

Annual Report **2002-03**



Victorian Qualifications Authority

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Acronyms and abbreviations Inside back cover

October 2003
Lynne Kosky, MP
Minister for Education and Training
2 Treasury Place
East Melbourne Victoria 3002

Dear Minister

I am pleased to submit the second annual report of the Victorian Qualifications Authority (VQA) in accordance with the *Financial Management Act 1994* and the *Victorian Qualifications Authority Act 2000*.

The VQA has been in operation since 1 March 2001. This annual report documents the achievements of the VQA during its second full year of operation.

I extend my appreciation to my colleagues on the VQA Board, the research support group (Expert Panel) and the staff of the VQA for their ongoing commitment and vision.

Yours sincerely



Helen Praetz
Chair

The VQA is the peak accreditation, certification and registration body for post-compulsory education and training (except higher education).

report of THE CHAIR



In 1999 the then Minister for Post Compulsory Education, Training and Employment, Lynne Kosky, commissioned the Review of Post Compulsory Education and Training Pathways in Victoria in 2000. The Pathways Review found that for thousands of young Victorians education and training were not meeting their needs.

One of the key recommendations was the formation of the VQA as part of the reform agenda to improve pathways

for all Victorians, especially young people. The VQA has been charged with monitoring of all post-compulsory education and training (except higher education), accrediting and certifying eligible qualifications in order to raise standards and increase the flexibility of education.

The VQA comprises members from schools, TAFE institutions, registered training organisations, universities, industry and the community. This diverse set of backgrounds has provided the right mix to ensure healthy debate is transferred from planning to action. The ex officio membership ensures an Authority capable of providing a holistic, coordinated approach to improving the opportunities for all Victorians to gain qualifications.

At its strategic planning meeting held in Ballarat in October, the Board set some exciting directions for qualifications policy, research and development including:

- a project to test the feasibility of introducing a Credit Matrix to apply to Victorian post-compulsory qualifications
- projects covering the trial and evaluation of the Victorian Certificate of Applied Learning (VCAL) with plans to further develop the certificate to meet identified student learning needs.

Both projects are directly linked to the VQA's three legislated objectives:

- develop and monitor standards for education and training normally undertaken in, or designed to be undertaken in, the years after Year 10
- ensure and support appropriate linkages between qualifications
- facilitate procedures which make it easier for people to re-enter education and training and acquire qualifications.

We acknowledge the work of others engaged in research and policy development, and particularly the VQA Expert Panel for their assistance in monitoring international and local developments and in contributing innovative ideas.

The VQA looks forward to working with all those who are seeking to develop effective strategies to improve access for all Victorians to employment and further learning.

Professor Helen Praetz
Chair

report of THE DIRECTOR



This report covers the second full year of the VQA. Just as in our first year, the activities in the VQA Board's annual plan focused on our contribution towards the Government's education and training goals and targets.

The work plan for 2002–03 aimed to make Victorian qualifications flexible, responsive to needs, accessible and of high quality. It therefore had three particular themes: quality assurance, improving student

retention and clarifying student pathways.

In support of quality assurance, we have worked with colleagues in the Office of Training and Tertiary Education to ensure that Victoria complies with the national standards for State accrediting and registration bodies in the Australian Quality Training Framework (AQTF). We have supported the Ministerial Statement on Knowledge & Skills for the Innovation Economy by developing a system in which high-quality providers can take greater responsibility for the development and delivery of new vocational courses.

To improve student retention we have continued the development of the VCAL by completing the trial with 22 providers, preparing the VCAL for full statewide implementation, and launching new trials aimed at broadening the range of student needs covered. The implementation of the VCAL in 2003 has progressed well, with over 5200 students enrolled with 222 providers and good feedback from those participating.

To clarify pathways we have developed the concept of the Credit Matrix as a common currency for qualifications. The aim is to provide the basis for improved access to credit for students moving from one qualification to another and to make the qualifications system clearer for all its users. The consultation on the principle of the Credit Matrix was launched in June 2003 and has generated much discussion and interest in Victoria and beyond.

The VQA Board has also worked to enhance its governance arrangements. Communication with stakeholders has been improved with regular editions of *VQA Update* published, the VQA website redeveloped and the inaugural VQA Lecture arranged. Qualifications development in specific areas such as design has been undertaken and steps taken to provide the Board with regular analysis of student outcomes and pathways to support discussion of future policy and strategy options.

While we have not fully achieved all the targets set for us in the annual plan, we have delivered within budget on the vast majority of them and pushed forward the regulation and reform of post-compulsory qualifications in Victoria. These achievements would not have been possible without the contribution of many individuals and organisations. I want to record my thanks to all our stakeholders and to:

- the Chair and members of the VQA Board, working groups and reference groups, for their support and commitment to the development of Victoria's qualifications system
- my colleagues on the staff of VQA, for their energy, enthusiasm and dedication to making a difference for Victorian students
- our colleagues in the Department of Education & Training and fellow statutory authorities for their mutual support and encouragement.

As providers and users of education and training know, qualifications add value to learning. They provide a basis for planning of curriculum and individual learning; a means of opening up pathways to employment and further learning; and reward and recognition for success. The VQA looks forward to continued collaboration with its many colleagues and stakeholders so that, together, we can contribute to the development of Victoria's education and training system and to the generation of a competitive edge for Victoria's economy.

Dr Dennis Gunning

the VQA AT A GLANCE

Origins of the Victorian Qualifications Authority

The Ministerial Review of Post Compulsory Education and Training Pathways in Victoria, in October 2000, recommended that a Victorian Qualifications Authority be established to incorporate the accreditation, certification and quality assurance functions of the Victorian Board of Studies, the then State Training Board and the Adult, Community and Further Education Board. The Authority would have the responsibility to maintain the quality and public integrity of qualifications and their associated assessment arrangements, and for the recognition of education and training outcomes.

The VQA was therefore established in March 2001 as part of the new and integrated structural arrangements introduced to support the broader qualifications reform agenda.

Establishment

The VQA:

- was established as a body corporate under the *Victorian Qualifications Authority Act 2000* (the Act) on 1 March 2001
- is the peak accreditation, certification, and registration body for qualifications that involve or have a comparable or higher status to courses normally undertaken in Years 11 and 12 and in vocational education and training (VET) and further education (except higher education)
- is responsible to the Minister for Education and Training.

The VQA's key purposes are to ensure that the course and qualifications needs of the Victorian community are met and that qualifications are of the highest standard.

The work being undertaken by the VQA supports the following Government goals for the State's post-compulsory education and training system:

- increase the percentage of young people who successfully complete Year 12 or its equivalent
- increase the participation and achievement in education and training in rural and regional Victoria and among groups where it is presently low
- make near-universal participation in post-school education and training the norm in our society – not just for the young but for all the community.

All the projects being undertaken by the VQA are aimed at helping to achieve the following Government targets:

- by 2005, the percentage of young people aged 15–19 in rural and regional Victoria who are engaged in education and training will increase by 6 per cent
- by 2010, 90 per cent of young people in Victoria will complete Year 12 or its equivalent.

Governance

The *Victorian Qualifications Authority Act 2000* (the Act) was passed by the Victorian Parliament in November 2000. The Act established the VQA and reconstituted the State Training Board of Victoria as the Victorian Learning and Employment Skills Commission.

The broad objectives of the Authority, set out in section 5 of the Act, are to:

- develop and monitor standards for education and training normally undertaken in, or designed to be undertaken in, the years after Year 10
- ensure and support appropriate linkages between qualifications
- facilitate procedures which make it easier for people to re-enter education and training and acquire qualifications.

Functions

The functions of the Authority, set out in section 6 of the *Victorian Qualifications Authority Act 2000* (the Act), are to:

- develop policies, criteria and standards for the accreditation of courses, the recognition of qualifications, the quality assurance for qualifications issued in accordance with this Act and the registration of courses, qualifications and education and training organisations

▼ Eumemmerring Secondary College student studying VCAL at Foundation level undertakes a work placement in Office and Retail





- accredit courses and register accredited courses
- recognise qualifications (including qualifications developed outside Victoria and Australia) and provide for the registration of recognised qualifications
- approve providers of accredited courses and persons who can issue recognised qualifications and to register those providers and persons
- issue recognised qualifications and qualifications for accredited courses
- enter into arrangements with other agencies to develop and modify courses
- promote and develop linkages between accredited courses and recognised qualifications and support articulation between those courses and courses in other sectors of education
- monitor patterns of participation by students in accredited courses or other education or training that lead to the issue of a recognised qualification and the outcomes of those courses, recognised qualifications and education and training
- develop and monitor standards for education and training after Year 10
- ensure and support appropriate linkages between qualifications
- facilitate procedures to make it easier for people to re-enter education and training and to acquire qualifications throughout their lives.

Key relationships

The Act requires that the VQA must consider advice from:

- the Victorian Curriculum and Assessment Authority
- the Adult, Community and Further Education Board
- the Victorian Learning and Employment Skills Commission.

The VQA Board

Ministerial appointments to the VQA Board reflect the diversity of the post-compulsory education and training community. In nominating persons, the Minister ensured that the composition of the VQA Board was a fair and balanced reflection of the diversity of the community and the VQA's stakeholders, as well as representing both metropolitan and country interests. Four members' appointments came up for renewal on 31 August 2002 and were reappointed for a period of three years. Mr Julius Roe commenced his appointment on 1 September 2002, replacing Mr Peter Thomas. Ms Lynne Wannan commenced her appointment on 25 March 2003, replacing Mr Peter Kirby. Meetings of the VQA Board are held bimonthly. The VQA Audit Committee met on three occasions in 2002–03.

Membership

Professor Helen Praetz (BA, DipEd, MEd, PhD) is the Chair of the VQA. The Secretary to the Department of Education & Training and the Chairs of the Victorian Curriculum and Assessment Authority, the Victorian Learning and Employment Skills Commission, and the Adult, Community and Further Education Board are ex officio members. The remaining eleven members, including the Chair, were appointed by the Governor-in-Council on the nomination of the Minister.

Professor Helen Praetz

Chair



Professor Helen Praetz is Pro Vice-Chancellor (Students) at RMIT and has more than 20 years of experience in education. She was a senior manager, 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. In her role as Chair of the VQA, she is a member of the Victorian Learning and Employment Skills Commission and the Victorian Curriculum and Assessment Authority.

Mr Peter Annett

Member



Mr Peter Annett is Deputy Director of Catholic Education, Archdiocese of Melbourne. He is a Catholic Education Commission of Victoria Executive Member and a National Catholic Education Commission Executive Member.

He is a member of the Ministerial Council on Education, Employment, Training and Youth Affairs Taskforce on Teacher Recruitment, Preparation and Training. He has nearly 40 years experience in education as a teacher and administrator.

Mr Paul Briggs, OAM

Member



Mr Paul Briggs is the Principal Consultant at Pilican Consultancy and brings a wealth of experience across various sectors in Aboriginal community development. He is an adviser to the Victorian Aboriginal Community Controlled Health Organisation,

a member of the Northern Victorian Aboriginal Partnerships Committee and a founding member of the Koori Economic Employment and Training Agency Committee. Mr Briggs is the Victorian Aboriginal Community Controlled Health Organisation

representative to the Victorian University Rural Health Consortium. He is founding Chairman of First Nations Advantage Credit Union, the first Indigenous credit union offering national access to financial services. He is also founding president of the Rumbalara Football/Netball Club in northern Victoria. Mr Briggs was awarded the Medal of the Order of Australia in the Queen's Birthday Honours List 2003.

Mr Alan Clifford

Member



Mr Alan Clifford has been Castlemaine Secondary College Principal since 1994. Mr Clifford began teaching in 1972 and was Castlemaine Technical College Principal from 1991 to 1994. He was a Department of Education, Employment and Training Senior Education Officer in the Maryborough District, Loddon Campaspe Mallee Region, and in Western Metropolitan Region between 1983 and 1988. He served as an Acting Inspector, Technical Schools Division, Education Department of Victoria from 1981 to 1983.

Professor Kwong Lee Dow, AM

Ex officio member



Professor Kwong Lee Dow, AM is Chair of the Victorian Curriculum and Assessment Authority. He was appointed Deputy Vice-Chancellor, Students and Staff, at the University of Melbourne in 1998. He is the Honorary Secretary of the Rhodes

Scholarship Selection Committee for Victoria and a member of the Hong Kong Council for Academic Accreditation. He has been on review boards for the Victorian Certificate of Education (VCE) and higher education and was appointed a Member of the Order of Australia in 1984.

Mr Stuart Hamilton, AO

Ex officio member (to 13 December 2002)



Mr Stuart Hamilton was Secretary of the Department of Education & Training until 13 December 2002. He was Executive Director of the Australian Vice-Chancellors Committee from 1996 to 2001. He has served as Secretary to the Commonwealth

Department of Environment, Sport and Territories and to the Commonwealth Department of Health, Housing and Community Services. A Rhodes Scholar, he joined the Australian Public Service in 1975. His board appointments have included the International Association of Universities, the Australian Qualifications Framework Advisory Board, the Australian Heritage Commission, the Australian Sports Commission, the Health Insurance Commission and the Australian Institute of Health and Welfare.

Mr Grant Hehir

Ex officio member (from 5 May 2003)



Mr Grant Hehir joined the Department of Education & Training as Secretary 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, Mr Hehir 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.

Ms Pam Jonas

Member



Ms Pam Jonas is the Manager of Policy and Research (Employment, Education and Training) at the Victorian Branch of Group Training Australia. Since 1995, Ms Jonas has been involved in many facets of further education and training for adults and young people at a senior policy level. She is a Ministerial Appointment to the Chisholm Institute of TAFE Council and has been an Education Foundation Director and Executive Board member since 1994.

Mr Peter Kirby

Ex officio member (to 24 March 2003)



Mr Peter Kirby was Chair of the Adult Community and Further Education Board. He is the Chair of the National Centre for Vocational Education Research. He is a former Secretary of the Victorian Department of Education and the

Department of Premier and Cabinet and a former Director-General of the South Australian Department of Employment and TAFE. Mr Kirby has chaired a number of reviews in the fields of education, training and employment, including the Ministerial Review of Post Compulsory Education and Training Pathways in Victoria.

Mr Peter Laver

Ex officio member



Mr Peter Laver is Chair of the Victorian Learning and Employment Skills Commission. He worked for BHP and its subsidiaries from 1959, until retiring in 1998. He has held general management positions at different times in the Minerals, Steel,

Transport, Research and External Affairs areas. He serves on industry, employment and community boards including Chair of the CSF Community Advisory Council, Chair of the Australian Building Codes Board and a member of the Gambling Research Panel.

Professor Stuart Macintyre

Member



Professor Stuart Macintyre is Dean of the Faculty of Arts and the Ernest Scott Professor of History at the University of Melbourne. He has been a research fellow at St John's College, Cambridge, and at the Australian National University. He was

a Centenary of Federation Victoria Committee member and Chair of the National Library of Australia Collecting Advisory Committee. He was Chair of the Prime Minister's Civics Expert Group (1994–96) and the Commonwealth Department of Education, Training and Youth Affairs Inquiry into School History (1999–2000).

Ms Julie Moss

Member



Ms Julie Moss is the Managing Director of the Photography Studies College. Ms Moss has been involved in vocational education and training for 20 years and has served on numerous post-compulsory education and training reference groups. She is the

Australian Council for Private Education and Training Victorian Executive Board Chair and the Deputy Chair of the National Board. Ms Moss also serves as a Victorian Training Awards judge.

Mr Julius Roe

Member



Mr Julius Roe has been the National President of the Australian Manufacturing Workers' Union since 2000. He is the Australian Council of Trade Unions' representative on the National Training Quality Council and is an active member

of the Joint Industry Training and Education Council. He has been instrumental since 1987 in the restructuring of the Metal Industry award and is a member of the National Negotiating Group of the Metal Trades Federation of Unions. He co-authored *Towards a New Metal and Engineering Industry Award* and took part in the COSTAC overseas mission that produced the report *A Strategic Framework for the Implementation of a Competency Based Training System*.

Ms Virginia Simmons

Member



Ms Virginia Simmons has been a TAFE Director in both the TAFE institute and dual-sector university setting since 1986. She is currently CEO of Chisholm Institute of TAFE. Her career in education spans 20 years, mostly in the TAFE sector. Since

1993, Ms Simmons has consulted widely internationally, particularly in the Asia-Pacific region. She serves on a number of economic and education boards. In 1995, Ms Simmons received the inaugural Prime Minister's Training Award for her contribution to women in vocational education and training.

Ms Joanne Tate, PSM

Member



Ms Joanne Tate is a Leading Teacher specialising in Information Technology at Ararat Community College. Ms Tate's expertise in information technology led to her appointment as an Internet trainer and she was recognised with a Public

Service Medal in the 1998 Queen's Birthday Honours List and the 1999 Victorian Technology Teacher of the Year Award. She is an online mentor for the Department of Education & Training's Global Classroom project. Ms Tate is a member of the I*EARN Australia management team.

Ms Elizabeth Ward

Member



Ms Elizabeth Ward has been Principal at Presbyterian Ladies' College since 1998. She was a member of the Ministerial Advisory Committee for the Victorian Institute of Teaching. She has been Chair of the NSW Board of Studies HSC History

Examination Committee, and supervisor of the HSC marking in History. In 1999, she was awarded a fellowship from the Australian College of Education. She was deputy headmistress at Abbotsleigh and head of history at Ravenswood School in Sydney.

Ms Lynne Wannan

Ex officio member (from 25 March 2003)



Ms Lynne Wannan was appointed as Chairperson of the Adult, Community and Further Education Board on 25 March 2003 for three years. Ms Wannan has worked with community organisations and as an adviser to both State and Commonwealth

Governments. As a social policy analyst, she has experience in senior management positions in local government, the private sector and State Government. Ms Wannan has worked in the broad community and health services industry for the past 20 years.

Ms Jennifer Westacott

Ex officio member
(from 16 December 2002 to 2 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 Executive Director.

Audit Committee

Members

Professor Helen Praetz
(Chair) to 6 June 2003

Mr Peter Annett
(Chair) from 6 June 2003

Ms Julie Moss

Ms Pam Jonas

Accountable Officer Dr Dennis Gunning

Structure and operation

The VQA staff operate within the financial, asset, human resource and information technology policy frameworks of the Department of Education & Training.

The VQA staff provide advice and reports to the VQA Board on:

- appropriate guidelines and standards relating to the accreditation of courses and registration of providers
- development and implementation of certification and registration procedures and processes
- management of the VQA's resources
- quality assurance services relating to the effectiveness and efficiency of the VQA's policies and standards
- the quality of implementation of the VQA's policies and guidelines by various institutions and agencies
- strategic planning and policy development and directions.

Director

The Director is responsible to the Chair of the VQA for the effective and efficient implementation of the VQA Board's decisions and to the Secretary of the Department of Education & Training for the running of the organisation and its effective interaction with the Department.

Staff

Executive officer staff are Dennis Gunning (Director) and Arden Joseph (VCAL Project Executive), supported by Melinda Nulty (Executive Assistant).

The VQA has four main areas of activity, each supported by a team of staff:

- Qualifications Development
- Quality Assurance
- Governance and Communication
- VCAL and Credit Matrix.

As at pay date 26 June 2003 the VQA had 24 staff members – 20 full-time and 4 part-time. Of this total 75 per cent were female and 25 per cent male.

Number and full-time equivalent of VQA staff on pay by sex and classification as at 26 June 2003

<i>Classification</i>	<i>Males</i>		<i>Females</i>		<i>Total</i>	
	<i>Number</i>	<i>Full-time equivalent</i>	<i>Number</i>	<i>Full-time equivalent</i>	<i>Number</i>	<i>Full-time equivalent</i>
E02	1	1.0	—	—	1	1.0
E03	1	1.0	—	—	1	1.0
VPS5	3	2.4	1	1.0	4	3.4
VPS4	1	1.0	11	10.3	12	11.3
VPS3	—	—	4	4.0	4	4.0
VPS2	—	—	2	2.0	2	2.0
Total	6	5.4	18	17.3	24	22.7

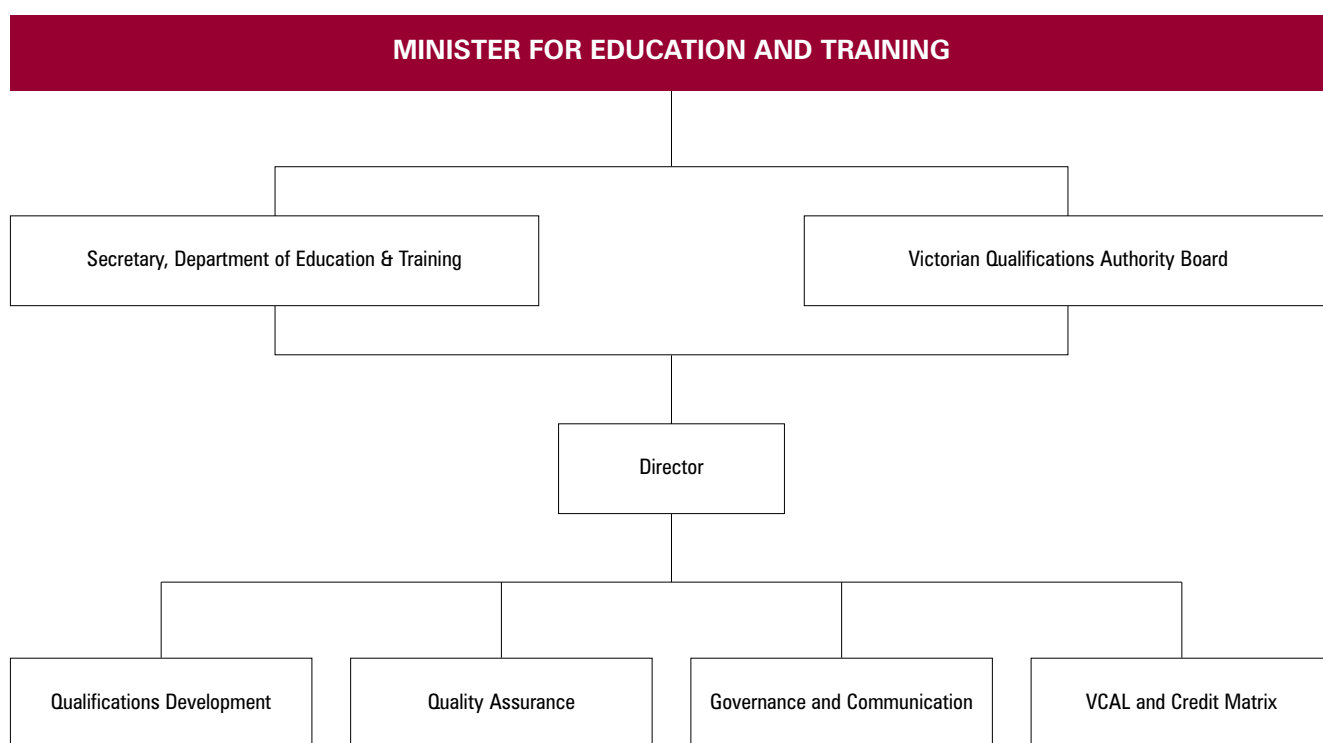
Number of VQA staff on pay by sex, classification and time fraction worked as at 26 June 2003

<i>Classification</i>	<i>Males</i>		<i>Females</i>		<i>Total</i>	
	<i>Full-time</i>	<i>Part-time</i>	<i>Full-time</i>	<i>Part-time</i>	<i>Full-time</i>	<i>Part-time</i>
E02	1	—	—	—	1	—
E03	1	—	—	—	1	—
VPS5	2	1	1	—	3	1
VPS4	1	—	8	3	9	3
VPS3	—	—	4	—	4	—
VPS2	—	—	2	—	2	—
Total	5	1	15	3	20	4

▼ The VQA team (from left)
front row: Melinda Nulty, Helga Molnar, Felicity Dunn
2nd row: Dennis Gunning, Maryse Felicite, Liz Knight, Frances Lamb, Claire Bartle, Belinda Duffus, Janet Sutherland, Frank Galati, Amanda Wells
3rd row: Arden Joseph, Carmel Brown, Melissa Finlayson, Ewa Kuriata, Cathy Donovan, Tony Ayers, David Symonds, Judy Sharples
Absent: Judith Firkin, Madeleine Jenkins and Kay Rodriguez



Organisation chart as at 30 June 2003





Summary of achievements

The VQA has worked in 2002–03 to make significant progress in four crucial areas of its business. These four broad areas are summarised below and covered in more detail in the sections that follow. Significant progress has been made in all four areas, within agreed staffing levels and within budget.

Governance arrangements

The processes and procedures adopted to manage and monitor finance, human resources and administration continued to be developed in line with Department of Education & Training requirements. The development has been informed by the use of a formal internal quality system based on public service best practice. Communications with stakeholders have also been enhanced through specific publications, regular editions of *VQA Update*, an upgrade of the VQA website and contributions to conferences in Victoria and nationally and internationally.

Support for the work of the VQA's Board and Audit Committee has also been improved, as recognised in very positive feedback from Board and Committee members during the review of their and the VQA staff's performance. The Board has developed and implemented a governance model that is suited to the nature of the VQA's work. The Board has continued to be a source of vigorous debate on key policy issues and of innovative ideas such as the VCAL and the Credit Matrix in its 2003–05 strategic plan.

Quality assurance

The VQA has responsibility in Victoria for the quality assurance of the nationally agreed AQTF for vocational education and training, and for the accreditation of post-compulsory qualifications from secondary schools and further education institutions. The VQA works in partnership with the Office of Training and Tertiary Education, with some quality assurance functions delegated to that Office to carry out on the VQA's behalf.

Enhancements to quality assurance processes have been developed and implemented, including the review of the VQA's legislation to ensure that it supports initiatives to increase the flexibility and responsiveness of VET providers. Other initiatives have included improvements to accreditation processes for VET courses and upgrades to the State Register of accredited courses.

The outcome of the first external audit of Victoria's VET system against the AQTF standards for State and Territory registration and accreditation bodies showed high levels of compliance and represented a satisfactory outcome for the VQA and its delegate, the Office of Training and Tertiary Education.

Student retention

The VQA aims to contribute towards the Government's target for successful completion of Year 12 or its equivalent. The qualifications offered to senior secondary students, for which the VQA is responsible, have a crucial role in establishing a standard of achievement appropriate for the end of schooling, and in ensuring that students leave school well-prepared for their chosen pathway to further education and training or employment.

The VQA has been working with the Victorian Curriculum and Assessment Authority to regularly review and enhance the VCE. The VQA has also developed and introduced a new senior secondary qualifications option, the VCAL. This new qualification was implemented in 2003, following a successful pilot in 2002. Implementation has been supported by significant Government resources, comprehensive professional development and a communications strategy aimed at parents, students and employers. In the first year of implementation, the VCAL has been offered by more than 220 providers and has over 5200 student enrolments.

Pathways

The VQA has been working to develop a system of reporting on student outcomes and achievement which provides the depth of policy analysis that the VQA Board needs to support decisions on future qualifications developments and policy interventions.

The VQA has also sought to provide better support for students moving from one qualification to another by developing the Credit Matrix proposal. This matrix is intended to clarify the architecture of the Victorian qualifications system. It will give students who hope to receive some recognition for previous achievements, greater empowerment in negotiating entry to a new qualification. The consultation paper on the principle of such a matrix has been widely distributed and a comprehensive series of consultative seminars arranged with key stakeholders.

The VQA has also contributed to the development of qualifications and pathways in design as part of the whole-of-government initiative to develop Victoria's innovation economy. The VQA has proposed new design qualifications for piloting and is undertaking a detailed mapping of qualifications available in design before producing a comprehensive framework of design qualifications and pathways.

The sections that follow look in greater detail at the VQA's achievements in 2002–03 in each of these four key areas of activity.

Summary of financial results

The VQA ended the year in a satisfactory financial position with a surplus of \$734,652 from ordinary activities.

Revenue increased by \$1,171,028 from \$3,497,879 for 2002 to \$4,668,907 for the year ended 30 June 2003.

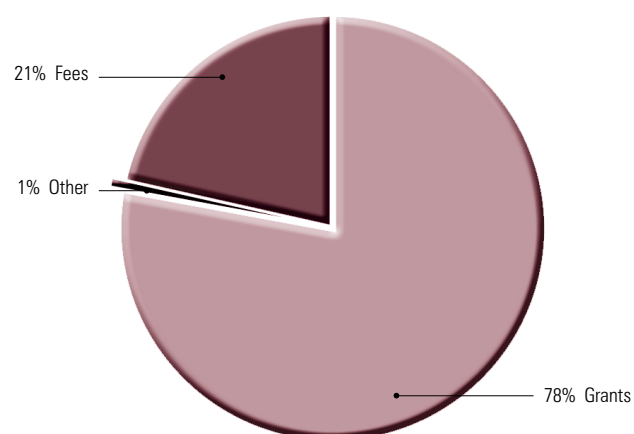
The primary source of revenue was State Government grants of \$3,639,264, up from \$1,920,000 for the previous period and accounting for 78 per cent of total revenue. Fees make up the bulk of the balance at \$1,002,370 at 21 per cent up from \$954,670 for the previous period.

Expenses increased by \$1,305,790 from \$2,628,465 to \$3,934,255. This increase in expenses relates mainly to the acquisition of supplies and services and grants and transfer payments, which account for \$1,084,399 or 83 per cent of the increase. This is due to increased activities undertaken by the VQA during the financial year, particularly in respect to costs associated with the development of the VCAL, new qualifications in design and commencement of the Credit Matrix.

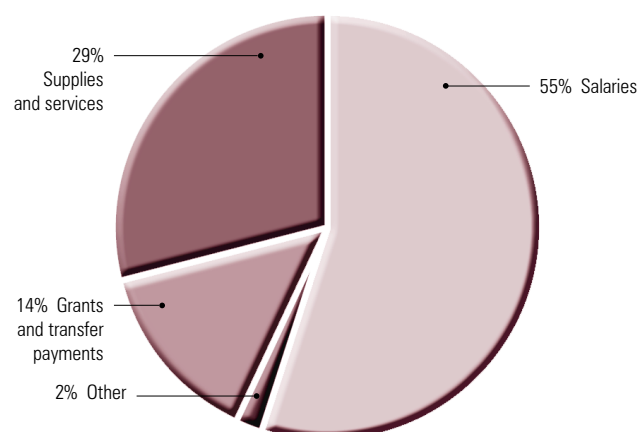
The majority of expenses relate to salaries and salary on costs, accounting for 55 per cent of the total. Expenses for supplies and services accounted for 29 per cent and grants and transfer payments accounted for 14 per cent.

	2003 \$	2002 \$
Revenue		
State Government grants	3,639,264	1,920,000
Registration and course accreditation fees	1,002,370	954,670
Transfer	0	619,709
Other	27,273	3,500
Total revenue	4,668,907	3,497,879
Expenses		
Salaries and other staff costs	2,163,625	1,951,106
Grants and transfer payments	551,481	181
Depreciation and amortisation	39,447	39,680
Supplies and services	1,153,577	620,478
Other	26,124	17,020
Total expenses	3,934,255	2,628,465
Operating result	734,652	869,414

Revenue



Expenses





The VQA's achievements

The VQA is the peak accreditation, certification and registration body for post-compulsory education and training (except higher education). It is accountable to the Minister for Education and Training through the VQA Board and the Department of Education & Training.

Governance, processes and procedures

The VQA's operational responsibilities include:

- the provision of support to the Board and any committees it might establish and the running of internal processes and procedures that comply with the *Victorian Qualifications Authority Act 2000* and other appropriate legislation and in accordance with the policy framework of the Department of Education & Training
- effective communication of its policies, qualifications and initiatives
- statutory responsibility for the accreditation and registration of new post-compulsory qualifications (except higher education qualifications), the approval and registration of providers and the issuing of certificates. For each of these duties, the VQA can choose to exercise its responsibilities directly or to delegate the function to others to carry out on its behalf. For example, the VQA carries out the accreditation function but delegates the responsibility for approval of new providers and the issuing of certificates.

VQA staff provide executive support to the VQA Board and its Audit Committee. Improvements in agenda planning and structure and guidelines for presentation of papers enabled Board members to concentrate on key policy issues. Feedback from members on the agenda and papers has been positive. Towards the end of 2002–03 a draft handbook for members was developed with a view to publication in 2003–04.

An extended meeting of the VQA Board was held in October 2002 to begin the process of drawing up a strategic plan for 2003–05 and a business plan for 2003–04. This meeting was professionally facilitated and supported by a number of strategy papers on key issues. The output following the meeting was a draft strategic plan that was refined over successive meetings of the Board.

Because of its role as a State accreditation and registration authority, the VQA must operate in accordance with AQTF standards. Given its regulatory role, however, it was felt appropriate that all the VQA's business processes and procedures, not just those covered by the AQTF, should be developed in accordance with best-practice standards.

With advice and support from the quality manager of Kangan Batman Institute of TAFE, recognised as a leader in the use of the Australian Business Excellence Standards and the AQTF, a VQA business excellence framework has been developed. VQA staff have been trained in its application, procedures have been documented and internal audit plans are in place. All staff have ready access to procedures through the VQA Intranet. In January 2003, an annual external audit of the VQA against the AQTF Standards for State and Territory authorities showed high compliance with the standards.

Communication

The VQA communicates its policies and activities to stakeholders in a number of ways.

Firstly, a corporate identity has been given to all VQA publications, leaflets, conference banners and the upgraded VQA website. A regular newsletter, *VQA Update*, was published three times during 2002–03 and covered the themes of the VCAL and the Credit Matrix.

Secondly, there has been regular contribution of articles and papers to publications and conferences. Articles have appeared in the Department of Education & Training's *Education Times* and *Success*, and a wider readership reached through articles published in *VOCAL* (the Australian journal of vocational education and training in schools), the regular newsletter of the Scottish Further Education Unit *Broadcast*, and the *Times Educational Supplement*. VQA staff have taken every opportunity to accept invitations to speak at conferences and seminars. The VCAL and the Credit Matrix have been a particular, although not exclusive, focus of those invitations. The VQA also played a significant role in the development and publication of the new options booklet for Year 10 students, called *Where to Now?*

Thirdly, the VQA website contains up-to-date information on Board activities, major VQA projects such as accreditation, the VCAL and the Credit Matrix, qualifications-related information and

extensive links to other sites. A redesigned website, available in 2003, will provide opportunities for stakeholders to feed information back to the VQA on its projects and processes.

The VQA Board took the opportunity at its June 2003 meeting to travel to Shepparton and consult with the local community in order to gain an appreciation of the issues confronting rural youth generally, and rural communities like Shepparton that have large Koorie and multicultural communities. Consultation included a panel discussion with local community representatives and visits to organisations delivering programs and qualifications to rural youth, Koorie and multicultural communities.

Delegations

According to section 16 of the *Victorian Qualifications Authority Act 2000*:

- (1) The Authority may, by instrument under its common seal, delegate any function or power of the Authority, other than this power of delegation, to any of the following:
 - (a) a member of the Authority
 - (b) a member or the members of a committee established under section 15
 - (c) the Director (of the VQA) or any person employed under section 14
 - (d) the Secretary or any other person employed in the Department of Education & Training
 - (e) the Victorian Learning and Employment Skills Commission
 - (f) the Adult, Community and Further Education Board
 - (g) the Victorian Curriculum and Assessment Authority.
- (2) The Authority may, by instrument under its common seal, delegate any power of the Authority to award or issue qualifications to any of the persons or bodies referred to in sub-section (1) or a registered education and training organisation.

Delegations are the subject of regular reports at each VQA Board meeting to ensure that statutory responsibilities are being met. Service agreements are being developed for delegations to ensure that expectations, accountabilities and reporting arrangements are clear and can be tracked.

Quality assurance

The VQA's quality assurance responsibilities cover a range of activities:

- the accreditation of VET courses designed to be undertaken in Years 11 and 12 of the school years, including the VCE and the VCAL

- the registration of education and training providers to deliver VET courses and non-school providers to deliver the VCE and/or the VCAL
- the recognition of national qualifications.

This section deals with activities in vocational education and training and associated issues. The following section (pages 18–21) deals with activities related to the VCE and the VCAL.

In vocational education and training, the accreditation and registration activities of the VQA must comply with the nationally agreed AQTF Standards for State and Territory Registering/Course Accrediting Bodies. The AQTF Standards came into effect on 1 July 2002 and replaced the former Australian Recognition Framework National Accreditation Principles.

As part of the AQTF system, all States and Territories must provide independent advice to the National Training Quality Council on their compliance with the national standards covering registration, audit and related processes. In 2002–03, the VQA and its delegate, the Quality Assurance and Review Division, Office of Training and Tertiary Education, were externally audited for compliance with the AQTF Standards. The outcomes of the audits, which were forwarded to the Council, showed a high level of compliance.

Accreditation

The VQA is the responsible accrediting body for all post-compulsory qualifications delivered in Victoria, except for higher education qualifications.

All courses proposed for accreditation must be submitted to an assessment panel, which assesses the course against the AQTF Standards. The assessment panel then recommends to the VQA whether the course should be accredited and determines the period of accreditation. The VQA currently offers two pathways for course accreditation:

- VQA-managed assessment, where course proponents ask the VQA to manage the assessment panel on their behalf. Non-registered organisations must choose this pathway, or arrange for a registered training organisation to manage the assessment panel.
- Registered training organisation-managed assessment, where registered training organisations may choose to manage the assessment of courses themselves by convening an independent assessment panel.

As part of its commitment to continuous improvement, and to ensure that the quality of courses accredited in Victoria continues to be high, the VQA reviewed and redeveloped course accreditation procedures.

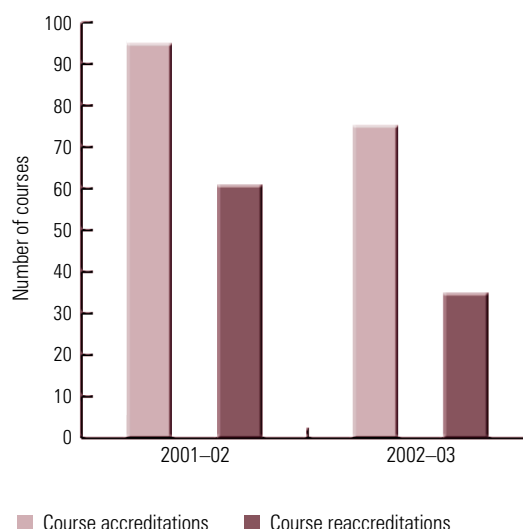
The new procedures include formalised processes for declaring an intention to accredit a course or courses, developing courses through a steering committee, and the streamlining of assessment panels. The new procedures will be underpinned by a team of accreditation advisers who will participate in assessment panels and advise on the preparation of course accreditation submissions. The use of accreditation advisers, who are experienced in course accreditation under the AQTF Standards, will help to ensure that courses are correctly assessed for compliance with the Standards.

In 2002–03, the VQA ran two series of professional development workshops on accreditation that were attended by over 500 people:

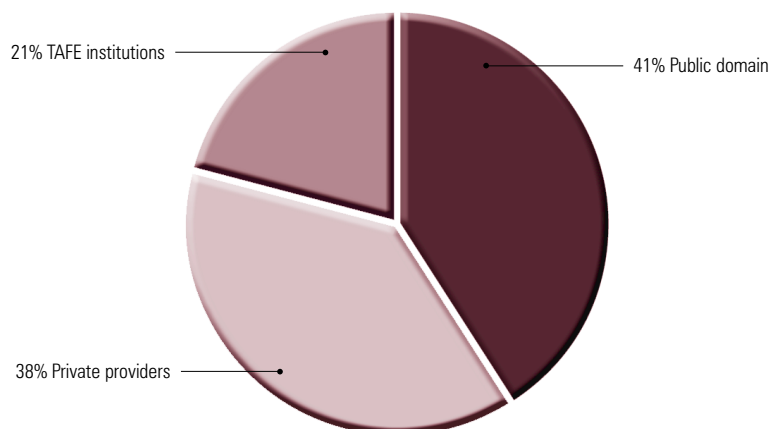
- accreditation adviser workshops that provided advanced training on the AQTF Standards and the accreditation process, with the opportunity for participants to apply to be included on the VQA's register of accreditation advisers
- course developer workshops that gave an overview of the accreditation process and the AQTF Standards, and are suitable for staff of training organisations who have some experience in course accreditation and those who are new to the accreditation process.

To ensure that training organisations and other relevant bodies are kept informed of the new requirements for accreditation and accredited courses, the VQA updated its accreditation information and publications. A pamphlet and booklet on the new accreditation procedures were developed and details of the changes placed on the VQA website.

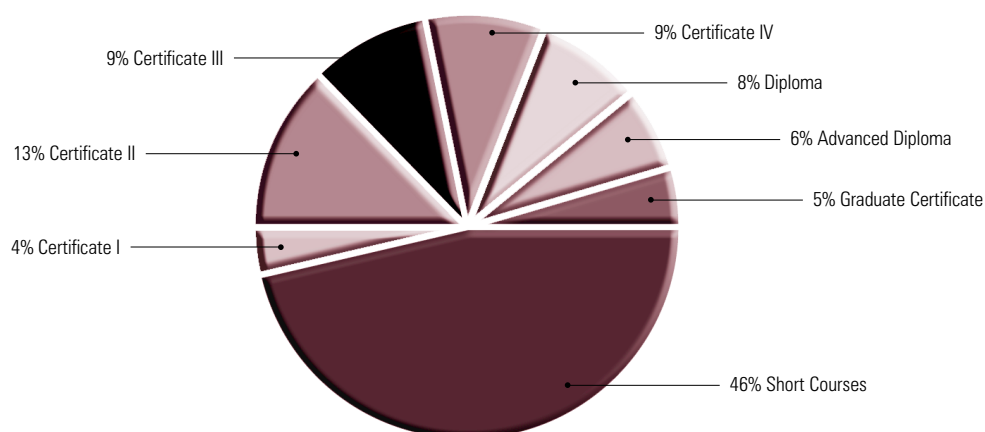
VET courses accredited and reaccruited, 2001–02 and 2002–03



VET course accreditations and reaccreditations by copyright owner type, 2002–03



VET course accreditations and reaccreditations by Australian Qualifications Framework level, 2002–03



VET accreditation 2002–03

VET accreditation activities, 2002–03

New courses accredited	75
Courses reaccredited	35
Course accreditations extended (for maximum of 12 months)	120*
Courses deleted (no new enrolments permitted)	145*

*Approximate figures

In partnership with the Office of Training and Tertiary Education, the VQA evaluates new and reviewed training packages. The training packages are developed nationally by industry to ensure that they are highly relevant to workplace performance. They define the standards to be achieved by a student in order to be awarded a national VET qualification and are endorsed by each State and Territory Minister with responsibility for vocational education and training.

In 2002–03, the Minister endorsed the qualification structures of training packages for:

- Amenity Horticulture
- Asset Security
- Aviation
- Boral Interior Lining
- Chemical, Hydrocarbons and Oil Refining
- Furnishing
- Food Processing
- Humanitarian Relief
- Outdoor Recreation
- Racing
- Sport
- Sugar Milling
- Telecommunications
- Visual Arts, Crafts and Design.

The VQA also participated in the ongoing review of a number of training packages, including providing input on the addition of new qualifications and units of competency.

Registration of providers

The VQA is responsible for the registration and audit of providers of vocational education and training and further education. The VQA delegates the process of registration to the Quality Assurance and Review Division of the Office of Training and Tertiary Education. The process is undertaken according to the requirements of the AQTF and in accordance with a delegations service agreement.

Number of providers, 30 June 2003 and 30 June 2002

Category	30 June 2003	30 June 2002
Commercial training organisation	457	394
Community access centre	155	171
Enterprise-based organisation	96	112
Industry organisation	208	238
Private school	59	65
Government school	67	70
Adult education centre	99	114
Professional association	7	4
Adult migrant education	1	1
TAFE institutions	20	20
Local government	4	–
Total	1173	1189

Number of providers registered between 1 July 2002 – 30 June 2003 and 1 July 2001 – 30 June 2002

Category	1 July 2002 – 30 June 2003	1 July 2001 – 30 June 2002
Commercial training organisation	104	64
Community access centre	2	10
Enterprise-based organisation	6	4
Industry organisation	–	15
Private school	5	8
Government school	3	6
Adult education centre	–	1
Professional association	3	2
Total	123	110

System of Training and Recognition

The *Victorian Qualifications Authority Act 2000* states that:

- the VQA must maintain a State register of accredited courses and recognised qualifications

- the VQA must establish and maintain a register of persons or bodies who:
 - are authorised by the Authority under section 23 to provide accredited courses
 - are authorised by the Authority under section 23 to award or issue recognised qualifications.
- the Register must specify
 - the name of the registered person or body
 - any limitations or restrictions on the registration.

The System of Training and Recognition (STAR) database is the instrument by which the VQA complies with this requirement. The *State Register of Accredited Courses and Recognised Qualifications* is a published report that is derived from the information within STAR.

In 2002–03, the VQA Quality Assurance Unit conducted a review of the accessibility and accuracy of the STAR database. As a result of the review, the VQA has worked in consultation with the Office of Training and Tertiary Education to develop a number of enhancements to the system's functions, navigation and data fields. The changes will result in a higher quality database for both the VQA and its clients. The enhancements will also improve the accuracy of information transferred to the *State Register of Accredited Courses and Recognised Qualifications* and the National Training Information Service.

Legislation review

In 2002–03, the VQA undertook a review of the existing legislative and regulatory requirements for course accreditation, recognition of qualifications and regulation of providers across the senior secondary, VET and further education sectors. The review aimed to ensure that the VQA's legislative base provided for the operation of the AQTF Standards in Victoria and to ensure that new Government initiatives in vocational education and training were underpinned by appropriate legislation.

As an example, the Ministerial Statement on Knowledge & Skills for the Innovation Economy focused on the need for the Victorian training sector and the economy to be able to grow and develop in an environment of changing needs and emerging industries. In this climate, VET providers need to be able to respond quickly to industry demand. One way in which to do this under the AQTF Standards is to allow providers with best practice internal quality assurance systems to take responsibility for accreditation and registration processes, thus enabling them to respond more quickly and flexibly to local employment needs. The VQA therefore worked with the Office of Training and Tertiary Education to ensure that such delegation is available within the VQA's legislation.

The VQA proposed the amendment of section 16 of the *Victorian Qualifications Authority Act 2000* to delegate the power to accredit its own courses to an approved registered training organisation. The amendment was included as part of the *Vocational Education and Training (TAFE Qualifications) Bill*, which passed through Parliament on 8 May 2003.

To complement the amendment enabling registered training organisations to accredit their own courses, the VQA proposed an additional amendment to empower approved registered training organisations to self-determine their scopes of registration. A bid has been proposed for this amendment to be incorporated into the *Victorian Qualifications Authority (Amendment) Bill 2003*. The Bill, which includes a number of proposed amendments to the *Victorian Qualifications Authority Act 2000*, is to be included in the Spring 2003 parliamentary session.

The arrangements for the exercise of the delegation power will not be implemented until the remaining proposed amendment to delegate to registered education and training organisations the power to self-extend their scopes of registration is enacted.

Another area of legislative review dealt with the prescribed fees that the VQA is empowered to charge for the accreditation of courses, the registration of providers to deliver accredited and recognised courses (including to overseas students), and for the issue of qualifications for completion of courses.

The current fees and charges for these activities are detailed in the Victorian Qualifications Authority (Interim Fees) Regulations 2001, which expire in December 2003. New Regulations must be in place by January 2004.

The VQA has been developing new Regulations and determining appropriate fees for its quality assurance

services. The new fee structure should result in net community benefits, be consistent with Government policies on fees and charges (including competitive neutrality) and be economically efficient.

Education services for overseas students

The regulation of providers in the VET sector for delivery of courses to overseas students in Victoria is managed by the Quality Assurance and Review Division under delegation from the VQA. The responsibility for the policy underpinning the regulation of these providers is carried out by the VQA. Over the previous 12 months, the VQA developed a comprehensive guide for the assessment of providers for registration on the Commonwealth Register of Institutions and Courses for Overseas Students that will be used by other States and Territories.

Improving student retention

The improvement of student outcomes in the senior secondary years is a major Government aim. Students are encouraged to plan a pathway to further education, training or employment that is based on a secure level of achievement in the school years.

The VQA is responsible for the accreditation and issuing of qualifications for senior secondary certificates in Victoria. In recognition that many students require a practical and vocationally oriented senior secondary curriculum, the VQA introduced the VCAL as an alternative to the VCE. The VCAL has widened choice and qualifications options for senior secondary students.

▼ Corio Bay Senior College student undertaking VCAL at Foundation level in Horticulture



▼ VQA Board consultation at Shepparton



Victorian Certificate of Education

The VQA accredits proposals developed by the Victorian Curriculum and Assessment Authority for improvements to the VCE's component studies. The Victorian Curriculum and Assessment Authority regularly reviews these studies as part of a planned program of continuous improvement. It is also responsible for the assessment of students and the administration of the VCE.

In 2002–03, the VQA reaccredited the following VCE studies:

- Art
- Economics
- Health and Human Development
- Physics
- Studio Arts
- Visual Communication and Design.

The VQA is also responsible for issuing senior secondary qualifications. The VQA delegates this function, for both the VCE and the VCAL, to the Victorian Curriculum and Assessment Authority.

The table opposite shows the graduation statistics of the 2002 VCE assessment program.

For both males (97 per cent) and females (96 per cent), there is a very high graduation rate of those eligible to complete. Eligible students are those who in 2002 had sufficient previous results and current enrolments to meet the minimum requirements of the VCE.

The high graduation rate suggests that the large majority of students who do not complete the VCE make the decision to discontinue their studies before enrolling in a Year 12 program.

Students eligible for satisfactory completion, 2002

All students	Number eligible	Number graduating	% graduating
VCE only students ¹	48,180	46,799	97.1
Adult students ²	1,253	960	76.6
Block credit students ³	732	709	96.9
Total	50,165	48,468	96.6

¹ VCE only students: students who have undertaken the required number of VCE units in Years 11 and 12 as continuing students.

² Adult students: students who are at least 18 years of age and who are returning to study after one or more years away from full-time education.

³ Block credit students: students who have Year 11 and/or Year 12 results from interstate or overseas for which credit is granted towards the VCE.

Victorian Certificate of Applied Learning

The VCAL is a new qualification designed to provide additional pathways for Year 11 and 12 students interested in vocationally oriented career options or moving straight into employment.

VCAL trial project

The VCAL was piloted in 22 schools and other providers in 2002. The trial project was successfully completed in December 2002. A total of 546 students enrolled in the VCAL, with the majority successfully completing the certificate or making successful transitions into apprenticeships, traineeships and other employment.

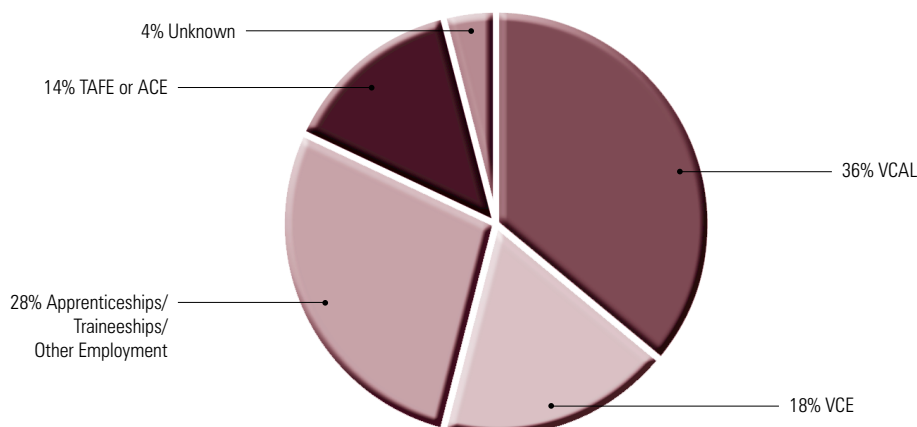
▼ Minister Lynne Kosky speaks to Victorian industry leaders in September 2002



▼ Student undertaking cabinet making at Kangan Batman Institute of TAFE



VCAL trial project student outcomes, 2002



The Research Institute for Professional Vocational Education and Training, a consortium of Deakin University and the Gordon Institute of TAFE, completed its evaluation of the VCAL trial project in early 2003. The report concluded that the certificate was strongly supported in the trial sites, was well designed to improve pathways for young people from school to work, further education and/or training, and appropriate for rolling out across the State.

The report also made a number of recommendations aimed at ensuring the sustainability of the certificate and the effectiveness of its delivery by practitioners. A copy of the interim report is available on the VQA website <www.vqa.vic.gov.au>. The final report was completed in February 2003 and supported the main findings of the interim report.

The Victorian Curriculum Assessment Authority, under delegation from the VQA, issued 215 VCAL certificates to students who successfully completed the VCAL as part of the VCAL trial project. Of these certificates, 85 (39 per cent) were at Foundation level, 122 (57 per cent) were at Intermediate level and eight (4 per cent) were at Senior level.

Statewide implementation 2003

Following the Government's decision to implement the VCAL across the State, \$47.7 million over four years was allocated for this purpose and to further develop the certificate to meet identified student learning needs.

In preparation for implementation, the VQA formally accredited the VCAL as a new senior secondary qualification in August 2002. As part of the process, the VQA also accredited a number of new units specifically designed for the VCAL's personal development and industry-specific skills curriculum

strands. Each student's VCAL program must be composed of accredited units. These can be drawn from VET courses, the VCE, adult education courses or from the specially designed VCAL units.

The VQA conducted an expression of interest process in June and July 2002 to select providers to deliver the new certificate in 2003. A total of 222 providers was selected and funded in the first phase of the statewide rollout, with approximately 5200 students enrolled across the three VCAL award levels. The list of providers includes government schools, Catholic schools, TAFE institutions and adult and community education organisations.

A key recommendation of the VCAL trial project evaluation was the need for professional development for VCAL practitioners to ensure that the key concepts of applied learning were understood and implemented in VCAL provider sites. The VQA contracted Language Australia Limited to develop and conduct two one-day workshops for VCAL practitioners in 2003. The workshops covered teaching practices, curriculum and pedagogy, service delivery partnerships, quality assurance and assessment strategies as they apply to VCAL implementation. Sixteen regional workshops were conducted in Terms 1 and 2 with over 550 teachers attending. The second day of workshops will be conducted in Term 3, 2003.

In conjunction with the Victorian Curriculum and Assessment Authority, a Quality Assurance strategy for VCAL units was developed and commenced implementation in Term 1, 2003. The strategy involves a series of regional meetings between each VCAL provider and an expert panel to validate assessment tasks and student portfolios of assessment. Benchmarks will be established as part of this process,

VCAL 2003 enrolments by sector and certificate level, 30 June 2003

<i>Provider type</i>	<i>Total providers</i>	<i>Foundation level</i>	<i>Intermediate level</i>	<i>Senior level</i>	<i>Total enrolments</i>	<i>% Sector</i>
Government schools	168	1632	1953	269	3854	74.3
Catholic schools	32	60	321	47	428	8.2
TAFE institutions	18	358	319	54	731	14.1
Adult and community education centres	4	105	8	6	119	2.3
Others	9	13	44	0	57	1.1
Total	231¹	2168	2645	376	5189²	
% All levels		41.8	51.0	7.2		100.0

¹ Includes 9 non-VCAL funded providers who have enrolled VCAL students.

² Includes 433 students enrolled in the 19 VCAL (Further Development) pilot projects 2003.

The full list of VCAL 2003 providers is available on the VQA website <www.vqa.vic.gov.au>.

with feedback provided to individual providers. A VCAL unit assessment planning guide was also produced to assist practitioners.

In February 2003, the VQA accredited further VCAL units, this time in Literacy and Numeracy. The units, based on the Certificate of General Education (Adult) are designed for use by practitioners to cater for the applied learning needs of VCAL students for whom the VCE English and Mathematics studies are not appropriate. Work has also commenced to develop new VCAL units for the VCAL Work Related Skills strand, incorporating occupational health and safety practice.

The VCAL communications strategy was successfully implemented during the year. Highlights included:

- the inaugural VCAL Achievement Awards ceremony held at Queen's Hall, Parliament House in December 2002 where Minister Kosky presented awards to VCAL students selected by their schools, and to organisations that had demonstrated good practice as VCAL partners in supporting the trial project
- the event held to brief Victorian industry leaders in September 2002 where strong endorsement was provided by industry leaders for the VCAL
- a media advertising campaign in the press and on radio and the publication of brochures for parents and students in October 2002 and January 2003 that featured the 'hands on' depiction of VCAL
- numerous VCAL presentations and briefings delivered by VQA staff at national conferences, practitioner workshops, local, sectoral and stakeholder forums.

A network of nine VCAL regional consultant positions located in the regional offices of the Department of Education & Training was established in November 2002 to assist and support providers in various

aspects of their VCAL implementation and operations. Many of the consultants have practical experience with the VCAL trial project conducted in 2002.

Two projects were established in 2003 to further support VCAL implementation. The first, VCAL Rural Access, is underway within the VQA to examine opportunities to increase access to the VCAL in smaller rural schools and communities. The second, VCAL in Manufacturing, involves Manufacturing Learning Victoria, which has been funded to improve awareness in students, parents and schools of the career opportunities available in the process manufacturing industries in Melbourne's northern and southern regions.

Selection of additional providers to deliver the VCAL in the second phase of the statewide implementation of the certificate has been initiated. The VQA commenced an expression-of-interest process with government secondary schools in June 2003. The Adult, Community and Further Education Board and the Catholic Education Commission of Victoria also commenced similar processes to select additional adult and community education organisations and Catholic schools respectively.

VCAL (Further Development) project

As recommended in the evaluation report of the VCAL trial project conducted in 2002, the VQA funded 19 providers to conduct pilot projects in three categories in 2003 to further develop the VCAL to meet identified student learning needs.

Industry Themed VCAL (for students seeking a range of experience within a particular industry sector)

Bendigo Senior Secondary College
Information and communication technology

Berwick Secondary College
Construction

Box Hill Senior Secondary College
Media and communications

Corio Bay Senior College
Land-based industries

Doveton Secondary College
Automotive

Langwarrin Secondary College
Sport and leisure

Maryborough Regional College
Printing

Nagle College, Bairnsdale
Land-based industries

Northern Melbourne Institute of TAFE
Hospitality; Engineering; Construction

Swan Hill College
Land-based industries

Swinburne University, TAFE Division
Construction; Automotive industries

Thornbury Darebin Secondary College
Media and communications

Victoria University, TAFE Division
Service and retail industries

VCAL for Diverse Needs (for students with diverse needs to ensure that the VCAL is culturally inclusive)

Adult Multicultural Education Services
Refugee student learning needs

Goulburn Ovens Institute of TAFE
Koorie student learning needs

Sunraysia Institute of TAFE
Koorie student learning needs

Woollum Bellum/Kurnai College
Koorie student learning needs

VCAL Senior Extension (for students who have successfully completed either Senior VCAL or VCE and wish to undertake an intensive preparation for further education)

Hawthorn Secondary College
Folio enhancement

Northland Secondary College
Folio enhancement

Over 400 students are enrolled in these one-year pilot projects and each of the above organisations was provided with funding for the coordination of the individual projects and to support local resource development. The Research Institute for Professional Vocational Education and Training has been contracted to evaluate the pilot projects and to provide interim advice to the VQA in July 2003.

Clarifying student pathways

A major focus of the VQA's statutory responsibility is the monitoring of student outcomes and the building of linkages between qualifications to promote a culture of lifelong learning. This responsibility is delivered through a program of research and monitoring of student outcomes so that policy interventions and qualifications developments can be effectively targeted and specific initiatives focused on pathways and linkages.

Research and monitoring activities

The VQA Board has legislative responsibility for monitoring patterns of student participation and qualification outcomes. This is critical for both an ongoing evaluation of the effectiveness of the VQA's various initiatives, and to ensure that the VQA continues to contribute to the achievement of the government's stated goals and targets. It also enables the VQA to keep abreast of current thinking and developments across the educational community.

As part of this responsibility, the VQA Board introduced two annual major monitoring reports. The first of these, the June report for 2002–03, was considered by the Board at its June meeting. The first October report will be prepared later in 2003. The June report concentrated on an examination of all Department of Education & Training data sources in regard to post-compulsory education and training participation and outcomes for 2002, with particular emphasis given to pathways and transition.

▼ A plumbing student works on a domestic plumbing installation at Holmesglen Institute of TAFE



Secondary sources were used only by way of supplementary interpretation. A range of key findings were identified.

The October report will entail a more extensive and reflective survey of various research studies and program evaluations of the previous twelve months, drawing out policy implications and trends for consideration as part of the Board's strategic planning. Hence, the June report has a retrospective emphasis, while the October report will consider future planning in its analysis. This approach to monitoring is designed to permit a more consolidated and formal reflection of the achievements and challenges of the Victorian qualifications system, and to locate the VQA's work in the context of ongoing research and development locally, interstate and overseas.

The VQA also undertakes a limited research program each year. In 2002–03, the program focused on a number of areas.

- Evaluation of specific VQA program initiatives, such as the VCAL. This is part of the Department of Education & Training's general commitment to ongoing evaluation and scrutiny of its activities to ensure that all programs contribute to the improvement of student outcomes.
- Contribution to the development of a VQA response to specific national initiatives such as *Due Credit*, Generic/Employability Skills, Training Package Review and associate degrees. This is alongside more general support work regarding Victoria's involvement with the National Training Quality Council and the Ministerial Council on Education, Employment, Training and Youth Affairs.
- Analysis of external research papers of direct interest to the VQA's agenda, including national studies on VCE in schools, youth participation in education and training, vocational destinations, and vocational training for Koorie communities.
- Preparation of a comprehensive VQA Research Program for 2003–05, endorsed by the VQA Board. This program has been designed to take up specific immediate priorities of the VQA, including increased participation for rural and Koorie students, and the promotion of pathways as a critical organising principle in vocational training.

Victorian Credit Matrix

The VQA commenced a project to test the feasibility of introducing a Credit Matrix to apply to Victorian post-compulsory qualifications. The project aims to examine ways in which the Victorian qualifications system can enable people to build effectively on their knowledge and skills and progress smoothly from one qualification to another. The Credit Matrix will:

- provide a common currency for all qualifications, thus clarifying the relationship between qualifications and empowering learners when they are negotiating potential credit for prior achievements
- clarify relationships between qualifications, thus improving the quality and clarity of student pathway planning
- provide a consistent language and currency to underpin the design of new qualifications and the monitoring of student pathways.

The Credit Matrix aims to enhance the operation of the national Australian Qualifications Framework in Victoria and to provide a systematic basis for students and providers to use in planning learning pathways and negotiating credit. It is intended to be an enabling and empowering initiative developed in partnership with providers – not a regulatory system for qualifications.

In June 2003, the VQA released a consultation paper on the Credit Matrix as part of a comprehensive consultation process on the concept. The consultation process runs to 30 September 2003. The VQA will also conduct a series of invitational and regional workshops as part of the consultation process. The consultation paper is available on the VQA website <www.vqa.vic.gov.au>.

As part of this initiative, and to investigate the implications of the Credit Matrix across different sectors, the VQA has funded the Gippsland Education Precinct to conduct a pilot of the Credit Matrix in the precinct. Further small-scale pilots are under consideration.

If the principle of the Credit Matrix is supported, there will be further extensive consultation on the parameters to be used to measure a qualification's currency and on the operational implications of such a credit system.

Victorian Qualifications Framework for Design

The Victorian Government's Innovation Statement, *Victorians: Bright Ideas. Brilliant Future*, has identified design as one of five strategic capabilities critical to Victoria's development as an innovation economy. The VQA has been given the task of developing a qualifications framework for design.

The framework is intended to bring a coherence and accessibility to the current diversity of courses, with a strong emphasis on facilitating design-related education and training pathways between the secondary, vocational education and training, and higher education sectors. The framework will incorporate varied concepts and approaches to design, seeking to articulate both generic and specific sensibilities and capacities. A broad spectrum of

student interests will be catered for, from specialist design skills, including craft work, to understanding design concepts and processes, including those in technical, marketing and management areas.

The framework will provide not only a coherent approach to design-related learning within a given industry, but also encourage cross-industry exchange. A shared design language will be enunciated, and the manual and conceptual aspects of design more fully integrated. It is anticipated that other knowledge and skills will also be incorporated that support the realisation of design capability, such as relevant technical and business or entrepreneurial competencies.

The VQA initiative is being developed over a two-year period. In its first year, three projects have been commissioned.

- A Certificate IV in Applied Design for Industry is being developed, in conjunction with the Victorian University of Technology, the Kangan Batman Institute of TAFE and the Holmesglen Institute of TAFE. Envisaged as a post-trade or advanced operative course, the Certificate IV will enable people to put together a design qualification with direct relevance to a specific industry sector. This will allow for a wide range of competencies to be combined, including those from business, design, and marketing, in accordance with the individual's specific vocational interests. Three industry areas are being piloted in this initial period: furnishing design and metal fabrication; automotive; and sustainable building.
- A mapping exercise of the full range of design-related competencies and modules across the VET sector is being undertaken. This will identify common coverage between competencies and existing pathways that may or may not be currently inscribed within qualifications. The aim is to make it easier for students to pursue their varied design interests and related capacities. Outstanding examples of current good practice in design teaching, especially in VET courses, are also being identified and documented, along with good practice and design research in other States.

- A review of current provision and associated pathways of design education and training in the senior secondary years is being undertaken. This essential review is being compared with a limited selection from interstate and overseas. This project is also examining the feasibility of a more coherent set of design offerings at the senior secondary level, with the potential for eventual integration into the proposed Victorian Qualifications Framework for Design. The enhancement of existing pathways – and the creation of new pathways – to further study and/or employment is the impetus for this work. A further task within this project is the development of a small number of units to encourage a general appreciation of design among all students in the senior secondary years, along with a set of recommendations on how this work could be adopted more generally throughout all stages of schooling in future years.

Web-based adult literacy locator test

This is a joint project with the Department of Education, Science and Training and the Australian National Training Authority (ANTA), with the work being undertaken by the Australian Council for Educational Research. Stage one of the project considered the merits of employing national literacy locator tests to assist adults to determine potential pathways for further education and training. Two existing tests from overseas were examined: a generic test developed and operated by the United States-based Educational Testing Service and a functional literacy test for the workplace originating from Canada, entitled Test of Workplace Essential Skills. The stage one feasibility study confirmed the potential usefulness of the general approach and recommended the piloting of the tests by a limited range of providers in stage two. The stage two pilots are expected to be completed in the third quarter of 2003. The prospect of a national adoption of such a test will then be considered.



Wider policy frameworks

The VQA operates within the financial, asset, human resource and information technology policy frameworks of the Department of Education & Training.

Staffing guidelines

The staffing guidelines were issued by the Department of Education & Training in March 2001. They are used by managers and staff to support effective human resource practices.

Policies set out in the guidelines provide for:

- establishment and maintenance of a workforce plan that provides sufficient flexibility to meet changing work demands
- alignment of the staffing profile to the work priorities of the work unit
- application of the principles of merit, fairness and diversity in all human resource practices
- recruitment of the best possible available staff from inside or outside the organisation
- merit-based selection processes for all advertised positions
- staff development that enhances career potential and supports continuous skill development of the workforce.

The VQA and its managers are committed to these principles.

People Principles

The Department of Education & Training's People Principles were launched on 20 September 2002. Following the launch VQA managers discussed with staff how the principles and associated behaviours would be integrated and embedded in the way they work. The five principles are:

- Deliver quality results
- Work collaboratively
- Behave ethically
- Respect and value others
- Develop self and others.

The VQA staff are committed to these principles.

Freedom of Information

This section is published to conform with the requirements of section 7 of the *Freedom of Information Act 1982* (FOI Act).

There were no applications received under the FOI Act during the reporting period.

Queries about the availability of and charges for other material prepared under part II of the FOI Act should be directed to the authorised officer. The authorised officer for the Department of Education & Training is:

Neil Morrow
Manager, Freedom of Information
Department of Education & Training
PO Box 4367
Melbourne Victoria 3001
Telephone (03) 9637 2000

The following are the general categories of documents maintained by the VQA and the Department of Education & Training on behalf of the VQA:

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

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

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.

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.

The building occupied by the VQA at 41a St Andrews Place is a government-owned building. This building was completely refurbished in 2000 to provide accommodation for the Victorian Curriculum and Assessment Authority and is still under a contract warranty.

The VQA is committed to providing a safe and secure building for staff and visitors, and full compliance with the provisions of the *Building Act 1993* has been maintained.

Occupational health and safety

The VQA operates within the infrastructure of the Department of Education & Training and is committed to abiding by the Department's policies and procedures in relation to occupational health and safety. (See the Department of Education & Training's annual report 2002–03 for more information.)

National Competition policy

The legislative review of fees and charges conducted in 2000–01 indicated that the VQA did not add any greater restrictions on competition between providers of accredited courses.

Fees and charges

Regulations were made under section 34 of the *Victorian Qualifications Authority Act 2000*. The objective of these Regulations is to prescribe interim fees to be charged by the VQA for services provided by the VQA under the *Victorian Qualifications Authority Act 2000*. Further details of fees and charges are available on the VQA website at <www.vqa.vic.gov.au>.

Major consultancies and contracts

The following represent the major consultancies and contracts (over \$50,000) that have been let by the VQA for the period July 2002 – June 2003.

STAR enhancements Hammond Street Developments Pty Ltd	Contract	\$74,768
VCAL professional development Language Australia	Contract	\$224,950
VCAL further development pilot projects Deakin University and Gordon Institute of TAFE	Consultancy	\$60,500
Credit Matrix Peter Noonan Consulting Pty Ltd	Consultancy	\$64,405

- shares held beneficially by senior officers as nominees of a statutory authority or subsidiary
- declarations of pecuniary interests
- changes in prices, fees, charges, rates and levies
- major external reviews
- research and development activities undertaken
- overseas visits undertaken
- major promotional, public relations and marketing activities
- occupational health and safety assessments and measures
- industrial relations issues
- workforce data and equity matters
- major committees.

Enquiries regarding details of this information should be made to:

David Symonds
Victorian Qualifications Authority
41a St Andrews Place
East Melbourne Victoria 3002

Additional information available on request

Consistent with the requirements of the *Financial Management Act 1994*, material has been prepared on the following topics not addressed in this report:

- publications produced by the VQA





Financial report

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Statement of financial performance

for the year ended 30 June 2003

		1 July 2002 to 30 June 2003 \$	1 March 2001 to 30 June 2002 \$
	Notes		
Revenue from ordinary activities			
Revenue from ordinary activities	2	4,668,907	3,497,879
Expenses from ordinary activities			
Employee benefits	3	2,163,626	1,951,106
Grants and transfer payments	3	551,481	181
Depreciation and amortisation	3	39,447	39,680
Supplies and services	3	1,153,577	620,478
Other expenses		26,124	17,020
		3,934,255	2,628,465
Result from ordinary activities		734,652	869,414
Decrease in accumulated surplus on adoption of new accounting standard	9	(4,289)	0
Net result for the reporting period		730,363	869,414

The above statement of financial performance should be read in conjunction with the accompanying notes.

Statement of financial position

as at 30 June 2003

	Notes	As at 30 June 2003 \$	As at 30 June 2002 \$
Current assets			
Cash at bank	4	2,252,629	1,361,115
Receivables	5	34,396	12,381
Total current assets		2,287,025	1,373,496
Non-current assets			
Plant and equipment	6	66,929	70,335
Leasehold improvements		12,617	0
Total non-current assets		79,546	70,335
Total assets		2,366,571	1,443,831
Current liabilities			
Payables	7	349,044	144,987
Provisions for employee benefits	8,10	150,408	146,199
Total current liabilities		499,452	291,186
Non-current liabilities			
Provisions for employee benefits	8,10	268,565	284,454
Total non-current liabilities		268,565	284,454
Total liabilities		768,017	575,640
Net assets		1,598,554	868,191
Equity			
Accumulated surplus	9	1,598,554	868,191
Total equity		1,598,554	868,191

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

	Notes	1 July 2002 to 30 June 2003 \$	1 March 2001 to 30 June 2002 \$
Cash flows from operating activities			
Receipts from government		3,669,264	1,920,000
Receipts from other entities		980,353	1,502,946
Payments to suppliers and employees		(3,823,868)	(2,064,514)
GST recovered from ATO		123,147	51,369
Net cash inflow from operating activities	16	948,896	1,409,801
Cash flows from investing activities			
Payments for equipment		(57,382)	(48,686)
Net cash outflow from investing activities		(57,382)	(48,686)
Net increase in cash held		891,514	1,361,115
Cash at the beginning of the financial period		1,361,115	0
Cash at the end of the financial period	4	2,252,629	1,361,115

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

Notes to the financial statements

for the year ended 30 June 2003

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Note 1 Summary of significant accounting policies

This general-purpose financial report has been prepared on an accrual basis 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.

It is prepared in accordance with the historical cost convention, except for certain 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 is required to comply with an Australian Accounting Standard or Urgent Issues Group Consensus View, or an alternative accounting policy 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 VQA Act 2000 established the Victorian Qualifications Authority (VQA) as an independent state-owned public authority. As an independent public authority the VQA is a separate legal entity and accountable for resources under its control. Section 17 of the Act requires that a separate VQA Fund be created to account for all money received by the Authority. The Act was proclaimed to have effect from 1 March 2001.

The comparative balances in the financial report are therefore for the period 1 March 2001, when the VQA was established, to 30 June 2002.

(b) 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.

(c) Revenue recognition

Grants over which the VQA gains control during a reporting period are recognised as revenues of that reporting period consistent with Australian Accounting Standard AAS 15, 'Revenue'. 'Control' arises on the earlier event of receipt or notification of eligibility for grants by relevant authorities. Revenue also includes amounts for services provided.

(d) Receivables

All debtors are recognised at the amounts receivable as they are due for settlement at no more than 30 days from the date of recognition.

Collectability of debtors is reviewed on an ongoing basis. Debts which are known to be uncollectable are written off. A provision for doubtful debts is raised when some doubt as to collection exists.

(e) Revaluations of non-current physical assets

Subsequent to initial recognition as assets, non-current physical assets other than plant and equipment are measured at fair value. Plant and equipment are measured at cost. Revaluations are made with sufficient regularity to ensure that the carrying amount of each asset does not differ materially from its fair value at the reporting date. Revaluations are assessed annually and supplemented by independent assessments, at least every three years. Revaluations are conducted in accordance with the Victorian Government policy 'Revaluation of Non-current Physical Assets'.

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

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

Revaluation increment and decrements are offset against one another within a class of non-current assets.

(f) Depreciation of non-current assets

Depreciation is calculated on a straight-line basis to write off the net cost or revalued amount of each item of non-current assets over its expected useful life to the VQA. Estimates of remaining useful lives are made on a regular basis for all assets, with annual reassessments for major items. The expected useful lives for the periods ending 30 June 2003 and 30 June 2002 are as follows:

	2003	2002
Computer equipment	3 years	3 years
Office equipment and furniture	5–10 years	5–10 years
Leasehold improvements	10 years	10 years

(g) Trade and other creditors

These amounts represent liabilities for goods and services provided to the VQA prior to the end of the financial year and which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition.

(h) Goods and Services Tax

Revenues, expenses and assets are recognised net of Goods and Services Tax except where the amount of Goods and Services Tax 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 Goods and Services Tax recoverable from, or payable to, the Australian Taxation Office (ATO) is included as part of receivables or payables in the statement of

Note 1 Summary of significant accounting policies (continued)

financial position. The Goods and Services Tax 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'.

(i) 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 at the amounts expected to be paid when the liabilities are settled.

In the reporting period prior to 30 June 2003, provision for employee benefits (annual leave) was measured using remuneration rates current at reporting date. For the period ending on 30 June 2003, the VQA is required by AASB 1028, 'Employee Benefits', to measure provisions for employee benefits at remuneration rates expected to apply when the obligation is settled, including the expected future increase in remuneration rates.

The transitional arrangements of AASB 1028 on adoption at 1 July 2002 give rise to an adjustment to opening annual leave liabilities and a corresponding change to accumulated surplus/(deficit).

The impact of this change is:

Decrease	Accumulated surplus/(deficit)	(4,289)
Increase	Annual leave provision	4,289

(ii) Long-service leave

The liability for long-service leave expected to be settled within 12 months of the reporting date is recognised as a current liability 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 contributions made by the VQA to the superannuation fund.

(j) Cash

For purposes of the statement of cash flows, cash includes short-term deposits that are readily convertible to cash on hand and are subject to an insignificant risk of changes in value (refer to note 4).

(k) Resources provided and received free of charge or for nominal consideration

Contributions of resources and resources provided free of charge or for nominal consideration are recognised at their fair value. Contributions in the form of services are only recognised when a fair value can be reliably determined and the services would have been purchased if not donated.

While payroll and accounts payable services are provided from centralised functions controlled by the Department of Education & Training, no estimate of the cost of these services is included in these accounts since these amounts are not readily quantifiable.

The VQA shares accommodation with the Victorian Curriculum Assessment Authority which is not charged to the VQA.

(l) Contributed capital

Consistent with UIG Abstract 38, 'Contributions by Owners Made to Wholly-owned Public Sector Entities', appropriations for additions to net assets have been designated as contributed capital. Other transfers that are in the nature of contributions or distributions have also been designated as contributed capital.

(m) Rounding of amounts

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

Note 2 Revenue

Revenue by source

Revenue from Government

State Government grants
Commonwealth of Australia
Resources received free of charge or for nominal consideration

Revenue from other parties

Registration and accreditation fees
Donation

Total revenue

2003 \$	2002 \$
3,639,264	1,920,000
27,273	0
0	619,709
3,666,537	2,539,709
1,002,370	954,670
0	3,500
1,002,370	958,170
4,668,907	3,497,879

Note 3 Result for the reporting period

Net expenses

Result from ordinary activities includes the following specific net expenses:

Consideration from the disposal of assets

Carrying amount

Loss on disposal

Expenses

Employee benefits
Salaries and wages
Superannuation
Annual leave and long-service leave expense
Other oncosts (fringe benefits tax, payroll tax and workcover levy)

Total employment benefits

Depreciation

Equipment

Total depreciation

Rental expense relating to operating leases

Minimum lease payments

Total rental expense relating to operating leases

Supplies and services

Travel

Printing

Contractors/Consultants/Board Members

Other

Total supplies and services

Grants and transfer payments

Transfer payments to Department of Education & Training

Grants to TAFE institutions

Grants to organisations

Grants to government schools

Total grants and transfer payments

2003 \$	2002 \$
0	0
8,724	0
8,724	0
1,696,163	1,305,630
196,243	144,290
134,607	401,045
136,613	100,141
2,163,626	1,951,106
39,447	39,680
39,447	39,680
10,119	8,149
10,119	8,149
88,581	68,683
254,387	32,439
476,430	370,723
334,179	148,633
1,153,577	620,478
207,443	0
221,264	0
72,000	0
50,774	181
551,481	181

Note 4 Cash assets

Cash at bank and on hand

2003 \$	2002 \$
2,252,629	1,361,115

Note 5 Receivables

Current:

Debtors
GST receivable

2003 \$	2002 \$
15,000	0
19,396	12,381
34,396	12,381

Note 6 Non-current assets

Plant and equipment

At cost
Less: Accumulated depreciation

2003 \$	2002 \$
129,984	115,209
(63,055)	(44,874)
66,929	59,337

Leasehold improvements

At cost
Less: Accumulated depreciation

2003 \$	2002 \$
12,617	—
0	—
12,617	—
79,546	70,335

Total

Note 6 Non-current assets (continued)

Reconciliation

Reconciliations of the carrying amounts of each class of office equipment at the beginning and end of the current and previous financial periods are set out below.

	Computers and peripheral equipment \$	Office equipment and furniture \$	Leasehold improvements \$	Total \$
2003				
Carrying amount at start of period	59,337	10,998	0	70,335
Additions	42,695	2,070	12,617	57,382
Disposals	(8,724)	0	0	(8,724)
Depreciation/amortisation expense (note 4)	(36,760)	(2,687)	0	(39,447)
Carrying amount at end of period	56,548	10,381	12,617	79,546
2002				
Carrying amount at start of period	0	0	0	0
Additions	41,594	7,092	0	48,686
Disposals at cost	0	(1,223)	0	(1,223)
Net transfers free of charge	55,462	7,090	0	62,552
Depreciation/amortisation expense (note 4)	(37,719)	(1,961)	0	(39,680)
Carrying amount at end of period	59,337	10,998	0	70,335

Note 7 Payables

	2003 \$	2002 \$
Trade creditors	179,587	0
Accrued expenses	151,265	136,287
Accrued salaries and oncosts	18,192	8,700
	349,044	144,987

Note 8 Provision for employee benefits

	2003 \$	2002 \$
Current		
Employee benefits		
Annual leave	97,540	115,905
Long-service leave	27,891	30,294
Annual bonus	24,977	0
	150,408	146,199
Non-current		
Employee benefits		
Long-service leave	268,565	284,454
	268,565	284,454
Employee numbers	24	14

Note 8 Provision for employee benefits (continued)

As explained in notes 1(i) (ii) and (iii), the amounts for long-service leave are measured at their present values. The following assumptions were adopted in measuring present values:

	2003	2002
Weighted average rates of increase in annual employee benefits to settlement of the liabilities	4.6%	4.6%
Weighted average discount rates	4.86%	5.82%
Weighted average terms to settlement of the liabilities	8 years	8 years

Note 9 Equity and movements in equity

	2003 \$	2002 \$
Accumulated surplus		
Accumulated surplus at the beginning of the financial year	868,191	0
Net result for the reporting period	734,652	869,414
Adjustments resulting from adoption of new accounting standard	(4,289)	–
Transfer of asset (carrying value)	–	(1,223)
Accumulated surplus as at 30 June 2003	1,598,554	868,191

Note 10 Superannuation

Name of scheme

	2003	2002
State Superannuation Fund – Revised Scheme	15.5%	15.5%
State Superannuation Fund – New Scheme – 0% contributor	9%	8%
State Superannuation Fund – New Scheme – 3% contributor	9%	8.5%
State Superannuation Fund – New Scheme – 5% contributor	9.5%	9.5%
State Superannuation Fund – New Scheme – 7% contributor	10%	10%
VicSuper	9%	8%
State Employees Retirement Benefits Scheme*	12.5%	12.5%

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

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

Fund	Contribution paid for the year		Contribution outstanding at end of year	
	2003 \$	2002 \$	2003 \$	2002 \$
State Superannuation Fund (defined benefit scheme)	130,855	101,058	2081	4396
VicSuper Fund (accumulation scheme)	64,757	36,380	–	–
State Employee Retirement Benefits Scheme (defined benefit scheme)	2,706	2,278	43	96
Various other	294	82	–	–
Total	198,612	139,798	2124	4492

Note 10 Superannuation (continued)

The bases for contributions are determined by the various schemes.

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

Note 11 Financial instruments

Interest rate risk exposures

The VQA is not exposed to either interest rate risk or cash flow risk since it holds no financial assets or liabilities that are subject to either floating or fixed interest charges.

			Fixed interest maturing in:				
		Floating interest rate	1 year or less	1–5 years	Over 5 years	Non-interest bearing	Total
		\$	\$	\$	\$	\$	\$
2003	Notes						
Financial assets							
Cash balance	4	–	–	–	–	2,252,629	2,252,629
Receivables	5	–	–	–	–	34,396	34,396
Total		–	–	–	–	2,287,025	2,287,025
Weighted average interest rate		–	–	–	–	–	–
Financial liabilities							
Payables	7	–	–	–	–	349,044	349,044
Total		–	–	–	–	349,044	349,044
Weighted average interest rate		–	–	–	–	–	–
Net financial assets		–	–	–	–	1,937,981	1,937,981

			Fixed interest maturing in:				
		Floating interest rate	1 year or less	1–5 years	Over 5 years	Non-interest bearing	Total
		\$	\$	\$	\$	\$	\$
2002	Notes						
Financial assets							
Cash balance	4	–	–	–	–	1,361,115	1,361,115
Receivables	5	–	–	–	–	12,381	12,381
Total		–	–	–	–	1,373,496	1,373,496
Weighted average interest rate		–	–	–	–	–	–
Financial liabilities							
Payables	7	–	–	–	–	144,987	144,987
Total		–	–	–	–	144,987	144,987
Weighted average interest rate		–	–	–	–	–	–
Net financial assets		–	–	–	–	1,228,509	1,228,509

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 VQA approximates their carrying amounts.

Note 12 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 for the Responsible Minister and the Responsible Persons for the reporting period.

Names

The persons who held the above positions in the VQA are as follows:

Minister for Education and Training

Ms Lynne Kosky, MP

Accountable Officer

Dr Dennis Gunning

Board members

Mr Peter Annett

Mr Paul Briggs

Mr Alan Clifford

Professor Kwong Lee Dow

Mr Stuart Hamilton resigned 13 December 2002

Mr Grant Hehir appointed 5 May 2003

Ms Pam Jonas

Mr Peter Kirby resigned 24 March 2003

Mr Peter Laver

Professor Stuart Macintyre

Ms Julie Moss

Professor Helen Praetz

Mr Julius Roe appointed 3 September 2002

Ms Virginia Simmons

Ms Joanne Tate

Ms Lynne Wannan appointed 25 March 2003

Ms Elizabeth Ward

Ms Jennifer Westacott 16 December 2002 to 2 May 2003

Remuneration

The number of executive officers (including the Accountable Officer) whose remuneration exceeded \$100,000 during the reporting period are shown below in their relevant income bands. Total remuneration includes long-service leave payments and bonuses paid at the end of contracts. Base remuneration is exclusive of these payments. For 2002 the executive officers were appointed during the period.

Income band

\$90,000–\$99,999
\$100,000–\$109,999
\$110,000–\$119,999
\$160,000–\$169,999
\$180,000–\$189,999

Total amount (\$)

Total remuneration 2003	2002	Base remuneration 2003	2002
0	1	0	1
0	0	1	0
1	1	0	1
0	0	1	0
1	0	0	0
\$301,758	\$217,006	\$268,088	\$217,006

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

The numbers of members of the Board whose emolument/remuneration fell within the following bands were:

Income band	2003	2002
\$0–\$999	8	5
\$1,000–\$1,999	9	1
\$2,000–\$2,999	0	5
\$3,000–\$3,999	0	3
\$52,000–\$52,999	1	1
Total	18	15
Total remuneration received, or due and receivable by Board members amounts to:	\$67,050	\$114,675

Note 12 Ministers and Accountable Officers (continued)

Other transactions

Other related transactions and loans requiring disclosure under the Directions of the Minister for Finance have been considered and there are no matters to report.

Note 13 Remuneration of auditors

Remuneration of auditors

Victorian Auditor-General's Office

Total remuneration Victorian Auditor-General's Office

2003 \$	2002 \$
17,400	17,000
17,400	17,000

Note 14 Contingent assets and contingent liabilities

There are no contingent assets and contingent liabilities to be disclosed in the financial period.

Note 15 Commitments for expenditure

Lease commitments

Commitments in relation to leases contracted for at the reporting date but not recognised as liabilities, payable:

Within one year

Later than one year but not later than 5 years

Total

2003 \$	2002 \$
11,356	10,056
22,712	11,950
34,068	22,006

Note 16 Reconciliation of results from ordinary activities to net cash inflow from operating activities

Results from ordinary activities

Depreciation and amortisation

Assets received free of charge

Increase in receivables

Increase in payables

Increase in provisions

Loss on sale of assets

Net cash inflow from operating activities

2003 \$	2002 \$
734,652	869,414
39,447	39,680
0	(62,552)
(22,015)	(12,381)
204,057	144,987
(15,969)	430,653
8,724	0
948,896	1,409,801



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ACCOUNTABLE OFFICER'S DECLARATION

We certify that the attached financial statements for the Victorian Qualifications Authority 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 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 statements, presents fairly the financial transactions for the year ended 30 June 2003 and the financial position of the Authority as at 30 June 2003.

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

A handwritten signature in black ink, appearing to read 'Dennis Gunning'.

Dr Dennis Gunning
Accountable Officer
Victorian Qualifications Authority

Melbourne
1 October 2003

A handwritten signature in black ink, appearing to read 'Helen Praetz'.

Professor Helen Praetz
Chair
Victorian Qualifications Authority

Melbourne
1 October 2003



AUDITOR GENERAL
VICTORIA

AUDITOR-GENERAL'S REPORT

To the Members of the Parliament of Victoria, responsible Ministers and the Members of the Board of the Victorian Qualifications Authority

Matters relating to the electronic presentation of the Audited Financial Report

This audit report relates to the financial report of the Victorian Qualifications Authority for the financial year ended 30 June 2003 included on the Victorian Qualifications Authority's web site. The Members of the Board of the Victorian Qualifications Authority are responsible for the integrity of the Board's web site. I have not been engaged to report on the integrity of the Board's web site. The audit report refers only to the statements named below. An opinion is not provided on any other information which may have been hyperlinked to or from these statements. If users of this report are concerned with the inherent risks arising from electronic data communications they are advised to refer to the hard copy of the audited financial report to confirm the information included in the audited financial report presented on this web site.

Audit Scope

The accompanying financial report of the Victorian Qualifications Authority 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 Board 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 Members of the Board 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 Authority'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 Victorian Qualifications Authority as at 30 June 2003 and its financial performance and cash flows for the year then ended.

MELBOURNE
6 October 2003


J.W. CAMERON
Auditor-General

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Appendices

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Appendix 1 *Whistleblowers Protection Act 2001*

In 2003, the VQA 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 Board members or staff of the VQA. 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 Board members or staff of the VQA.

Details of any disclosures made under the Act concerning Board members or staff of the VQA are 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 and safety or 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 be made in the first instance to a protected disclosure officer.

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

Contact details are provided on page 50.

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:

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

6 Roles and responsibilities

6.1 Employees

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

All employees of 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

<i>Problem</i>	<i>Initial contact</i>	<i>Other options</i>	<i>Workplace policy</i>
Parent's concern or complaint of a general nature (may concern students, teachers, educational matters or an action taken by the school or school council)	Principal	<ul style="list-style-type: none"> Regional Director 	Complaints, Unsatisfactory Performance and Serious Misconduct <ul style="list-style-type: none"> Principal Class Handbook Teacher Class Handbook SSO Handbook
Workplace conflict or grievance	Principal or Manager	<ul style="list-style-type: none"> DE&T Complaints and Investigations Unit Merit Protection Boards 	Complaints, Unsatisfactory Performance and Serious Misconduct <ul style="list-style-type: none"> Principal Class Handbook Teacher Class Handbook SSO Handbook Personal Grievances <ul style="list-style-type: none"> Employment Conditions Guidelines for VPS Staff
Equal Opportunity concern	Principal or Manager	<ul style="list-style-type: none"> DE&T Complaints and Investigations Unit DE&T Diversity and Equity Unit Merit Protection Boards Equal Opportunity Commission 	Merit and Equity Policy
Occupational Health and Safety issue	Principal or Manager	<ul style="list-style-type: none"> Workplace OHS representative 	OHS Guidelines
Ethical or other misconduct concern	Principal or Manager	<ul style="list-style-type: none"> DE&T Complaints and Investigations Unit Office of Public Employment 	VPS Code of Conduct
Complaints regarding administrative action by government bodies	The public body concerned	<ul style="list-style-type: none"> The Ombudsman 	<i>Ombudsman Act 1973</i>
Improper conduct or detrimental conduct	DE&T Protected Disclosure Officer	<ul style="list-style-type: none"> DE&T Protected Disclosure Coordinator The Ombudsman 	Whistleblower Protection Act Guidelines

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.

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Appendix 2 Index of compliance

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

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Acronyms and abbreviations

ANTA	Australian National Training Authority
AQTF	Australian Quality Training Framework
STAR	System of Training and Recognition
VCAL	Victorian Certificate of Applied Learning
VCE	Victorian Certificate of Education
VET	Vocational education and training
VQA	Victorian Qualifications Authority





Victorian Qualifications Authority

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Department of
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