payable</td>
<td>123</td>
<td>(215)</td>
</tr>
<tr>
<td>Resources provided free of charge</td>
<td>68</td>
<td>12,354</td>
</tr>
<tr>
<td><strong>Net cash inflow from operating activities</strong></td>
<td><strong>12,804</strong></td>
<td><strong>(5,919)</strong></td>
</tr>
</tbody>
</table>

(b) Reconciliation of cash

<table>
<thead>
<tr>
<th></th>
<th>2002–2003 $'000</th>
<th>2001–2002 $'000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash at bank</td>
<td>18,123</td>
<td>2,581</td>
</tr>
<tr>
<td>Term deposits</td>
<td>90,383</td>
<td>94,355</td>
</tr>
<tr>
<td><strong>Total cash balance</strong></td>
<td><strong>108,506</strong></td>
<td><strong>96,936</strong></td>
</tr>
</tbody>
</table>
ACCOUNTABLE OFFICERS’ DECLARATION

We certify that the accompanying financial report for the Victorian Learning and Employment Skills Commission have been prepared in accordance with Part 9 of the Directions of the Minister for Finance under the Financial Management Act 1994, applicable Australian Accounting Standards and other mandatory professional reporting requirements.

We further state that, in our opinion, the information set out in the statement of financial performance, statement of financial position, statement of cash flows and notes to and forming part of the financial report, presents fairly the financial transactions during the year ended 30 June 2003 and financial position of the Victorian Learning and Employment Skills Commission as at 30 June 2003.

We are not aware of any circumstance that would render any particulars included in the Financial Statements to be misleading or inaccurate.

PETER LAVER
Commission Chairman
Victorian Learning and Employment Skills Commission

22 / 5 / 2003

GRANT HEHIR
Accountable Officer
Victorian Learning and Employment Skills Commission

22 / 9 / 2003
AUDITOR GENERAL
VICTORIA

AUDITOR-GENERAL’S REPORT

To the Members of the Parliament of Victoria, responsible Ministers and Members of the Victorian Learning and Employment Skills Commission

Audit Scope
The accompanying financial report of the Victorian Learning and Employment Skills Commission for the financial year ended 30 June 2003, comprising a statement of financial performance, statement of financial position, statement of cash flows, and notes to the financial statements, has been audited. The Members of the Victorian Learning and Employment Skills Commission are responsible for the preparation and presentation of the financial report and the information it contains. An independent audit of the financial report has been carried out in order to express an opinion on it to the Members of the Parliament of Victoria, responsible Ministers and the Members of the Commission as required by the Audit Act 1994.

The audit has been conducted in accordance with Australian Auditing Standards to provide reasonable assurance as to whether the financial report is free of material misstatement. The audit procedures included an examination, on a test basis, of evidence supporting the amounts and other disclosures in the financial report, and the evaluation of accounting policies and significant accounting estimates. These procedures have been undertaken to form an opinion as to whether, in all material respects, the financial report is presented fairly in accordance with Accounting Standards and other mandatory professional reporting requirements in Australia, and the financial reporting requirements of the Financial Management Act 1994, so as to present a view which is consistent with my understanding of the Commission’s financial position, and its financial performance and cash flows.

The audit opinion expressed in this report has been formed on the above basis.

Audit Opinion
In my opinion, the financial report presents fairly in accordance with applicable Accounting Standards and other mandatory professional reporting requirements in Australia, and the financial reporting requirements of the Financial Management Act 1994, the financial position of the Victorian Learning and Employment Skills Commission as at 30 June 2003 and its financial performance and cash flows for the year then ended.

MELBOURNE
22 September 2003

J.W. CAMERON
Auditor-General

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

Auditing in the Public Interest
## Appendices

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<thead>
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<th>57</th>
</tr>
</thead>
<tbody>
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<td>2</td>
<td>Operational support</td>
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<td>4</td>
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<td>5</td>
<td>Other statutory reporting requirements</td>
<td>70</td>
</tr>
<tr>
<td>6</td>
<td>Index of compliance</td>
<td>71</td>
</tr>
</tbody>
</table>
Appendix 1  The State Training System

As at June 2003, the State Training System included the Commission as the State training agency, 14 TAFE institutes, five TAFE divisions within universities, 1173 registered training organisations, over 450 ACE organisations and 19 industry training advisory bodies. Over 400 secondary schools participated through the VET in Schools program.

The State Training System provides general education and skills training across all occupational levels.

In 2002, registered training organisations provided approximately 514,000 students with over 108 million student contact hours of training and further education (excluding non-VET activity). This is an increase of 4 per cent on the 2001 delivery.

The proportion of women in VET programs in the Victorian State Training System, and the proportion of delivery of training to women, is indicated in the graph below.

Proportion of women in VET programs in Victoria, 1998–2002, all providers (excludes non-VET activity)

TAFE institutions

As at 30 June 2003, the Victorian TAFE institutions network comprised 14 TAFE institutes and five TAFE divisions in universities. All institutions are funded by the Government to provide training and further education.

TAFE institutes and multi-sector TAFE providers at 30 June 2003 were:
- Bendigo Regional Institute of TAFE
- Box Hill Institute of TAFE
- Central Gippsland Institute of TAFE
- Chisholm Institute of TAFE
- East Gippsland Institute of TAFE
- Gordon Institute of TAFE
- Goulburn Ovens Institute of TAFE
- Holmesglen Institute of TAFE
- Kangan Batman Institute of TAFE
- Northern Melbourne Institute of TAFE
- Royal Melbourne Institute of Technology (TAFE Division)
- South West Institute of TAFE
- Sunraysia Institute of TAFE
- Swinburne University of Technology (TAFE Division)
• University of Ballarat (TAFE Division)
• University of Melbourne – Institute of Land and Food Resources (TAFE Division)
• Victoria University of Technology (TAFE Division)
• William Angliss Institute of TAFE
• Wodonga Institute of TAFE

In 2002, the Victorian TAFE institutions delivered over 86 million student contact hours for nearly 350,000 students undertaking VET programs. This represents 80 per cent of the total vocational education and training delivered in the State Training System.

TAFE institutions provide personal enrichment and general education programs, as well as skills training in basic pre-vocational courses to advanced vocational education and training. Government funds are allocated to training programs, except personal enrichment courses.

TAFE institutions provide skills training in the following areas:

• operative/clerical
• trades
• professional/paraprofessional.

Courses include:

• basic literacy and numeracy
• basic preparation for work
• entry- or certificate-level training, including apprenticeships
• advanced vocational training, including training for paraprofessionals
• advanced technical and advanced post-initial training.

Courses are accredited under the AQF. A qualification is granted to a student who completes the relevant award course. Students who partially complete a course, or who complete a short course, receive a Statement of Results or Statement of Attainment as their record of achievement. Such arrangements are consistent with the major role of TAFE institutions in providing part-time award courses, stand-alone modules and short, non-award courses.

Seven TAFE institutions act as curriculum maintenance managers. These institutions play an important role in reviewing training packages, updating and reviewing curriculum, and providing advice on curriculum for their industry sectors.

Governance

Under the Vocational Education and Training Act 1990, TAFE institutions are self-governing. Each of Victoria’s TAFE institutions has distinct characteristics that reflect its local community and industry base, its size and region and the nature of the courses it offers.

Each year, TAFE institutions enter into performance agreements with the Commission. These performance agreements commit them to deliver specific programs, achieve certain targets and comply with system-wide policies.

A full report on the activities of each TAFE institution is contained in its own annual report.

Teaching and non-teaching staff in TAFE institutions

The number of teaching and non-teaching staff in TAFE institutions has increased in 2001–02, as is indicated in the graph below.

Curriculum maintenance managers and areas of responsibility

<table>
<thead>
<tr>
<th>Curriculum maintenance manager</th>
<th>Area of responsibility</th>
</tr>
</thead>
<tbody>
<tr>
<td>Chisholm Institute of TAFE</td>
<td>Business Industries</td>
</tr>
<tr>
<td></td>
<td>Business, Public Administration, Information Technology, Property Services, Public Safety</td>
</tr>
<tr>
<td>Holmesglen Institute of TAFE</td>
<td>Building and Construction</td>
</tr>
<tr>
<td></td>
<td>Building, Construction and Furnishing</td>
</tr>
<tr>
<td>Chisholm Institute of TAFE</td>
<td>General Manufacturing</td>
</tr>
<tr>
<td></td>
<td>Process Manufacturing, Food, Printing, Textile, Clothing and Footwear</td>
</tr>
<tr>
<td>Box Hill Institute of TAFE</td>
<td>Engineering Industries</td>
</tr>
<tr>
<td></td>
<td>Engineering</td>
</tr>
<tr>
<td>Box Hill Institute of TAFE</td>
<td>Electrical and Electronics</td>
</tr>
<tr>
<td>Kangaroo Batman Institute of TAFE</td>
<td>Automotive</td>
</tr>
<tr>
<td>Swinburne University of Technology</td>
<td>Human Services</td>
</tr>
<tr>
<td>(TAFE Division)</td>
<td>Arts, Recreation, Entertainment, Community Services and Health</td>
</tr>
<tr>
<td>Victoria University of Technology</td>
<td>Service Industries</td>
</tr>
<tr>
<td>(TAFE Division)</td>
<td>Wholesale, Retail and Personal Services, General Studies, Tourism and Hospitality, Transport</td>
</tr>
<tr>
<td>Northern Melbourne Institute of TAFE</td>
<td>Primary Industries</td>
</tr>
<tr>
<td></td>
<td>Agriculture and Horticulture, Fishing, Forest, Racing</td>
</tr>
</tbody>
</table>

Source: Department of Education & Training
Sources of TAFE institution funding
TAFE institutions, in keeping with their client focus, complement their government-funded provision with services purchased by industry. Such training is designed to meet individual needs, the needs of enterprises and industry and the requirements of lifelong learning in the workplace.

TAFE institutions are increasingly customising their products and services, including flexible delivery, to meet the needs of their clients.

Other registered training organisations
There are 1173 registered training organisations. They include community providers, commercial business colleges, secondary colleges, enterprises delivering training to their own staff and industry-based providers. Registered training organisations provided 17.8 million government-funded student contact hours of training and further education in 2002 for over 125,000 students.

Industry training advisory bodies
Victoria has a network of 19 industry training advisory bodies that provide advice to the Government on industry training needs for vocational education and training, promote training to the industry, support national and State training policy directions, and provide validation of the industry data compiled by the Department of Education & Training’s research program.

The Victorian industry training advisory bodies include 13 statutory Industry Training Boards, two special-purpose Industry Training bodies and four Industry Advisory Boards. They are:

Industry Training Advisory Boards
- Automotive Industry Training Board
- Business Services, Finance and Property Industry Training Board
- Community Services and Health Industry Training Board
- Cultural and Recreation Industry Training Board
- Electrotechnology, Printing, Information and Communications Industry Training Board
- Engineering Industry Training Board
- Food Industry Training Board
- Forests and Forest Products Employment Skills Company
- Furnishing Industry Training Board
- Primary Industry Training Board
- Process Manufacturing Industry Training Board
- Racing Victoria Ltd
- Textile, Clothing, Footwear and Leather Industry Advisory Board
- Tourism and Hospitality Industry Training Board
- Transport and Distribution Industry Training Board
- Victorian Water Industry Association
- Wholesale, Retail and Personal Services Industry Training Board.

Special-purpose industry training bodies
- Access Training and Employment Centre
- Victorian Aboriginal Education Association Incorporated.

Sources of TAFE funding, Victoria, 2002

<table>
<thead>
<tr>
<th>Source of Funding</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>State current</td>
<td>45.0%</td>
</tr>
<tr>
<td>Fee-for-service</td>
<td>19.5%</td>
</tr>
<tr>
<td>Commonwealth current</td>
<td>16.2%</td>
</tr>
<tr>
<td>Capital</td>
<td>8.8%</td>
</tr>
<tr>
<td>Other (including asset sales and investments)</td>
<td>3.1%</td>
</tr>
<tr>
<td>Student fees and charges</td>
<td>3.9%</td>
</tr>
<tr>
<td>Ancillary trading</td>
<td>2.8%</td>
</tr>
<tr>
<td>Commonwealth specific-purpose grants</td>
<td>0.7%</td>
</tr>
</tbody>
</table>

Source: Department of Education & Training
Appendix 2 Operational support

Office of Portfolio Integration

Director, Jenny Samms
2 Treasury Place
East Melbourne Victoria 3002
PO Box 266D
Melbourne Victoria 3001
Telephone (03) 9637 2000
Facsimile (03) 9637 2450

The Office of Portfolio Integration leads and coordinates strategic performance management within the Department of Education & Training; advises on strategic directions and policy; links budget strategy and resource allocation to the Department’s strategic planning and uses performance measures and evaluation to assess the effectiveness of initiatives and for forward planning. It also ensures coordinated executive services and support to Ministers and senior executives, including advice on inter-governmental and inter-agency issues.

In relation to the Commission, the Office of Portfolio Integration has lead responsibility for cross-sectoral policy and strategic planning related to post-compulsory education and training; leads significant change projects with a focus on cross-sectoral projects; supports the development of statewide networks and provides a secretariat to the Commission.

There are four Divisions within the Office of Portfolio Integration that provide major support to the Commission.

External and Inter-governmental Relations Division

General Manager, Debbie King (until January 2003), Colin Twisse (from May 2003)

The External and Inter-governmental Relations Division advises on inter-government and inter-agency relationships, coordinates executive services and support to Ministers and senior officers, and coordinates legal advice and support.

Strategic Initiatives Division

General Manager, Howard Kelly (until 11 March 2003), Ian Burrage (acting from 21 April 2003)

The Strategic Initiatives Division leads significant and selected change projects across the Department of Education & Training, focusing on cross-sectoral projects that bring teams together to develop programs and initiatives. The Division fosters an integrated approach to post-compulsory policy and pathways and is responsible for the development and support of the LLEnS. It also provides secretariat support for the Commission.

Manager, VLESC Secretariat, Keith Gove

Strategic Policy and Resources Division

General Manager, John Sullivan

The Strategic Policy and Resources Division advises on strategic directions and policy for education and training; develops and coordinates budget strategy; advises on the most effective allocation of resources to achieve Departmental objectives and links the work of the Division through a strategic performance management approach to planning, reporting and review.

Communications Division

General Manager, Jan Trewella (until 13 December 2002), Tony O’Dea (acting from 13 December 2002)

The Communications Division ensures that the position of the Minister and the Department of Education & Training is clearly and effectively communicated across the Department, government and public forums.

Evaluation and Audit Division

General Manager, David Brooks

The Evaluation and Audit Division ensures that executive and research functions are provided to support the Departmental and Statutory Authorities Audit Committees and undertakes planning and evaluation to inform policy development and enhance program planning and delivery.

International Division

General Manager, Ian Hind

The International Division provides education and training to students from overseas as an output of the State Training System and as an important element of Victoria’s export trade.

Office of Training and Tertiary Education

Director, Kim Bannikoff (until December 2002), Jim Davidson (from December 2002)
2 Treasury Place
East Melbourne Victoria 3002
PO Box 266D
Melbourne Victoria 3001
Telephone (03) 9637 2000
Facsimile (03) 9637 2450

Policy and Resources Division

General Manager, Philip Clarke

The Policy and Resources Division is responsible for the development of the overarching policy and resourcing framework for vocational education and training in Victoria. This is achieved through a combination of research, consultation, the gathering of intelligence and analysis of quantitative and qualitative data from a range of sources.
Design and Development Division

General Manager, Chris Kotur (until 6 December 2002), Jan Trewhella (from 16 December 2002)

The Design and Development Division provides leadership in the development and implementation of major innovations to build the capability and competitiveness of the Victorian vocational education and training system.

Vocational Education and Training Division

General Manager, Patricia Neden

The role of the Vocational Education and Training Division is to manage resources and relationships with clients and stakeholders to ensure the effective, efficient, innovative and high-quality development and delivery of vocational education and training to the Victorian community and industry.

Quality Assurance and Review Division

General Manager, Lynn Glover

The Quality Assurance and Review Division has responsibility for:

- the registration of training organisations under delegation from the Victorian Qualifications Authority and under the AQTF
- the approval of training organisations, under delegation from the Victorian Qualifications Authority, to provide courses to students from overseas
- the ongoing performance monitoring of registered training organisations
- participation in the annual reviews of performance as part of the ANTA Performance Agreement.

Adult, Community and Further Education Division

General Manager, Sue Christophers (until June 2003), Susan McDonald (acting from June 2003)

The Adult, Community and Further Education Division is responsible for supporting the work of the Adult, Community and Further Education Board and administering adult, community and further education policies across Victoria.

Office of Higher Education

Director, Terry Stokes

The Office of Higher Education is responsible for policy development and advice, State input to Commonwealth planning processes, Ministerial approval of university land sales and loans, appointments to university councils, regulation of private higher education providers and liaison with universities.

Resource Centre

Manager, Peter Ring

Office of Training and Tertiary Education Resource Centre
3rd floor, 2 Treasury Place
East Melbourne Victoria 3002
Telephone (03) 9637 2000
Facsimile (03) 9637 2460

Office of School Education

Director, Michael White (until December 13 2002), Kim Bannikoff (from 13 December 2002)
33 St Andrews Place
East Melbourne Victoria 3002
Telephone (03) 9637 2139
Facsimile (03) 9637 2120
Appendix 3  Freedom of Information

Publication requirements
The information required to be published pursuant to section 7 of the Freedom of Information Act 1982 follows, except for information required by that section but published elsewhere in this report.

Queries about the availability of and charges for other material prepared under Part II of the Freedom of Information Act should be directed to the authorised officer. The authorised officer of the Commission is:
Mr Neil Morrow
Manager, Freedom of Information
Department of Education & Training
GPO Box 4367
Melbourne Victoria 3001
Telephone (03) 9637 2670

Categories of documents
The following are the general categories of documents maintained by the Office of Training and Tertiary Education on behalf of the Commission.

- Correspondence, administrative and policy documents
  Paper records are maintained in registered files.
- Minutes, agendas and papers
  Paper records of agendas, agenda papers and confirmed minutes of meetings are maintained in registered files. An index of outcomes is also maintained.
- Personnel documents
  Paper records on remuneration and appointments for the Commission members are maintained in registered files.
- Accounting records
  Accounting records are maintained on a computerised accounting system. The records deal with general ledger entries, accounts payable, payroll and other accounting functions. Paper records are also kept as registered files.

Freedom of Information arrangements
Access to records
All requests for access to records held by agencies are dealt with by the authorised officer. Applicants seeking access to a document held by agencies should attempt to specify the topic of interest rather than the file series in which the applicant considers the document might exist. Assistance in specifying the topic is available from the authorised officer.

Form of request for access
Applicants are required by the Freedom of Information Act to submit applications requesting access to documents in writing. No form of application is specified. A letter that clearly describes the document(s) sought is sufficient. The letter should specify that the application is a request made under the Act and should not form part of a letter on another subject. The applicant should provide the following information:
- name
- address
- telephone number (where applicant can be contacted during business hours)
- details of document(s) requested
- the form of access required, that is copies of documents, inspection of file
- other (specify).

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

Charges
An application fee of 20 dollars is required unless evidence of hardship is provided. Applicants are advised that other charges may be made in respect of requests for access to documents.

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

Summary
Principal Officer  VLESC Chair
Authorised Officer  Neil Morrow

One request was made of the former State Training Board and the Commission under the Freedom of Information Act during the period 1 July 2002 to 30 June 2003.
Appendix 4  Whistleblowers Protection Act 2001

In 2003, VLESC nominated the Department of Education & Training (DE&T) as its agent to accept and investigate any disclosures made under the Whistleblowers Protection Act 2001 concerning members of VLESC. The Whistleblowers Protection Act 2001 Department of Education & Training Guidelines (below) have been adopted as the appropriate procedures for managing disclosures made under the Act concerning members of VLESC.

Details of any disclosures made under the Act concerning members of VLESC will be included in DE&T’s Annual Report 2002–03.

Department of Education & Training Guidelines

1  Objects of the Act

The Whistleblowers Protection Act 2001 (the Act) commenced operation on 1 January 2002. The purpose of the Act is to encourage and facilitate the making of disclosures of improper conduct by public officers and public bodies. The Act provides protection to whistleblowers who make disclosures in accordance with the Act, and establishes a system for the matters disclosed to be investigated and rectifying action to be taken.

2  Statement of support to whistleblowers

The Department of Education & Training (DE&T) is committed to the aims and objectives of the Act. It does not tolerate improper conduct by its employees nor the taking of reprisals against those who come forward to disclose such conduct. DE&T recognises the value of transparency and accountability in its administrative and management practices, and supports the making of disclosures that reveal corrupt conduct, conduct involving a substantial mismanagement of public resources, or conduct involving a substantial risk to public health or safety or to the environment.

DE&T will take all reasonable steps to protect people who make such disclosures from any detrimental action in reprisal for making the disclosure. It will also ensure natural justice to the person who is the subject of the disclosure.

3  Purpose of these procedures

These procedures establish a system for reporting disclosures of improper conduct or detrimental action by DE&T employees. The system enables such disclosures to be made to one of the protected disclosure officers or the protected disclosure coordinator. Disclosures may be made by employees or by members of the public.

These procedures complement DE&T’s established procedures for addressing complaints and are for use only where appropriate. Employees and members of the general public should continue to raise issues in accordance with the consultative and complaint resolution procedures already in place unless the complaint meets the criteria specified in the Act to be considered a protected disclosure.

4  Definitions of key terms

4.1  A protected disclosure

For the purpose of the Act, a protected disclosure is a complaint, report or allegation of improper conduct or detrimental action, concerning matters which come under the Act, and is made in accordance with Part 2 of the Act.

A protected disclosure may also be referred to as a public interest disclosure where the disclosure shows or tends to show that the public officer to whom the disclosure relates:

• has engaged, is engaging or intends to engage in improper conduct in his or her capacity as a public officer
• has taken, is taking, or proposes to take, detrimental action in reprisal for the making of the protected disclosure.

4.2  Improper conduct

A disclosure may be made about improper conduct by a public body or public official. Improper conduct means conduct that is corrupt, a substantial mismanagement of public resources, or conduct involving substantial risk to public health or safety or to the environment. The conduct must be serious enough to constitute, if proved, a criminal offence or reasonable grounds for dismissal.

Examples

• To avoid closure of a town’s only industry, an environmental health officer ignores or conceals evidence of illegal dumping of waste.
• An agricultural officer delays or declines imposing quarantine to allow a financially distressed farmer to sell diseased stock.
• A building inspector tolerates poor practices and structural defects in the work of a leading local builder.

4.3  Corrupt conduct

Corrupt conduct means:

• conduct of any person (whether or not a public official) that adversely affects the honest performance of a public officer’s or public body’s functions
• the performance of a public officer’s functions dishonestly or with inappropriate partiality
• conduct of a public officer, former public officer or a public body that amounts to a breach of public trust
• conduct by a public officer, former public officer or a public body that amounts to the misuse of information or material acquired in the course of the performance of their official functions
• a conspiracy or attempt to engage in the above conduct.

Examples

• A public officer takes a bribe or receives a payment other than his or her wages or salary in exchange for the discharge of a public duty.
• A public officer favours unmeritorious applications for jobs or permits by friends and relatives.
• A public officer sells confidential information.

4.4 Detrimental action
The Act makes it an offence for a person to take detrimental action against a person in reprisal for a protected disclosure. Detrimental action includes:
• action causing injury, loss or damage
• intimidation or harassment
• discrimination, disadvantage or adverse treatment in relation to a person’s employment, career, profession, trade or business, including the taking of disciplinary action.

Examples
• A public body refuses a deserved promotion of a person who makes a disclosure.
• A public body demotes, transfers, isolates in the workplace or changes the duties of a whistleblower due to the making of a disclosure.
• A person threatens, abuses or carries out other forms of harassment directly or indirectly against the whistleblower, his or her family or friends.
• A public body discriminates against the whistleblower or his or her family and associates in subsequent applications for jobs, permits or tenders.

5 The reporting system

5.1 Contact persons within DE&T
Disclosures of improper conduct or detrimental action by DE&T employees may also be made directly to the Ombudsman.

All correspondence, telephone calls and emails from internal or external whistleblowers will be referred to the protected disclosure coordinator.

Contact details are provided on page 69.

5.2 Alternative contact persons
Disclosures about improper conduct or detrimental action by DE&T employees may also be made directly to the Ombudsman.

Disclosures about improper conduct or detrimental action by persons who are not DE&T employees should be made as follows:

<table>
<thead>
<tr>
<th>Person who is the subject of the disclosure</th>
<th>Person/body to whom the disclosure must be made</th>
</tr>
</thead>
<tbody>
<tr>
<td>Employee of a public body other than DE&amp;T</td>
<td>That public body or the Ombudsman</td>
</tr>
<tr>
<td>Member of Parliament (Legislative Assembly)</td>
<td>Speaker of the Legislative Assembly</td>
</tr>
<tr>
<td>Member of Parliament (Legislative Council)</td>
<td>President of the Legislative Council</td>
</tr>
<tr>
<td>Councillor (local government)</td>
<td>The Ombudsman</td>
</tr>
<tr>
<td>Chief Commissioner of Police</td>
<td>The Ombudsman or Deputy Ombudsman</td>
</tr>
<tr>
<td>Member of the police force</td>
<td>The Ombudsman, Deputy Ombudsman or Chief Commissioner of Police</td>
</tr>
</tbody>
</table>

6 Roles and responsibilities

6.1 Employees
Employees are encouraged to report known or suspected incidences of improper conduct, or detrimental action in accordance with these procedures.

All employees of DE&T have an important role to play in supporting those who have made a legitimate disclosure. They must refrain from any activity that is, or could be perceived to be, victimisation or harassment of a person who makes a disclosure. Furthermore, they should protect and maintain the confidentiality of a person they know or suspect to have made a disclosure.

6.2 Protected disclosure officers
Protected disclosure officers will:
• be a contact point for general advice about the operation of the Act for any person wishing to make a disclosure about improper conduct or detrimental action
• make arrangements for a disclosure to be made privately and discreetly and, if necessary, away from the workplace
• receive any disclosure made orally or in writing (from internal and external whistleblowers)
• commit to writing any disclosure made orally
• impartially assess the allegation and determine whether it is a disclosure made in accordance with Part 2 of the Act (that is, a protected disclosure)
• take all necessary steps to ensure the identity of the whistleblower and the identity of the person who is the subject of the disclosure are kept confidential
• forward all disclosures and supporting evidence to the protected disclosure coordinator.

6.3 Protected disclosure coordinator
The protected disclosure coordinator has a central clearing-house role in the internal reporting system. He or she will:
• receive all disclosures forwarded from the protected disclosure officers
• impartially assess each disclosure to determine whether it is a protected disclosure
• refer all protected disclosures to the Ombudsman
• be responsible for carrying out, or appointing an investigator to carry out, an investigation referred to DE&T by the Ombudsman
• be responsible for overseeing and coordinating an investigation where an investigator has been appointed
• appoint a welfare manager to support the whistleblower and to protect him or her from any reprisals
• advise the whistleblower of the progress of an investigation into the disclosed matter
• establish and manage a confidential filing system
• collate and publish statistics on disclosures made
• take all necessary steps to ensure the identity of the whistleblower and the identity of the person who is the subject of the disclosure are kept confidential
• liaise with the Secretary of DE&T.

6.4 Investigator
The investigator will be responsible for carrying out an internal investigation into a disclosure where the Ombudsman has referred a matter to DE&T. An investigator may be a person from within DE&T or a consultant engaged for that purpose.
6.5 Welfare manager
The welfare manager is responsible for looking after the general welfare of the whistleblower. A welfare manager may be a person from within DE&T or a consultant engaged for that purpose.

The welfare manager will:
• examine the immediate welfare and protection needs of a whistleblower who has made a disclosure and seek to foster a supportive work environment
• advise the whistleblower of the legislative and administrative protections available to him or her
• listen and respond to any concerns of harassment, intimidation or victimisation in reprisal for making a disclosure
• ensure the expectations of the whistleblower are realistic.

7 Confidentiality
DE&T will take all reasonable steps to protect the identity of the whistleblower. Maintaining confidentiality is crucial in ensuring reprisals are not made against a whistleblower.

The Act requires any person who receives information due to the handling or investigation of a protected disclosure, not to disclose that information except in certain limited circumstances. Disclosure of information in the Act constitutes an offence that is punishable by a maximum fine of 60 penalty units ($6000) or six months imprisonment or both.

The circumstances in which a person may disclose information obtained about a protected disclosure include:
• where exercising the functions of the public body under the Act
• when making a report or recommendation under the Act
• when publishing statistics in the annual report of a public body
• in criminal proceedings for certain offences in the Act.

However, the Act prohibits the inclusion of particulars in any report or recommendation that are likely to lead to the identification of the whistleblower. The Act also prohibits the identification of the person who is the subject of the disclosure in any particulars included in an annual report.

DE&T will ensure all files, whether paper or electronic, are kept in a secure room and can only be accessed by the protected disclosure coordinator, protected disclosure officer, the investigator or welfare manager (in relation to welfare matters). All printed material will be kept in files that are clearly marked as a Whistleblower Protection Act matter, and warn of the criminal penalties that apply to any unauthorised divulging of information concerning a protected disclosure. All electronic files will be produced and stored on a stand-alone computer and be given password protection. Backup files will be kept on floppy disc. All materials relevant to an investigation, such as tapes from interviews, will also be stored securely with the whistleblower files.

DE&T will not email documents relevant to a whistleblower matter and will ensure all telephone calls and meetings are conducted in private.

8 Collating and publishing statistics
The protected disclosure coordinator will establish a secure register to record the information required to be published in DE&T’s annual report, and to generally keep account of the status of whistleblower disclosures. The register will be confidential and will not record any information that may identify the whistleblower.

9 Receiving and assessing disclosures
DE&T may receive a range of complaints and grievances from staff and members of the public. Only some of these matters will be considered to be protected disclosures and therefore qualify for protection and investigation under the Act.

9.1 Has the disclosure been made in accordance with Part 2 of the Act?
Where a disclosure has been received by the protected disclosure officer he or she will assess whether the disclosure has been made in accordance with Part 2 of the Act and is, therefore, a protected disclosure.

9.1.1 Has the disclosure been made to the appropriate person?
For the disclosure to be responded to by DE&T it must concern an employee of DE&T. If the disclosure concerns an employee, officer or member of another public body, the person who has made the disclosure must be advised of the correct person or body to whom the disclosure should be directed. (See the table in 5.2). If the disclosure has been made anonymously, it should be referred to the Ombudsman.

9.1.2 Does the disclosure contain the essential elements of a protected disclosure?
To be a protected disclosure, a disclosure must satisfy the following criteria:
• the disclosure was made by a natural person (that is, an individual person rather than a corporation)
• the disclosure relates to conduct of a public body or public officer acting in their official capacity
• the alleged conduct is improper conduct or detrimental action taken against a person in reprisal for making a protected disclosure
• the person making a disclosure has reasonable grounds for believing the alleged conduct has occurred.

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

Where a disclosure is assessed not to be a protected disclosure, the matter does not need to be dealt with under the Act. The protected disclosure officer will decide how the matter should be resolved, in consultation with the protected disclosure coordinator. The following table indicates the alternative processes available within DE&T for dealing with complaints.

9.2 Is the disclosure a protected disclosure?
Where a disclosure has been assessed as a protected disclosure by the protected disclosure officer and consequently referred to the protected disclosure coordinator, the coordinator will confirm whether the disclosure amounts to a protected disclosure. This assessment will be made within 45 days of the initial receipt of the disclosure by the protected disclosure officer.

Where the protected disclosure coordinator concludes that the disclosure amounts to a protected disclosure, he or she will:
• notify the person who made the disclosure of that conclusion
refer the disclosure to the Ombudsman for formal determination as to whether it is indeed a protected disclosure.

Where the protected disclosure coordinator concludes that the disclosure is not a protected disclosure, he or she will:
• notify the person who made the disclosure of that conclusion
• advise that person that he or she may request DE&T to refer the disclosure to the Ombudsman for a formal determination as to whether the disclosure is a protected disclosure, and that this request must be made within 28 days of the notification.

In either case, the protected disclosure coordinator will ensure that the notification and the referral are made within 14 days of the conclusion being reached.

10 Investigations

10.1 Introduction
Where the Ombudsman refers a protected disclosure to DE&T for investigation, the protected disclosure coordinator will appoint an investigator to carry out the investigation.

The objectives of an investigation will be:
• to collate information relating to the allegation as quickly as possible. This may involve taking steps to protect or preserve documents, materials and equipment
• to consider the information collected and to draw conclusions objectively and impartially
• to maintain procedural fairness in the treatment of witnesses and the person who is the subject of the disclosure
• to make recommendations arising from the conclusions drawn concerning remedial or other appropriate action.

10.2 Terms of reference
Before commencing an investigation, the protected disclosure coordinator will draw up terms of reference and obtain authorisation for those terms from the Secretary of DE&T. The terms of reference will set a date by which the investigation report is to be concluded, and will describe the resources available to the investigator to complete the investigation within the time set. The protected disclosure coordinator may approve, if reasonable, an extension of time requested by the investigator. The terms of reference will require the investigator to make regular reports to the protected disclosure coordinator who, in turn, is to keep the Ombudsman informed of general progress.

10.3 Investigation plan
The investigator will prepare an investigation plan for approval by the protected disclosure coordinator. The plan will list the issues to be substantiated and describe the avenue of inquiry. It will address the following issues:
• What is being alleged?
• What are the possible findings or offences?
• What are the facts in issue?
• How is the inquiry to be conducted?
• What resources are required?

At the commencement of the investigation, the whistleblower should be:
• notified by the investigator that he or she has been appointed to conduct the investigation
• asked to clarify any matters and provide any additional material he or she might have.

The investigator will be sensitive to the whistleblower’s possible fear of reprisals and will be aware of the statutory protections provided to the whistleblower.

10.4 Natural justice
The principles of natural justice will be followed in any investigation of a protected disclosure. The principles
of natural justice concern procedural fairness and ensure a fair decision is reached by an objective decision maker. Maintaining procedural fairness protects the rights of individuals and enhances public confidence in the process.

DE&T will have regard to the following issues in ensuring procedural fairness:

- the person who is the subject of the disclosure is entitled to know the allegations made against him or her and must be given the right to respond (this does not mean the person must be advised of the allegation as soon as the disclosure is received or the investigation has commenced);
- if the investigator is contemplating making a report adverse to the interests of any person, that person should be given the opportunity to put forward further material that may influence the outcome of the report and that person’s defence should be fairly set out in the report;
- all relevant parties to a matter should be heard and all submissions should be considered;
- a decision should not be made until all reasonable inquiries have been made;
- the investigator or any decision maker should not have a personal or direct interest in the matter being investigated;
- all proceedings must be carried out fairly and without bias and care taken to exclude perceived bias from the process;
- the investigator must be impartial in assessing the credibility of the whistleblower and any witnesses and, where appropriate, conclusions as to credibility should be included in the investigation report.

10.5 Conduct of the investigation

The investigator will make contemporaneous notes of all discussions and telephone calls, and all interviews with witnesses will be taped. All information gathered in an investigation will be stored securely. Interviews will be conducted in private and the investigator will take all reasonable steps to protect the identity of the whistleblower.

Where disclosure of the identity of the whistleblower cannot be avoided, due to the nature of the allegations, the investigator will warn the whistleblower and his or her welfare manager of this probability.

It is in the discretion of the investigator to allow any witness to have legal or other representation or support during an interview. If a witness has a special need for legal representation or support, permission should be granted.

10.6 Referral of an investigation to the Ombudsman

The protected disclosure coordinator will make a decision regarding the referral of an investigation to the Ombudsman where, on the advice of the investigator:

- the investigation is being obstructed by, for example, the non-cooperation of key witnesses;
- the investigation has revealed conduct that may constitute a criminal offence.

10.7 Reporting requirements

The protected disclosure coordinator will ensure the whistleblower is kept regularly informed concerning the handling of a protected disclosure and an investigation.

The protected disclosure coordinator will report to the Ombudsman about the progress of an investigation.

Where the Ombudsman or the whistleblower requests information about the progress of an investigation, that information will be provided within 28 days of the date of the request.

11 Action taken after an investigation

11.1 Investigator’s final report

At the conclusion of the investigation, the investigator will submit a written report of his or her findings to the protected disclosure coordinator. The report will contain:

- the allegation/s;
- an account of all relevant information received and, if the investigator has rejected evidence as being unreliable, the reasons for this opinion being formed;
- the conclusions reached and the basis for them;
- any recommendations arising from the conclusions.

Where the investigator has found that the conduct disclosed by the whistleblower has occurred, recommendations made by the investigator will include:

- the steps that need to be taken by DE&T to prevent the conduct from continuing or occurring in the future;
- any action that should be taken by DE&T to remedy any harm or loss arising from the conduct. This action may include bringing disciplinary proceedings against the person responsible for the conduct, and referring the matter to an appropriate authority for further consideration.

The report will be accompanied by:

- the transcript or other record of any oral evidence taken, including tape recordings;
- all documents, statements or other exhibits received by the investigator and accepted as evidence during the course of the investigation.

11.2 Action to be taken

If the protected disclosure coordinator is satisfied that the investigation has found that the disclosed conduct has occurred, he or she will recommend to the Secretary the action that must be taken to prevent the conduct from continuing or occurring in the future. The protected disclosure coordinator may also recommend that action be taken to remedy any harm or loss arising from the conduct.

The protected disclosure coordinator will provide a written report to the relevant Minister, the Ombudsman and the whistleblower setting out the findings of the investigation and any remedial steps taken.

Where the investigation concludes that the disclosed conduct did not occur, the protected disclosure coordinator will report these findings to the Ombudsman and to the whistleblower.

12 Managing the welfare of the whistleblower

12.1 Commitment to protecting whistleblowers

DE&T is committed to the protection of genuine whistleblowers against detrimental action taken in reprisal for the making of protected disclosures.

The protected disclosure coordinator is responsible for ensuring whistleblowers are protected from direct and indirect detrimental action, and that the culture of the workplace is supportive of protected disclosures being made.
The protected disclosure coordinator will appoint a welfare manager to all whistleblowers who have made a protected disclosure. The welfare manager will:

- examine the immediate welfare and protection needs of a whistleblower who has made a disclosure and, where the whistleblower is an employee, seek to foster a supportive work environment
- advise the whistleblower of the legislative and administrative protections available to him or her
- listen and respond to any concerns of harassment, intimidation or victimisation in reprisal for making a disclosure
- keep a contemporaneous record of all aspects of the case management of the whistleblower including all contact and follow-up action
- ensure the expectations of the whistleblower are realistic.

All employees are advised that it is an offence for a person to take detrimental action in reprisal for a protected disclosure. The maximum penalty is a fine of 240 penalty units ($24,000) or two years imprisonment or both. The taking of detrimental action in breach of this provision can also be grounds for making a disclosure under the Act and can result in an investigation.

### 12.2 Keeping the whistleblower informed

The protected disclosure coordinator will ensure that the whistleblower is kept informed of action taken in relation to his or her disclosure, and the timeframes that apply. The whistleblower will be informed of the objectives of an investigation, the findings of an investigation, and the steps taken by DE&T to address any improper conduct that has been found to have occurred. The whistleblower will be given reasons for decisions made by DE&T in relation to a protected disclosure.

### 12.3 Occurrence of detrimental action

If a whistleblower reports an incident of harassment, discrimination or adverse treatment that would amount to detrimental action taken in reprisal for the making of the disclosure, the welfare manager will:

- record details of the incident
- advise the whistleblower of his or her rights under the Act
- advise the protected disclosure coordinator or Secretary of the detrimental action.

The taking of detrimental action in reprisal for the making of a disclosure can be an offence against the Act as well as grounds for making a further disclosure. Where such detrimental action is reported, the protected disclosure coordinator will assess the report as a new disclosure under the Act. Where the protected disclosure coordinator is satisfied that the disclosure is a protected disclosure, he or she will refer it to the Ombudsman. If the Ombudsman subsequently determines the matter to be a protected disclosure, the Ombudsman may investigate the matter or refer it to another body for investigation as outlined in the Act.

### 12.4 Whistleblowers implicated in improper conduct

Where a person who makes a disclosure is implicated in misconduct, DE&T will handle the disclosure and protect the whistleblower from reprisals in accordance with the Act, the Ombudsman’s guidelines and these procedures.

DE&T acknowledges that the act of whistleblowing should not shield whistleblowers from the reasonable consequences flowing from any involvement in improper conduct. Section 17 of the Act specifically provides that a person’s liability for his or her own conduct is not affected by the person’s disclosure of that conduct under the Act. However, in some circumstances, an admission may be a mitigating factor when considering disciplinary or other action.

The Secretary will make the final decision on the advice of the protected disclosure coordinator as to whether disciplinary or other action will be taken against a whistleblower. Where disciplinary or other action relates to conduct that is the subject of the whistleblower’s disclosure, the disciplinary or other action will only be taken after the disclosed matter has been appropriately dealt with. In all cases where disciplinary or other action is being contemplated, the Secretary must be satisfied that it has been clearly demonstrated that:

- the intention to proceed with disciplinary action is not causally connected to the making of the disclosure (as opposed to the content of the disclosure or other available information)
- there are good and sufficient grounds that would fully justify action against any non-whistleblower in the same circumstances
- there are good and sufficient grounds that justify exercising any discretion to institute disciplinary or other action.

The protected disclosure coordinator will thoroughly document the process including recording the reasons why the disciplinary or other action is being taken, and the reasons why the action is not in retribution for the making of the disclosure. The protected disclosure coordinator will clearly advise the whistleblower of the proposed action to be taken, and of any mitigating factors that have been taken into account.

### 13 Management of the person against whom a disclosure has been made

DE&T recognises that employees against whom disclosures are made must also be supported during the handling and investigation of disclosures. DE&T will take all reasonable steps to ensure the confidentiality of the person who is the subject of the disclosure during the assessment and investigation process. Where investigations do not substantiate disclosures, the fact that the investigation has been carried out, the results of the investigation, and the identity of the person who is the subject of the disclosure will remain confidential.

The protected disclosure coordinator will ensure the person who is the subject of any disclosure investigated by or on behalf of a public body is:

- informed as to the substance of the allegations
- given the opportunity to answer the allegations before a final decision is made
- informed as to the substance of any adverse comment that may be included in any report arising from the investigation
- has his or her defence set out fairly in any report.
Where the allegations in a disclosure have been investigated, and the person who is the subject of the disclosure is aware of the allegations or the fact of the investigation, the protected disclosure coordinator will formally advise the person who is the subject of the disclosure of the outcome of the investigation.

DE&T will give its full support to a person who is the subject of a disclosure where the allegations contained in a disclosure are clearly wrong or unsubstantiated. If the matter has been publicly disclosed, the Secretary of DE&T will consider any request by that person to issue a statement of support setting out that the allegations were clearly wrong or unsubstantiated.

14 Criminal offences
DE&T will ensure officers appointed to handle protected disclosures and all other employees are aware of the following offences created by the Act:

- It is an offence for a person to take detrimental action against a person in reprisal for a protected disclosure being made. The Act provides a maximum penalty of a fine of 240 penalty units ($24,000) or two years imprisonment or both.
- It is an offence for a person to divulge information obtained as a result of the handling or investigation of a protected disclosure without legislative authority. The Act provides a maximum penalty of 60 penalty units ($6,000) or six months imprisonment or both.
- It is an offence for a person to obstruct the Ombudsman in performing his responsibilities under the Act. The Act provides a maximum penalty of 240 penalty units ($24,000) or two years imprisonment or both.
- It is an offence for a person to knowingly provide false information under the Act with the intention that it be acted on as a disclosed matter. The Act provides a maximum penalty of 240 penalty units ($24,000) or two years imprisonment or both.

15 Review
These procedures will be reviewed annually to ensure they meet the objectives of the Act and accord with the Ombudsman’s guidelines.

Contact details
Written disclosures should be marked confidential and addressed to the Protected Disclosure Officer at the appropriate regional or central DE&T office.

If making disclosures personally or by telephone individuals need to contact the appropriate central or regional DE&T office and request to speak to the protected disclosure officer.

Conduct and Ethics Branch
Ground floor, 33 St Andrews Place
GPO Box 4367
Melbourne Victoria 3001
Telephone: (03) 9637 2591

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

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

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

Southern Metropolitan Region
PO Box 5
Dandenong Victoria 3175
Telephone: (03) 9794 3555

Barwon South Western Region
PO Box 420
North Geelong Victoria 3215
Telephone: (03) 5272 8300

Central Highlands Wimmera Region
Level 1
1220 Sturt Street
Ballarat Victoria 3350
Telephone: (03) 5337 8444

Loddon Campaspe Mallee Region
PO Box 442
Bendigo Victoria 3550
Telephone: (03) 5440 3111

Goulburn North Eastern Region
PO Box 403
Benalla Victoria 3672
Telephone: (03) 5761 2100

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

Protected Disclosure Coordinator
Assistant General Manager, Planning and Development
Human Resources Division
Department of Education & Training
GPO Box 4367
Melbourne Victoria 3001
Telephone: (03) 9637 2371

The Ombudsman Victoria
Level 22, 459 Collins Street
Melbourne Victoria 3000
Website: www.ombudsman.vic.gov.au
Email: ombudvic@ombudsman.vic.gov.au
Telephone: (03) 9613 6222
Freecall: 1800 806 314
Appendix 5 Other statutory reporting requirements

Compliance with the Building Act 1993
As part of its service provision mandate, the Department of Education & Training is committed to providing safe and secure buildings for all Department-owned and operated facilities. A critical part of this commitment is the development of a Building Compliance Assessment Strategy for all facilities for which the Department has a responsibility, including TAFE institutions.

The Minister for Finance Guideline ‘Standards for Publicly Owned Buildings’ (November 1994) requires that all government departments and funded agencies comply with the following:
- new buildings conform to the Building Act 1993 and other statutory obligations
- other buildings are brought up to a standard such that they are safe and fit to occupy.

In order to comply with the above it was necessary to undertake Standards Assessments for nominated facilities. Standards Assessments are mandatory legislative requirements aimed at ensuring safety and fitness for occupancy. An agreed benchmark was developed specifying the required areas of compliance for Department-controlled facilities, including TAFE institutions. This is in the form of a performance-based guideline and checklist.

All facilities for which the Department of Education & Training is responsible will be audited by suitably qualified contractors in accordance with the new guideline. A report will be generated indicating areas of non-compliance. Identified works will be costed and priorities established for future works.

National Competition policy
Under the relevant provisions of the Vocational Education and Training Act 1990, a function of the Commission is to provide for the delivery of post-compulsory education and training by registered organisations. The Act restricts competition in that providers need to be registered in order to deliver accredited courses.

Human resources
The Department of Education & Training covers matters relating to staffing, workforce data, the application of merit and equity principles and occupational health and safety. (See the Human Resources section in the Department of Education & Training’s Annual Report 2002–03.)

Additional information
Consistent with the requirements of the Financial Management Act 1994, material has also been prepared on the following topics, which have not been addressed in this report:
- declarations of pecuniary interests
- shares held beneficially by senior officers as nominees of a statutory authority or subsidiary
- publications produced by the Commission or the Office of Training and Tertiary Education
- changes in prices, fees, charges, rates and levies
- major external reviews carried out on the Commission
- research and development activities undertaken by the Commission
- overseas visits undertaken
- major promotions undertaken by the Commission
- occupational health and safety assessments and measures
- industrial relations issues
- major committees sponsored by the Commission.

Requests for details of this information should be made to the Commission’s Secretariat (telephone (03) 9637 3784).

Consultancies and major contracts
Details of consultants engaged by the Victorian Learning and Employment Skills Commission in 2002–03 are shown in the table below.

The Commission did not enter into contracts greater than $10 million in value during 2002–03.

Consultancies in excess of $100,000

<table>
<thead>
<tr>
<th>Consultant</th>
<th>Particulars</th>
<th>Amount paid in 2002–03</th>
<th>Future commitment as at 30 June 2003</th>
</tr>
</thead>
<tbody>
<tr>
<td>Australian Centre for Industrial Relations Research (University of Sydney) and the Centre for Applied Research (RMIT)</td>
<td>To investigate the nature of skills and knowledge needs in a number of key sectors in the Victorian service industry, including factors influencing change in skill needs and skill formation processes. The project will propose possible strategies to ensure that skill and knowledge requirements in the service industry are met.</td>
<td>$33,318</td>
<td>$120,000</td>
</tr>
</tbody>
</table>

Consultancies less than $100,000

<table>
<thead>
<tr>
<th>Numbers engaged</th>
<th>Total cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>2</td>
<td>$18,815</td>
</tr>
</tbody>
</table>
Appendix 6  Index of compliance

The annual report of the Commission is prepared in accordance with the Financial Management Act 1994 and the Directions of the Minister for Finance. This index facilitates identification of the Commission’s compliance with the Directions of the Minister for Finance by listing references to disclosures in this financial report.

Report of operations

<table>
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## Acronyms and abbreviations

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<td>ACE</td>
<td>Adult community education</td>
</tr>
<tr>
<td>ANTA</td>
<td>Australian National Training Authority</td>
</tr>
<tr>
<td>AQTF</td>
<td>Australian Quality Training Framework</td>
</tr>
<tr>
<td>DE&amp;T</td>
<td>Department of Education &amp; Training</td>
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<tr>
<td>ICT</td>
<td>Information and communication technology</td>
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<td>ITA</td>
<td>International Training Australia</td>
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<tr>
<td>LLEN(s)</td>
<td>Local Learning and Employment Network(s)</td>
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<td>MIP</td>
<td>Managed Individual Pathways</td>
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<td>TAFE Virtual Campus</td>
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<td>Victorian Certificate of Applied Learning</td>
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<tr>
<td>VCE</td>
<td>Victorian Certificate of Education (Years 11 and 12)</td>
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<tr>
<td>VET</td>
<td>Vocational education and training</td>
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<td>VLESC</td>
<td>Victorian Learning and Employment Skills Commission</td>
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