

Department of Education & Training



ANNUAL REPORT 2003–2004

Contents

ABOUT THIS REPORT

This report sets out the Department of Education & Training's key activities and achievements from 1 July 2003 to 30 June 2004 against the outputs and the Departmental objectives detailed in the 2003–04 Budget papers.

The report of operations is organised around the major output groups:

- school education (pages 18–29)
- training and tertiary education (pages 30–42)
- policy, strategy and information services (pages 43–48).

The financial report (pages 67–97) provides information on the financial position and performance of the Department in 2003–04.

Thirteen appendices (pages 98–137) provide supplementary financial and non-financial information. The report is a public document tabled in the Victorian Parliament in November 2004. It is available on the Department's website <www.det.vic.gov.au>.

October 2004

Lynne Kosky, MP
Minister for Education and Training
Jacinta Allan, MP
Minister for Education Services

Dear Ministers

I have pleasure in submitting the annual report of the Department of Education & Training for the year 2003–04 in accordance with the *Education Act 1958* and the *Financial Management Act 1994*.

Yours sincerely



Grant Hehir
Secretary

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SECRETARY'S REPORT



The Department of Education & Training plays a pivotal role in fulfilling the vision and achieving the challenges set by the Government for education and training. A strong education and training system is vital to ensure that all Victorians have the knowledge and skills to be responsible,

informed and productive citizens. The Department is committed to a vision of an assured future for all Victorians and a prosperous society through learning.

The Department's Corporate Plan 2003–06 sets out the objectives and strategies necessary to ensure the provision of high-quality education and training that raises achievement, reduces disparity and leads to opportunities. The plan outlines the governance framework for the management of human, physical and financial resources toward these priorities.

Significant achievements in education and training were made during 2003–04.

SCHOOL EDUCATION

In November 2003, the Minister for Education and Training, Lynne Kosky MP, launched the Blueprint for Government Schools. The Blueprint outlines the Government's reform agenda for the Victorian government school system.

The Blueprint provides a framework for a highly effective government school system – a system that has a common preferred view of the future, places students at the centre, is values driven, and develops effective teachers, leaders and schools.

Effective teachers

Effective teachers have high standards of professional knowledge, practice and engagement.

Flagship Strategy 1 (Student Learning) contains a range of curriculum reforms that assist teachers to adopt teaching practices and resources to engage individual students in effective learning. Flagship Strategy 5 (Teacher Professional Development) provides teachers with significant opportunities for professional renewal and development at all stages of their careers.

Effective leaders

Effective school leaders can be seen to share capabilities across five leadership domains – technical, human, educational, symbolic and cultural.

The Blueprint recognises that school leaders have a critical role to play in improving the educational outcomes of students in their schools. School leaders have a major influence on the capacity of teachers and the quality of the teaching–learning relationship. Flagship Strategy 3 (Building Leadership Capacity) contains a range of initiatives designed to develop the skills of current and prospective principals.

Effective schools

Effective schools share key characteristics such as high expectations for all learners, a shared vision and goals, strong accountability, learning communities, purposeful teaching, professional leadership and the provision of a stimulating and secure learning environment.

A school system that is focused on improving student outcomes needs a funding model based on the relative learning needs of students in schools. This is the rationale of the recently released Student Resource Package (Flagship Strategy 2), which shifts the focus of our school funding model to student outcomes and school improvement. Flagship Strategy 4 (Creating and Supporting a Performance and Development Culture) will help schools to become supportive and enriching learning organisations that provide teachers with objective, actionable feedback on their performance and opportunities for them to learn and grow. Flagship Strategy 6 (School Improvement) addresses the variation in student outcomes in our schools by strengthening school planning, accountability and review arrangements. Flagship Strategy 7 (Leading Schools Fund) drives school improvement by enabling schools to devise their own strategies and initiatives to lift student outcomes.

As part of implementation of the Blueprint, the Department has worked closely with schools across Victoria to develop a shared language and understanding across the system about the attributes of effective teachers, effective leaders and effective schools.

The Department has made strong progress against the Government's goals and targets for school education over 2003–04. The average size of P–2 classes in government schools has decreased to 20.9 students in 2004, the lowest level on record since 1973. There have been ongoing improvements in the proportion of young people completing Year 12 or equivalent. In 2003, the rate of completion for 19-year-olds was 77.5 per cent and for 20–24-year-olds it was 86 per cent, with both rates showing an improvement on the 2002 result. Completion rates have improved in rural and regional Victoria, with 73.3 per cent of students completing Year 12 or equivalent in 2003, up from 71.5 per cent in 2002.

A key focus for education and training is increasing participation levels across all parts of the system and in all stages of education – from the early years of

school to adults returning to learning. More students are staying on to the beginning of Year 12. The February apparent retention rate from Year 7 to Year 12 increased from 81.2 per cent in 1999 to 86.2 per cent in 2004. It is encouraging to see that, in 2003, engagement of young people aged 15 to 19 in full-time education and training, or full-time employment in Victoria is higher than in any other state, at 90.4 per cent in Victoria compared with the national average of 85.2 per cent.

POST-COMPULSORY EDUCATION AND TRAINING

The Department continues to emphasise pathway planning beyond compulsory schooling years. In 2003, 97.4 per cent of government school students in Years 10–12 had a Managed Individual Pathway (MIPs) plan, assisting students in their choices for employment, training and further education following compulsory schooling. Through the *On Track* program, school leavers' choices are tracked and further assistance is provided where required. The information collected through *On Track* assists the development of improved strategies and policies in the post-compulsory education and training sectors that will meet the needs of young people.

Local Learning and Employment Networks (LLENs) facilitate greater further education, training and employment options. LLENs membership increased by 23.9 per cent to 5119 organisations and individuals from December 2002 to December 2003.

Industry Liaison Agents were employed to stimulate demand and promote delivery of manufacturing training to small and medium-sized enterprises.

TRAINING AND TERTIARY EDUCATION

Knowledge and Skills for the Innovation Economy encompasses two Government strategic direction statements for the Vocational Education and Training (VET) system and higher education, released in June 2002. These policies have continued to drive the Department's focus on improving access to vocational education and training and higher education for students, improving pathways between TAFE institutes and universities and strengthening governance arrangements.

Significant progress was made towards implementing initiatives contained in the VET and higher education Ministerial statements in 2003–04. This included:

- funding 15 Specialist Centres and investing in two additional feasibility projects
- establishing the TAFE Development Centre to improve professional development of the TAFE workforce

- managing approvals for the delivery of degree programs at TAFE institutes
- the introduction of the Completion Bonus scheme, an incentive for employers to support apprentices and trainees complete their training
- pursuing fairer arrangements including a greater share of higher education places in Victoria following the release of the Australian Government statement on Higher Education.

The Ministerial Statement, *Future Directions for Adult Community Education*, was launched on 3 June 2004 to respond to local learner and community needs. The statement outlines broad policy directions to support community based learning organisations. The statement recognises the contribution of teachers, trainers, support staff and volunteers in the ACE sector, and will assist community-based adult education organisations to improve business management, governance, workforce and volunteer practices.

ALIGNMENT WITH GOVERNMENT PRIORITIES

The central office of the Department was reorganised during 2003–04 to ensure that it is well placed to focus on the Government's objectives within its available budget. The reorganisation enabled the central office to improve its alignment with Government objectives, ensure that Victorian schools and TAFE institutes continue to be the key delivery areas of the Government's educational goals, and realise administrative efficiencies.

While the reorganisation involved a reduction in overall staff numbers, every effort was made to place existing staff in the new structure during a reassignment process. Unplaced staff were assisted in redeployment or to explore alternative employment opportunities. The process did not directly affect regional offices, schools or TAFE institutes.

The contributions of the key statutory authorities to the achievement of Government goals, targets and outputs for education and training are significant and vital. My appreciation goes to the Board and Council members, and staff of the Victorian Curriculum and Assessment Authority, the Victorian Qualifications Authority, the Adult Community and Further Education Board, the Victorian Learning and Employment Skills Commission, and the Victorian Institute of Teaching.



GRANT HEHIR
Secretary

OVERVIEW

As indicated in the Corporate Plan 2003–06, the Department of Education & Training plays a pivotal role in fulfilling the vision and achieving the challenges set by the Government for education and training.

VISION

An assured future for all Victorians and a prosperous society through learning.

MISSION

The Department will ensure the provision of high-quality education and training that:

- raises achievement
- reduces disparity
- leads to opportunities.

KEY RESPONSIBILITIES

The Department provides, funds, purchases and regulates education and training services for Victorians of all ages through schools, TAFE institutes, registered training organisations, adult community education (ACE) organisations, adult education institutions and higher education institutions.

The Department's primary functions include:

- planning, regulating, managing, resourcing and delivering high-quality primary and secondary education in Victoria's system of government schools
- funding, regulating and liaising with non-government schools in Victoria
- planning, regulating, resourcing and purchasing training and further education, apprenticeships and traineeships, and adult community education that strengthen the knowledge and skills of all Victorians
- planning, coordinating and monitoring the provision of higher education in Victoria.

The Department also provides support and advisory services to the Minister for Education and Training and the Minister for Education Services.

GOALS AND TARGETS

The Government's goals for education and training are:

- to improve the standards of literacy and numeracy in primary schooling
- to increase the percentage of young people who successfully complete Year 12 or equivalent
- to increase the percentage of adults who take up education and training and so increase the overall level of educational attainment and literacy levels in Victoria
- to increase the level of participation and achievement in education and training in rural and regional Victoria and among groups where it is presently low
- to make near-universal participation in post-school education and training the norm in our society – not just for the young, but for all Victorians.

In October 2000, the Premier set three challenging performance targets for education and training. Progress against the targets is shown in the following table.

Progress against the Government's targets

| Target | Measure | Actual 2001 (%) | Actual 2002 (%) | Actual 2003 (%) | Comment |
|---|--|----------------------------|-------------------|-------------------|--|
| By 2005, Victoria will be at or above national benchmark levels for reading, writing and numeracy for primary students | Percentage achieving national benchmark in Year 3 reading | 89.0 (90.3) ^(a) | Not yet available | Not yet available | In 2001, Victoria's performance was generally at or above the national average (figure in brackets) on a range of measures. The 2002 and 2003 results are not yet available as they have not been released by MCEETYA. |
| | Percentage achieving national benchmark in Year 3 numeracy | 94.1 (93.9) ^(a) | Not yet available | Not yet available | |
| | Percentage achieving national benchmark in Year 5 reading | 90.9 (89.8) ^(a) | Not yet available | Not yet available | |
| | Percentage achieving national benchmark in Year 5 numeracy | 94.7 (89.6) ^(a) | Not yet available | Not yet available | |
| By 2005, the percentage of young people aged 15–19 in rural and regional Victoria engaged in education and training will rise by 6 per cent | Percentage of 15–19-year-olds participating in education and training in rural and regional Victoria | 92.7 ^(b) | 93.1 | 92.3 | Participation of 15–19-year-olds in education and training has been at very high levels and higher than for metropolitan Melbourne. |
| | Percentage of 19-year-olds in rural and regional Victoria who have completed Year 12 or equivalent | 71.4 ^(b) | 71.5 | 73.3 | |
| By 2010, 90 per cent of young people in Victoria will successfully complete Year 12 or equivalent | Percentage of 19-year-olds in Victoria who have completed Year 12 or equivalent | 75.7 ^(b) | 75.8 | 77.5 | The percentage of young people successfully completing Year 12 or equivalent has shown ongoing improvement. |
| | Percentage of 18–24-year-olds in Victoria who have completed Year 12 or equivalent | 80.4 ^(b) | 82.4 | 83.2 | |

^(a)Data is subject to measurement error of 2.2 per cent. Figures in brackets show the national average for the percentage of primary students achieving the national benchmarks for reading and numeracy.

^(b)Data was revised from that previously published as a result of revisions to Australian Bureau of Statistics (ABS) population estimates.

ABOUT THE DEPARTMENT

State education in Victoria dates from 1 January 1873. The Department of Education & Training has operated in its current form since 3 November 2003.

Ministers

The Department provides support and advisory services to the Minister for Education and Training, Lynne Kosky, and the Minister for Education Services, Jacinta Allan. It is also responsible for the effective management and administration of their respective portfolios.

More information on the Ministerial portfolios appears in Appendix 11 on pages 133–34.



LYNNE KOSKY
Minister for Education
and Training



JACINTA ALLAN
Minister for Education
Services

Department outputs and relationships with statutory authorities

Department outputs

Relationship with statutory authorities (see acronyms and abbreviations inside back cover)

School education

Primary education

Delivery of education services in government schools for students in Years P–6

- VCAA develops and maintains the Curriculum and Standards Framework (CSF) for Years P–10 and conducts Achievement Improvement Monitor (AIM) testing in English and Mathematics in Years 3 and 5.
- Victorian Institute of Teaching (VIT) enhances the quality of teaching through promotion and regulation of the profession.

Junior secondary education

Delivery of education services in government schools for students in Years 7–10

- VCAA develops and monitors the CSF for Years P–10 and conducts AIM testing in English and Mathematics in Year 7.
- VIT enhances the quality of teaching through promotion and regulation of the profession.

Senior secondary education

Delivery of education services in government schools for students in Years 11 and 12

- VCAA is responsible for the development and monitoring of the VCE and the CSF, and for the curriculum and assessment of the VCE and the VCAL.
- VIT enhances the quality of teaching through promotion and regulation of the profession.
- VLESC advises the Minister for Education and Training on post-compulsory education, training and employment and is the State training agency for Victoria.
- VQA is the accreditation and certification body for senior secondary qualifications, including the VCE, VCAL and VCE VET. It also approves and registers schools seeking registered training organisation status to deliver accredited VET qualifications.

Non-government school education

Provision of services for students attending non-government schools and registration of non-government schools

- VCAA is responsible for the development and monitoring of the VCE and the CSF, and for the curriculum and assessment of the VCE and the VCAL.
- The Registered Schools Board registers and reviews the registration of non-government schools to ensure quality standards are met.
- VCAA develops and maintains the CSF for Years P–10, conducts AIM testing in Years 3, 5 and 7, and oversees the curriculum and assessment of the VCE, including VCE VET.
- VIT enhances the quality of teaching through promotion and regulation of the profession.
- VLESC advises the Minister for Education and Training on post-compulsory education, training and employment and is the State training agency in Victoria.
- VQA is the accreditation and certification body for senior secondary qualifications, including the VCE, VCAL and VCE VET. It also approves and registers schools seeking registered training organisation status to deliver accredited VET qualifications.

Student welfare and support

Provision of services relating to student welfare and wellbeing

Students with disabilities

Provision of educational services to students with disabilities in government regular and specialist schools

- VCAA provides special provision arrangements to facilitate students with disabilities to demonstrate their learning achievements in the VCE and VCAL.

Education Maintenance Allowance

Provision of EMA to eligible parents of school students up to the age of 16 years in government and non-government schools

Student transport

Administration of student conveyance allowances and the transport of government and non-government school students

- VLESC monitors improved transport arrangements for post-compulsory education and training students.
-

*Training and tertiary education***TAFE places**

Provision of training and further education places by TAFE institutions and other registered training organisations in accordance with the priorities set by Government in line with industry and community needs

- Industry training boards provide advice on industry training priorities for the VET sector.
- TAFE institute councils are the governing bodies for Victoria's 14 TAFE institutes.
- VCAA oversees the delivery and assessment of the VCE in the TAFE sector.
- VLESC is the State training agency for the purposes of the ANTA Agreement.
- VQA is the responsible body in Victoria for the accreditation of courses and registration of providers under the AQTF. It also registers VET organisations wishing to offer senior secondary certificates such as the VCE and VCAL.

ACE places and community support

Provision of education and training places and support for education for adults in community settings and adult education institutions

- In consultation with Regional Councils of ACFE, the ACFE Board advises the Minister for Education and Training on issues relevant to adult, community and further education. It develops, evaluates and funds policies, programs and services for the coordination and provision of adult, community and further education by ACE organisations and adult education institutions.
- VCAA oversees the delivery and assessment of the adult VCE in ACE.
- VLESC, in conjunction with the ACFE Board, is responsible for planning further education in Victoria.
- VQA is the responsible body in Victoria for the accreditation of courses and registration of ACE providers. It also registers ACE providers wishing to offer senior secondary certificates such as the VCE and VCAL.

Higher education

Provision of services to universities, private providers of higher education and the public

- VCAA facilitates extension studies (university subjects) in the VCE for high-achieving students.
-

*Policy, strategy and information services***Policy, strategy and executive services**

Provision of strategic policy advice (including post-compulsory education and training pathways) and legislative and executive support to the Ministers and statutory authorities

- ACFE Board, VCAA, VIT, VLESC and VQA provide complementary policy advice on and support roles for education and training in accordance with their statutory responsibilities.

International education

Provision and promotion of education and training services to overseas students and communities

- VCAA oversees offshore use of the CSF and offshore delivery and assessment of AIM and the VCE.
- VQA recognises qualifications developed outside Victoria and Australia and approves organisations to provide courses to overseas students. It also registers education and training organisations to provide courses to overseas students in accordance with Education Services for Overseas Students legislation.

Public information and promotion

Provision of information services and promotion of education and training to the Victorian community

- ACFE Board, VCAA, VIT, VLESC and VQA provide public information and promote education and training to the Victorian community.
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SUMMARY OF FINANCIAL RESULTS

The Department's portfolio as described in the 2003–04 State Budget papers comprises three key output areas:

- school education
- training and tertiary education
- policy, strategy and information services.

The financial statements presented in this annual report relate to the controlled operations of the Department and include corporate activities and the 1626 government schools.

Other agencies within the portfolio report separately and therefore are not included within the controlled financial transactions of the Department. These entities include the Adult, Community and Further Education (ACFE) Board, the Victorian Curriculum and Assessment Authority (VCAA), the Victorian Institute of Teaching (VIT), the Victorian Learning and Employment Skills Commission (VLESC), the Victorian Qualifications Authority (VQA) and TAFE institutes.

The table below provides information on the Department's financial results for 2003–04 and comparisons with the previous four financial years.

There were no significant changes in the financial position during the financial year.

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

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

2003–04 RESULT

The Department's result from ordinary activities for 2003–04 was \$15.7 million, compared with \$113.3 million in 2002–03. This result reflects the Department's commitment to providing a high level of service delivery and was achieved as a result of efficient delivery of outputs on behalf of the Government, continued success of schools in raising funds locally throughout the year, and savings in supplies and services expenditure.

| | 1999–2000 \$ million | 2000–01 \$ million | 2001–02 \$ million | 2002–03 \$ million | 2003–04 \$ million |
|-----------------------------------|-------------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| Operating revenue | | | | | |
| Revenue from State Government | 4,761.3 | 5,089.0 | 5,323.8 | 5,533.9 | 5,757.0 |
| Other revenue | 405.6 | 422.9 | 458.0 | 478.3 | 429.5 |
| Total operating revenue | 5,166.0 | 5,511.9 | 5,781.8 | 6,012.2 | 6,186.5 |
| Operating expenses | 5,006.6 | 5,422.4 | 5,727.4 | 5,898.9 | 6,170.8 |
| Operating surplus | 160.3 | 89.5 | 54.4 | 113.3 | 15.7 |
| Total assets | 5,984.8 | 6,494.5 | 7,212.6 | 8,205.0 | 9,368.1 |
| Total liabilities | 810.3 | 934.9 | 1,045.0 | 1,009.2 | 1,111.9 |
| Net assets | 5,174.5 | 5,559.6 | 6,167.6 | 7,195.8 | 8,256.1 |
| Net year end cash position | 342.0 | 321.2 | 399.9 | 401.6 | 384.7 |

REVENUE AND EXPENSES

During the year the Department continued with the implementation of initiatives such as the reduction in class sizes of years P–2, literacy interventions, the Early Years Numeracy program, disabilities support and the Victorian Certificate of Applied Learning (VCAL). The funding of the ongoing operation of these initiatives is behind the continued growth in the Department's revenues and expenditures.

In previous years the costs for staff working in the Department's Office of Training and Tertiary Education appeared in the financial reports of the VLESC and the ACFE Board. This year these costs have been incorporated into the results of the Department, which is recompensed from the two authorities for services provided.

ASSETS

The value of the Department's assets increased by \$1163 million in 2003–04. Of this increase, \$991.1 million arose from the annual revaluation of the Department's non-current assets. The balance of the increase reflects spending under the Government's commitment to improving the quality of school infrastructure as well as asset purchases funded by schools from their own fundraising.

CORPORATE GOVERNANCE

Corporate governance is the framework through which the Department:

- pursues the achievement of the Government's goals and targets and the Department's objectives for education and training
- manages its human, physical and financial resources
- maximises opportunities for continuous improvement and manages its risks.

The corporate governance framework assigns responsibilities, which in turn define accountabilities. The Secretary, as the accountable officer, is responsible to the portfolio Ministers for the efficient and effective performance of the Department. The Executive assists the Secretary in this task.

DEPARTMENT EXECUTIVE

The Executive integrates the work of the Department and manages the competing priorities within the portfolio.

The Department's success hinges on the collective commitment and active involvement of its senior managers. The Executive takes responsibility for driving the reform agenda set by the Government, as reflected in the goals and targets for education and training and in Ministerial directions and statements.

The Executive sets the strategic direction for the portfolio, allocates resources against Ministerial and Government priorities and considers all strategic issues facing the Department. Members have key strategic, operational and financial responsibilities and are accountable for outcomes.

The work of the Executive is supported by seven committees: Portfolio Audit, Portfolio Risk Management, Human Resources, Knowledge Management, Strategic and Financial Planning, Research, and Provision.

Members of the Executive at 30 June 2004 were as follows:

MR GRANT HEHIR

Secretary

Mr Grant Hehir joined the Department in May 2003 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 Government on State budget strategy and management and advised on emerging policy issues. In early 2003, he joined the Department of Premier and Cabinet as Deputy Secretary, Strategic, Economic and Social Policy, advising the Premier on social and economic policy matters.

Prior to moving to Melbourne, Mr Hehir worked in Canberra for the Commonwealth, holding senior positions in the Department of Finance and Administration.

MR DARRELL FRASER

Deputy Secretary, Office of School Education

Mr Darrell Fraser joined the Department's central office in January 2004. Prior to this he was Principal of Glen Waverley Secondary College. He has been awarded national recognition for his contribution to education through leadership, innovative pedagogy and leading practice in Information and Communications Technology (ICT) and Intranet/ Extranet solutions.

The Office of School Education is responsible for developing and administering the delivery of school education for students in government schools. It is also responsible for non-government school policy.

DR DAHLE SUGGETT

Deputy Secretary, Office of Learning and Teaching

Dr Dahle Suggett joined the Department in March 2004. She previously held positions as a partner of the Allen Consulting Group and in general management at Exxon Chemical. She has held senior executive positions in the Commonwealth Government in education, employment and youth affairs. Dr Suggett was also a secondary teacher in Victorian government schools.

The Office of Learning and Teaching is responsible for developing policy and strategy for learning and teaching in the school and vocational education and training (VET) sectors and for leading-edge research and innovation in learning and teaching.

MR JIM DAVIDSON

Deputy Secretary, Office of Training and Tertiary Education

Mr Jim Davidson joined the Department in December 2002 after holding senior executive positions in the human services portfolios in South Australia and, more recently, Victoria, where he was Executive Director, Policy and Strategic Projects in the Department of Human Services. He has a background in social administration and public policy, and extensive experience in human services policy and planning, employment and industrial affairs, and business and financial management.

The Office of Training and Tertiary Education focuses on vocational education and training, adult community education and tertiary education programs.

MS JENNY SAMMS

Deputy Secretary, Office of Strategy and Review

Ms Jenny Samms returned to the Department in January 2002 after a period as Director, Social Policy and Acting Deputy Secretary, Strategic, Economic and Social Policy in the Department of Premier and Cabinet. She has had extensive experience in the Commonwealth and State public sectors in the areas of education, training and labour market policy and programs.

The Office of Strategy and Review undertakes portfolio-wide policy development and strategic planning and provides services and support to the Ministers and the Secretary.

MR JEFF ROSEWARNE

Deputy Secretary, Office of Resources Management and Strategy

Mr Jeff Rosewarne returned to the Department in May 2003 after six years in executive positions in the Department of Treasury and Finance, the most recent as Director, Budget Formulation in the Budget and Financial Management Division.

The Office of Resources Management and Strategy has primary responsibility for the development and implementation of the financial and resource strategy for the Department. The Office also provides Department-wide services in the areas of finance, information technology, corporate services and human resources (non-school).

ASSET MANAGEMENT

In response to a whole-of-government initiative, the Department has a goal to reduce energy use by 15 per cent by 2006 in schools, TAFE institutes and central offices. The Department will also source at least 10 per cent of electricity from green power by 2006.

The Department conforms with the requirements of the *Building Act 1993* and other statutory obligations with respect to the construction of new educational facilities and modernisation. The school modernisation program progressively ensures that existing buildings comply with relevant legislative requirements. Department guidelines for TAFE institutes reinforce compliance with the Act for existing and new public buildings.

INFORMATION AND COMMUNICATIONS TECHNOLOGY

The Department is committed to ensuring that its ICT systems are integrated, reliable and able to support identified business needs. Common standards and approaches ensure that ICT resources are best used for the sharing of a range of information across the Department. This is supported by ongoing research and development to investigate ways to expand the Department's ICT capability.

ICT infrastructure is critical to the delivery of educational outcomes and to the effective administration of the Department. The ICT Strategic Plan 2003–2008 provides a five-year strategic view of the kind of ICT investment needed to make the biggest difference to learning outcomes, the results of a comprehensive audit of the Department's data and systems, and an ICT risk analysis incorporating business continuity planning and disaster recovery planning. The plan provides a strong foundation for governance and includes planning guidelines to ensure prioritisation of projects, effective portfolio management of ICT investments, reduced duplication of effort, and improved use of existing data and information.

PORTFOLIO AUDIT COMMITTEE

The Portfolio Audit Committee is responsible for the monitoring and oversight of governance, risk management, and audit and business assurance activity in the Department and key statutory authorities, focusing on functions and processes affecting the entire portfolio. The Committee is accountable to the Department Secretary.

The key responsibilities of the Portfolio Audit Committee are to:

- assure the Secretary that key risk areas within the portfolio have appropriate management controls in place
- provide information to the statutory authority audit committees on significant risks to the portfolio that are within their sphere of control
- communicate with and receive reports from the statutory authority audit committees on issues of common interest regarding governance, audit and business assurance.

Membership

Elizabeth Alexander AM, FAICD, FCPA, FCA (Chair) (independent)

John Warburton (independent)

Kim Langfield-Smith (independent)

John Fischer (independent)

Jenny Samms, Deputy Secretary, Office of Strategy and Review

Andree Butler, Assistant General Manager, System Policy and Accountability, Office of School Education

RISK MANAGEMENT

Risk management is coordinated across the portfolio by the Portfolio Risk Management Executive Committee. The Committee comprises senior officers representing the five Departmental offices and the four key statutory authorities. A portfolio-wide approach to risk management was implemented in 2003–04. The approach focused on integrating risk management with business planning. The risk profile for the portfolio informed the development of the strategic audit plan.

PROBITY AND ETHICS

The Department is committed to the principles of probity and the maintenance of an ethical work environment for all of its staff, stakeholders and clients.

People Principles

The Department continues to adhere to the values espoused in the Department's People Principles, which were adopted in 2002. These principles serve to remind Department staff of the importance of working together to ensure that quality education and training services are delivered.

The Code of Conduct for employees in the Victorian Public Sector is available electronically to all staff. An induction program for all new employees to the Department includes advice about the Code.

Purchasing and contracting

The Department promotes consistent rules on probity and ethics in all of its purchasing and contracting arrangements, in line with the Victorian Government Purchasing Board's policy on probity. These rules ensure an equitable and sound purchasing process and the provision of equal opportunity for all parties. Compliance with these rules is guaranteed through routine internal audits and an accredited purchasing process. The Department promotes attendance at training courses in purchasing, tendering and contracting and ensures that probity and ethics are discussed at each session.

Acceptable use of the Internet

The Department promotes responsible use of email, the Internet and other electronic communications. Its acceptable-use policy was rewritten and disseminated during the year.

Information privacy

The Department is committed to protecting the privacy of personal and health information. All of the Department's funded service providers are bound by the Victorian privacy laws, the *Information Privacy Act 2000* and *Health Records Act 2001*. Personal and health information is collected and used by the Department to provide services or carry out statutory functions. All of the Department's central and regional offices, schools and funded services have been briefed on the privacy laws. The Department's Information Privacy policy was reviewed, distributed widely and made available on the Department's website in October 2003. The Department worked closely with the offices of the Privacy Commissioner and Health Services Commissioner in developing information supporting privacy compliance across the Department.

HUMAN RESOURCES

Effective human resources, recruitment, development, retention and management policies, and the delivery of associated services is essential to the delivery of the Department's outputs in an efficient and responsive manner.

Human resources information is available through HRWeb at <www.eduweb.vic.gov.au/hrweb>.

ORGANISATIONAL DEVELOPMENT

The Department is committed to an integrated approach to the development of its workforce capabilities, as well as maintaining a strong focus on encouraging a diverse and inclusive workforce and increasing opportunities for women to assume leadership roles.

Leadership development

The Blueprint for Government Schools emphasises continuous development of leadership capacity in schools to further enhance school performance. In 2003–04, leadership development programs were made available to new and experienced principals, leadership teams, those aspiring to leadership positions, leading teachers and assistant principals. New programs provided additional development opportunities for 9 per cent of principals.

In addition, 80 teachers with leadership potential have been offered a place in a Master in School Leadership course. Twenty of these 80 will also participate in a Young Leaders program in 2004. New programs such as a statewide mentoring program for first-time principals, a coaching program to enhance the capabilities of experienced principals, and opportunities to share the knowledge and skills of experienced school leaders across the school system have been developed.

The School Leadership Development website <www.sofweb.vic.edu.au/pd/schlead/index.htm> is fully operational and provides valuable information about professional development programs for school leaders.

The development of future public sector leaders was supported through the award of internal scholarships for the Executive Masters and Executive Fellowship of Public Administration offered through the Australia and New Zealand School of Government scholarship program, Gain the Edge, the Williamson Community Leadership program and the Julia Flynn Scholarship.

Focus on women

Women represented 72.9 per cent of the Department's workforce for 2003–04. They made up 68.9 per cent of teaching staff and 90.9 per cent of non-teaching staff in government schools, and 58.7 per cent of public service staff in central and regional locations. The percentage of women at Executive Officer and Victorian Public Service (VPS) Grade 6 levels rose from 42.9 per cent in June 2003 to 45.8 per cent in June 2004.

The percentage of women in the Principal Class in government schools continued to rise, with an increase from 44.3 per cent in June 2003 to 45.6 per cent in June 2004.

The Eleanor Davis School Leadership program, available to women seeking to move into school leadership positions, continued to attract high numbers of applicants. The program has been very successful in supporting aspiring school leaders and providing experienced principals with opportunities to assist in the development of our future leaders.

There were six successful applicants for the Julia Flynn Scholarship in 2003–04. These scholarships are designed to provide women with a program that supports their personal and professional growth and enhances their leadership potential. The program underwent an intensive review during 2004. The 2005 program will reflect valuable feedback from past participants and their managers.

Staff development

Regional professional development programs attracted 1242 beginning teachers and 166 returning teachers during the 2003 calendar year. In addition, approximately 300 mentor coordinators and mentors were trained in mentoring techniques in 2003.

A trial of the 2003 Design Education and Training professional development program, covering the areas of Resistant Materials, Food, Textiles, and Systems involved over 100 technology teachers of post-compulsory students. An additional 478 technology teachers attended the first day of the full Design Education and Training professional development program in 2003. This program continued into 2004.

The School Services Officer (SSO) Accredited Training program can be undertaken at Certificate III, Certificate IV and diploma level and is delivered by 11 TAFE institutes in Victoria. These professional qualifications support school services officers in their contribution to school performance and offers recognition of prior learning, traineeships, career pathways and opportunities for further study.

The Department's Learning Centre, which supports the learning and development activities of VPS staff, has now successfully completed its first full year of operation. Plans to provide online services through the Learning Centre are well advanced and a suite of additional courses will become available with the introduction of the online facility.

Managing diversity

The Department has a diverse workforce and recognises the need for staff to balance work, family and other life commitments.

The Department's Flexible Work Options kit was reviewed to provide a comprehensive guide to address barriers and explore opportunities for more flexible work arrangements. A key component of this review was the Department's Telecommuting Agreement. This formal, legal agreement will come into effect in 2005 and address key legal workplace safety issues raised by managers, principals and employees interested in telecommuting arrangements.

During Cultural Diversity Week the Department acknowledged and celebrated the cultural and linguistic diversity of its workforce with staff events arranged in central and regional offices.

Employee relations

Consultation with key stakeholders was an essential component of the negotiation of the TAFE teachers and schools Teaching Service Certified Agreements and the implementation of the Victorian Public Service Agreement 2004.

Work commenced on reviewing and amending employment policies to ensure consistency with changed employment arrangements emerging from newly negotiated industrial agreements. This work will continue through 2004–05.

The VPS Career Structure was implemented in the Department under a change management framework that featured extensive communication and information sessions. These sessions created an environment of high employee involvement in transparent and well-defined processes with their managers. The Department confirmed 56 over-grade assessments, translating to a higher grade under the new structure. An additional 195 employees lodged work value claims to determine the appropriateness of the salary translation of their position.

HUMAN RESOURCES SYSTEMS AND SERVICES

The Department provides high-quality personnel services, including staffing, employment and payroll administration to staff, together with advice on performance, conduct and ethics.

Workforce planning

A number of new initiatives were announced in the January 2004 *Teacher Supply and Demand for Government Schools* report by the Minister for Education Services.

Key initiatives include:

- providing opportunities for non-teaching professionals to undertake teacher education courses while being employed as a supervised trainee teacher
- providing refresher courses for teachers returning to the profession that will update skills in school and classroom practices and the curriculum
- promoting teaching as a career option to tertiary students undertaking relevant degree courses in curriculum areas of greatest need and to relevant professional bodies whose members may consider career change opportunities

- assisting teachers in rural schools to retrain in curriculum areas experiencing teacher shortages
- providing student teachers with financial incentives to undertake their school placements in targeted schools
- strengthening links between schools and universities, especially education faculties delivering pre-service teacher education courses.

These initiatives are designed to assist schools in filling vacancies in specialist subject areas and in particular geographic locations. Other measures to support teacher recruitment included:

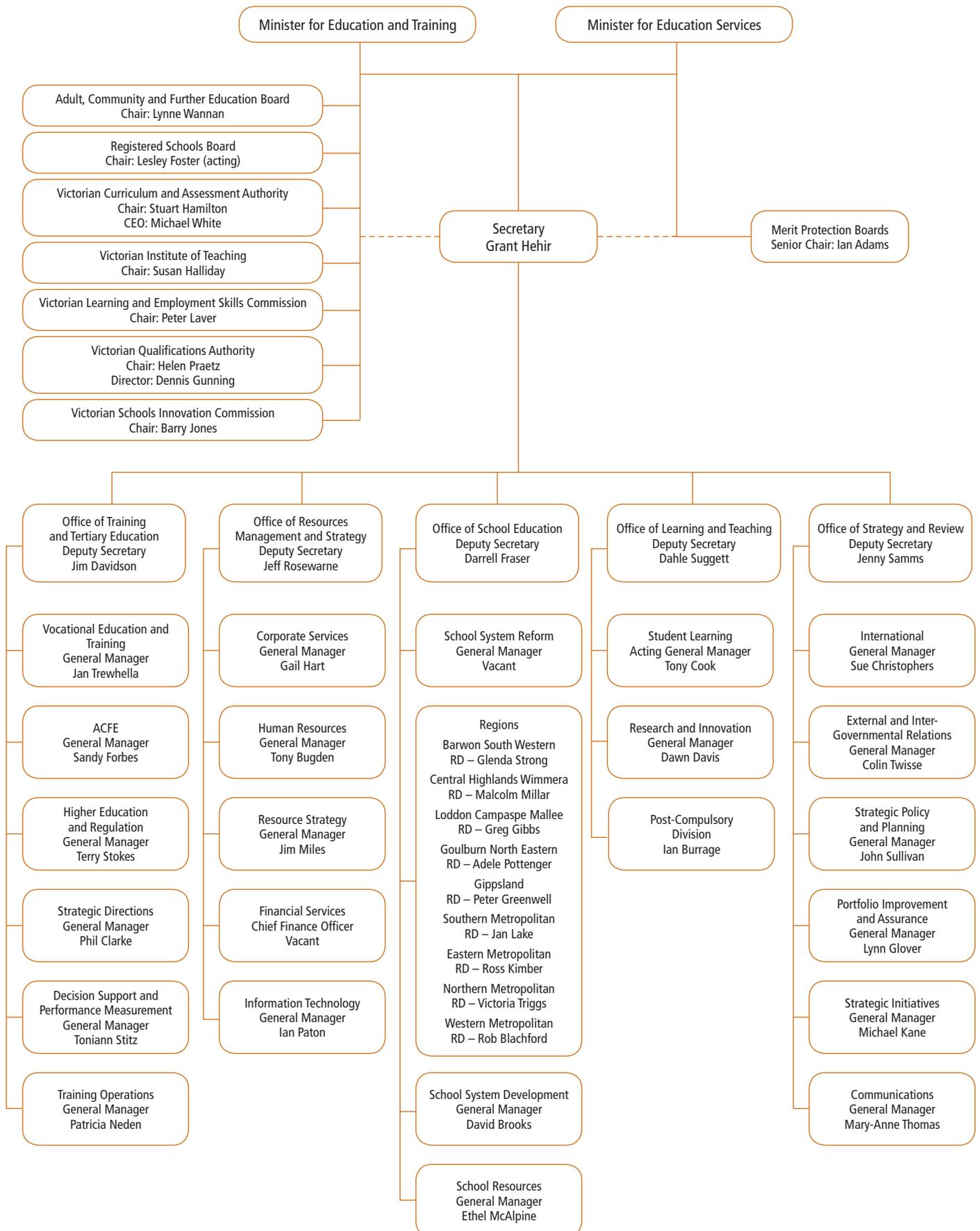
- appointing 460 graduates through the Teacher Graduate Recruitment program by 30 June 2004
- awarding 217 scholarships to student teachers under the Teaching Scholarship scheme
- continuing the development of the Recruitment Online database where teachers can advertise their employment interest online and principals can search the database of approximately 3000 prospective teachers who have registered interest.

There were 63 exemptions from advertisements for VPS and Executive recruitment approved by the Secretary or his delegate in 2003–04, consistent with the requirements of the Commissioner for Public Employment and the agreement between the Government and the Community and Public Sector Union on the implementation of the new VPS career structure. The majority of these exemptions related to work value review claims resulting from the implementation of the new VPS career structure in the Department. There were no exemptions approved relating to disadvantaged groups.

EMPLOYEE HEALTH, SAFETY AND WELLBEING

The Health, Safety and Wellbeing strategy launched in October 2003 supports the integration of staff health, safety and wellbeing in schools and Department workplaces. The Department monitors compliance with occupational health and safety and WorkCover legislation, providing principals and workplace managers with advice and support to meet these obligations. See Appendix 8 on page 129 for further information on occupational health and safety performance in 2003–04.

Organisation chart as at 30 June 2004



CONDUCT AND ETHICS

Criminal record checks

CrimTrac, a Commonwealth agency, has replaced Victoria Police as the service provider of criminal record checks for the Department. The Department's online system for the processing of criminal record checks, the Police Records Online Check System, was introduced on 13 January 2004. In 2003–04 the results of 9250 criminal record checks were mailed to schools throughout Victoria. The results of a further 8010 criminal record checks were sent electronically to schools.

WORKFORCE

Details of staff included and excluded in the following workforce data appear in Appendix 4 on page 112.

Full-time equivalent (FTE) staff on pay as at June 2003 and June 2004

| <i>Location</i> | <i>2004</i> | <i>2003</i> |
|-----------------------------------|-----------------|-----------------|
| School | | |
| Teaching | 38,911.6 | 38,816.4 |
| Non-teaching | 9,614.9 | 9,383.6 |
| Subtotal | 48,526.4 | 48,200.0 |
| Central Office and regions | 1,532.4 | 1,793.2 |
| Total | 50,058.8 | 49,993.2 |

FTE staff in non-school locations by Office on pay as at June 2004

| <i>Office</i> | <i>FTE</i> |
|---|----------------|
| Office of Strategy and Review and Office of the Secretary | 162.6 |
| Office of School Education (including regions) | 448.9 |
| Office of Learning and Teaching | 174.5 |
| Office of Resources Management and Strategy | 406.5 |
| Office of Training and Tertiary Education | 149.3 |
| VCAA | 161.9 |
| Merit Protection Boards | 5.0 |
| VQA | 23.7 |
| Total | 1,532.4 |

Source: Department of Education & Training

SCHOOL EDUCATION

Services were provided through a range of school structures:

- primary schools for Years P–6
- secondary colleges in Years 7–12, 7–10, 9–12 and 11–12 configurations
- primary–secondary schools in Years P–8, P–10 and P–12 configurations
- specialist schools for students with disabilities
- English language schools and centres, the Victorian School of Languages and other settings for students with specific educational needs
- the Distance Education Centre of Victoria.

FRAMEWORK

School education involves:

- policy development, regulation and management of the Victorian government school system
- delivery of a high-quality curriculum
- provision of programs and specialist services specifically designed to improve the quality of student learning and school management
- provision of leadership, teacher and SSO development programs to enhance workforce capacity
- funding and regulation of non-government schooling.

OVERVIEW

Education in Victoria is compulsory for children aged from six to 15 years. Children must be at least five years of age by 30 April of the year in which they are enrolled in school. All children are required to attend school by the time they are six years old.

Typically, students spend the first seven years of school education in a primary school (P–6), while Years 7–12 are spent at secondary school.

The first five years of schooling (P–4) are referred to as the ‘early years’ and are chiefly concerned with developing in each child the

essential skills necessary for ongoing progress in education. Literacy and numeracy are widely recognised as foremost among these foundation skills.

The ‘middle years’ of schooling (Years 5–9) encompass the period when students generally make the transition from primary to secondary school. The middle years are now recognised as a fundamental stage of learning. Students growing from childhood to adolescence should not only consolidate competency in literacy and numeracy, but attain a greater breadth of knowledge and learning, including the capacity for creative and critical thinking.

Post-compulsory education includes the final years of schooling (Years 10–12). The priority is providing young people with effective and varied pathways, whether their preferred destination is further study, employment or a mixture of both. While the VCE remains the mainstream qualification for Years 11–12 students, the VCAL is also available to students.

Curriculum and Standards Framework

Schools develop and implement programs based on the eight Key Learning Areas outlined in the Victorian Curriculum and Assessment Authority’s (VCAA) Curriculum Standards Framework (CSF) and in accordance with targets and priorities for improved learning outcomes for students.

The CSF describes what students in Victorian schools should know and be able to do at progressive levels from Years P–10. It is organised in six levels:

Level 1 End of Prep Year

Level 2 End of Year 2

Level 3 End of Year 4

Level 4 End of Year 6

Level 5 End of Year 8

Level 6 End of Year 10

BLUEPRINT FOR GOVERNMENT SCHOOLS

In November 2003, the Minister for Education and Training launched the Blueprint for Government Schools. This followed an extensive six-month research and consultation process with teachers, students and their parents. The Blueprint identifies the critical objective of government school education in which all students, irrespective of the school they attend, where they live or their social or economic status, are entitled to a high-quality school education and a genuine opportunity to succeed. The Blueprint is set within the context of a transparent and rigorous accountability framework that focuses on three main priority areas for reform and identifies seven 'Flagship' strategies. These strategies are in various stages of implementation.

Recognising and responding to diverse student needs

- Flagship Strategy 1 – Student Learning
- Flagship Strategy 2 – Developing a New Resource Allocation Model

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

- Flagship Strategy 3 – Building Leadership Capacity
- Flagship Strategy 4 – Creating and Supporting a Performance and Development Culture
- Flagship Strategy 5 – Teacher Professional Development

Continuously improving schools

- Flagship Strategy 6 – School Improvement
- Flagship Strategy 7 – Leading Schools Fund

STUDENT PROGRAMS

A range of programs involved in the delivery of education in schools and regions enable students to participate and succeed in a diverse and changing world. Support is offered within the three stages of schooling and as part of overall student wellbeing.

Early years initiatives focus on the literacy and numeracy skills of students through the development and dissemination of support frameworks and resources that encompass pedagogy, content and assessment.

Middle years initiatives centre on developing innovative curricula and improving attendance, retention and student outcomes in literacy. During 2003–04, programs included the Schools for Innovation and Excellence initiative, Access to Excellence and Restart.

Support was provided for schools to plan and provide integrated pathways for post-compulsory students. The support focused on the development of diverse pathways including a mix of academic, vocational education and training options.

Early years

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

Highlights

- The Government target of an average of 21 students in P–2 classes was met in May 2002 and was maintained during 2003–04.
- Funding over four years was allocated from 2002 to assist in the provision of school-based coordination to support the implementation of Early Years Numeracy programs. This funding was distributed in 2003 through school global budgets.
- Implementation of Early Years Numeracy programs in regions was supported by school-based trainers.
- 95 per cent of government schools have a trained early years numeracy coordinator.
- Early Years Literacy programs contributed to improved achievement levels in reading for students in Years P–2.
- Early years literacy coordination and implementation of one-to-one intervention programs such as Reading Recovery for students in Year 1.

- The Reading Recovery program was delivered in 81 per cent of schools with Year 1 enrolments. Participating students represented 19.6 per cent of the total Year 1 cohort.
- Literacy and Numeracy Week was celebrated in September 2003. A number of school-based, regional and statewide activities were held and materials were provided to schools to support their initiatives. National and State awards profiled literacy and numeracy achievements.

Middle years

Middle years programs aim to improve student learning in literacy and numeracy, and the retention and attendance rates of students in Years 5–9.

Highlights

- In 2003–04, an additional 90 primary and secondary school clusters were funded under the Schools for Innovation and Excellence initiative. This initiative encourages innovation in curriculum development and teaching and learning in schools.
- The employment of 300 teachers in 118 secondary schools was funded by the Access to Excellence initiative. The initiative aims to improve students' literacy and numeracy skills and reduce absenteeism by keeping students engaged and stimulated while at school.
- 70 per cent of participating Year 7 students significantly improved their literacy ability as a result of the Restart initiative.
- Approximately 220 additional teachers in schools with students in Years 7–9 were funded under the Middle Years Reform program. These teachers specifically target literacy, attendance and the 'thinking' curriculum.
- The Middle Years Pedagogy Research and Development project involved approximately 500 schools in 68 clusters to assist teachers in reviewing and improving their classroom practices.
- The teacher resource Making a Difference: A Literacy Development Program for Middle Years Students, was distributed to all schools.

Post-compulsory years

Initiatives in the post-compulsory years provide post-compulsory students with a range of pathways leading to further education, training or work, and improve student engagement, participation and completion.

VET in Schools

There was a significant growth in the VET in Schools programs, which provide VCE and VCAL students with a range of options in the senior years of schooling.

TAFE institutes and Local Learning and Employment Networks (LLENs) play a significant role in supporting the programs.

Highlights

- VET in Schools enrolments increased to 37,685 in 2003 across all sectors, with 22,710 enrolments in government schools. In 2003, 12,419 students completed a VET qualification.
- With the introduction of the VCAL, engagement in VET in Schools grew to 209 certificates in 2003.
- The number of secondary schools in all sectors providing programs increased from 19 in 1994 to 477 in 2003.
- The number of students enrolled in a school-based new apprenticeship increased from 899 in 2001 to 1935 in 2003.

The success of this program is best demonstrated through the results from the destination surveys conducted by the University of Melbourne.

In 2003, the entire 2002 Year 12 cohort of VCE students was followed up through the first On Track survey conducted for the Department by the University of Melbourne.

Results for the 2002 VET in Schools cohort indicate the following destinations:

- 19 per cent to university
- 25 per cent to Certificate IV or higher in TAFE institutes
- 10 per cent to Certificates I or II (some III) in the vocational education and training sector
- 12 per cent to apprenticeships/traineeships
- 28 per cent employed
- 7 per cent looking for work.

VCE and VCAL performance

The VCE and the VCAL both provide pathways for students in Years 11 and 12. The VCAL was trialed in 2002 and now provides an alternative pathway for post-compulsory students.

Highlights

- In 2003, 145,941 students were enrolled in at least one unit of the VCE (including 30,775 students at Year 10 or earlier) at 521 secondary schools (315 government, 87 Catholic and 119 independent) and with 33 adult VCE providers.

- Nearly 47,600 students (approximately 95 per cent) of those who enrolled in a program that allowed them to complete the VCE were successful as at December 2003.
- In 2003, a total of 5137 students enrolled in the VCAL at 239 sites. Of those students eligible to complete a VCAL certificate, 56 per cent were successful.
- In 2004, 316 providers delivered the VCAL to 8066 students.

Other initiatives

- Managed Individual Pathways (MIPs) plans were developed for 97.4 per cent of Years 10–12 students. Over \$14 million was allocated to schools in 2003 for this initiative.
- Professional development sessions outlining strategies to improve student engagement and participation in schools were delivered to school-based personnel.
- The *Education (Workplace Learning) Act 2003* was passed by the Victorian Parliament in November 2003 and came into operation on 1 January 2004. The Workplace Learning Act amended Part IVA of the *Education Act 1958* to make further provision for learning in the workplace and clarified duty of care and occupational health and safety issues. Regional briefings on the legislative requirements were provided to over 1000 participants comprising careers, VCAL and VET coordinators from government and non-government schools.
- Professional development programs on vocational learning in Years 7–10 were provided to 429 teachers in 143 schools. Programs focused on increasing engagement and retention of students.

Student support

Student support offers a strengthened and systematic approach to student wellbeing that encompasses school and classroom-based approaches, student welfare support structures and links to community agencies.

Student wellbeing

The Framework for Student Support Services in Victorian Government Schools continues to support the development of policies and resources towards student wellbeing based on research. Alternative programs are offered to students who experience significant difficulties with mainstream schooling or have specialised needs.

Highlights

- Implementation of phase one of the Primary Welfare Officer initiative commenced, with 110 high-needs primary schools employing 65 FTE officers.
- The Department commenced, in conjunction with other education sectors, a Commonwealth-funded research project to identify best practices that can assist students with learning difficulties.

Issues of bullying behaviour and student management are addressed as part of a school's overall duty of care for the wellbeing and learning of all students. Since 2000, all schools have been required to have strategies to ensure that the learning environment is safe and supportive.

Drug education

Drug education initiatives develop strategies to monitor, evaluate and further enhance the quality of drug education in schools. Schools are supported to develop and review their Individual School Drug Education strategy.

Highlights

- Drug education initiatives addressed the key recommendations of the Auditor-General's report, *Drug Education in Government Schools*, published in March 2003.
- Statewide drug education programs were implemented, and monitoring and evaluation of drug education in schools was undertaken.
- Drug education evaluation and monitoring tools have been developed to support the evaluation and benchmarking of student outcomes in drug education. They are being trialed in 2004 and will be ready for schools to use in 2005.
- Work commenced on a Parent Engagement strategy in drug education.
- A discussion paper on drug education in the classroom was developed by the Youth Research Centre at the University of Melbourne to inform a review of drug education curriculum and resources in 2004–05.
- The Celebrating Safely resource was launched by the Minister for Education Services in August 2003. It provides strategies for young people in the post-compulsory years of schooling to celebrate safely and make informed choices.

Students with disabilities

Additional resources to support students with disabilities are provided to schools through the Program for Students with Disabilities. Students with disabilities may attend a specialist school or a regular school or a combination of schools. A systemic approach is being used to design and develop programs and strategies to support students with special needs through targeted programs that strengthen the capacity of schools, families and regions to improve student outcomes. Following extensive consultation major reforms of the program commenced and will continue into the 2005 school year.

Number of students with disabilities in government schools, April 2003

| | |
|----------------------------------|-----------------------|
| Regular schools | 12,804.3 FTE students |
| Specialist schools | 6,392.3 FTE students |
| Total students with disabilities | 19,133.6 FTE students |

Key initiatives

A number of key initiatives are in place for Indigenous students, those from language backgrounds other than English, gifted students, and boys and girls at risk of not reaching their potential because of gender-related issues or attributes.

Other initiatives target specific areas of the curriculum such as the use of ICT to support learning, science, health and physical education, and the arts.

Koorie education

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

Highlights

- Six Koorie home-school liaison officers commenced in 2003–04 to support targeted school communities and improve attendance.
- Fifteen school-based Koorie educators worked to improve the retention rates of Koorie students.
- The Koorie Literacy Link project and the Koorie Middle Years Link project used videoconferencing as a tool to improve the literacy skills of Koorie students in Years P–4 and Years 7–9.
- The Koorie Middle Years Numeracy Link project operated in eight school communities. The project uses videoconferencing as a tool to improve the numeracy skills of Koorie students in Years 5–6.

- Ten Koorie education workers graduated in the Certificate III in Aboriginal and Torres Strait Islander Education. A further 16 workers continued with their studies.

English as a second language

English as a second language (ESL) initiatives improve provision and targeted support for new-arrival ESL students, including those in isolated settings, and provide ongoing support to these students for up to seven years.

Highlights

- Intensive ESL programs were provided for 1747 newly arrived students in English language schools, centres and outposting programs. An additional 178 students were supported by the visiting outposting program.
- A further 103 students were supported through new arrivals programs in Geelong and Shepparton, and the isolated ESL Students program in regional Victoria.
- A video, support materials and professional development modules were developed to support ESL learners who had experienced disrupted schooling.
- Funding was allocated to 352 primary schools, 115 secondary schools and eight primary–secondary schools to provide ongoing support for ESL learners. In addition, the provision of 238 FTE multicultural education aides to schools was continued.
- A total of 8200 on-site and telephone interpreting assignments were provided in 65 languages and 386 documents were translated into 36 languages for government schools.

Languages

High-quality languages education is provided for all students.

Highlights

- 18 languages were taught in government schools, and 43 languages were provided by the Victorian School of Languages.
- Funding was provided for approximately 33,000 students learning over 50 languages in community-based after-hours ethnic schools.
- Network language plans to facilitate the coordinated delivery of languages at the local level were developed by all regions.
- Five additional Victorian School of Languages centres were established in regional Victoria.

Strategic partnerships

Strategic partnership initiatives provide pathways that connect teaching and learning experiences to the wider community. These

partnerships assist with the development of positive learning outcomes by providing beyond-the-classroom learning experiences that foster a culture of lifelong learning in students.

Highlights

- Grants were provided to 91 cultural and scientific organisations and professional teaching associations.
- Grants were provided to 38 schools through the Artists in Schools program.
- Six Strategic Partnership Program Networks continued to support a collaborative approach to program delivery and the sharing of best practice:
 - Council of Professional Teaching Associations of Victoria
 - Environmental Education
 - Performing Arts
 - Rural and Regional
 - Science and Society
 - Visual Arts, Design, and Media.

Other initiatives

e-Learning

ICT initiatives facilitate the integration of ICT in teaching, learning and school management practices across all stages of schooling.

Highlights

- 30 ICT fellowships were provided to students.
- 2000 teachers participated in ICT professional development programs.
- The ICT Achievers program supported teachers to integrate multimedia into classroom practice.
- Kahootz, a three-dimensional authoring software program, was purchased for all schools.

Cultural and Linguistic Diversity and Citizenship

Cultural and Linguistic Diversity and Citizenship initiatives support schools to provide culturally inclusive programs, promote understanding and appreciation of Australia's social and political heritage, and encourage active citizenship and harmonious relationships in our culturally diverse, democratic community.

Schools Innovation in Teaching science, mathematics and technology

Schools Innovation in Teaching builds upon the earlier Science in Schools initiative to establish a whole-school approach to creating a culture of innovation and creativity in the teaching of science, mathematics and technology. Approximately 300 primary and

secondary schools are participating in the three-year program, which integrates school-based professional development, resource development and community partnerships.

Health, physical and sport education

Health, physical and sport education initiatives promote and support the teaching and learning of health, physical, sport and traffic safety education. A key focus was the promotion of the benefits of physical activity and healthy eating habits for students and the wider community.

School Sport Victoria

School Sport initiatives enable the Victorian Primary Schools' Sports Association and the Victorian Secondary Schools' Sports Association to run programs at the district, zone, state and national levels.

Gender

Gender initiatives help school communities to implement innovative and inclusive approaches to teaching and learning to ensure a student's gender does not exclude them from achieving their full potential. A resource titled *Seeing Red: Girls, Boys and Anger* was released to assist primary school teachers to educate students about anger and anger management.

Gifted student education

Gifted student education initiatives support school communities to identify and work effectively with gifted and high-potential students. Fifty Gifted Education Networks were funded to support school communities to provide curriculum advice, professional development, student programs and information sessions for the wider school community.

STUDENT OUTCOMES

Improving student outcomes in government schools is central to the achievement of the Government's goals and targets. Priorities include the development of strategies to support school improvement and accountability, innovation initiatives, networked education provision within local communities, and statistical analysis.

School improvement and accountability

Through an integrated system of planning, monitoring, reporting and review, school improvement and accountability is used to establish standards of student achievement and to provide accountability frameworks

for schools. The Department collects and disseminates performance information at school and system levels, and develops effective improvement strategies for schools.

The Blueprint for Government Schools has redefined a number of the key elements of the school improvement and accountability framework that schools and the Department use to lift student outcomes.

The Blueprint has required the Department to change and improve elements of the framework to:

- allow for greater flexibility given that schools have different levels of performance and face different challenges and opportunities
- minimise the administrative overheads the existing accountability arrangements create for school leadership teams and principals
- better target existing and additional resources for school improvement.

Highlights

- Three different styles of triennial school reviews were undertaken under the framework. Schools with major performance challenges are participating in intensive reviews designed to identify priorities and opportunities for improvement.
- Development started on a single planning and accountability document to replace the current school charter, compacts and other planning and accountability processes and tools.
- Stakeholder opinion surveys (students, staff and parents) were redeveloped to improve the integrity of the data and strengthen the utility of the survey reports.
- The first round of funding was provided through the Targeted School Improvement program to schools identified as having significant performance challenges and opportunities.

School councils

School councils play a key role in the effectiveness of government schools in Victoria by:

- engaging the local community in the life of the school
- setting the vision, strategic direction and identity of the school
- ensuring sound governance of the school
- reporting annually to the school community and the Department on the activities of the school.

Support for families

Low-income families continued to receive support through the education maintenance allowance (EMA). The EMA is paid in two instalments each year. A parent or guardian must be eligible to receive a Centrelink pension, allowance or benefit within the meaning of the *State Concessions Act 1986*, a Veterans Affairs pensioner, or a foster parent on the first day of Term 1 and Term 3 respectively to be eligible for the allowance.

Highlights

- In 2003, approximately 200,000 students received the EMA.
- In April 2004, the Minister for Education Services announced a \$78 million increase in the EMA. This increase meant that the payment to primary students went from \$127 to \$200 and the payment to secondary students from \$254 to \$400.

SCHOOL FUNDING

In 2004, \$3.3 billion was allocated to government schools through school global budgets to meet teacher salaries and other operating costs in schools, and to fund initiatives that assist in meeting Government goals and targets.

The School Global Budget 2004 was developed following extensive consultations with stakeholders.

As in 2003, the 2004 model is underpinned by a common allocation for each entitlement teacher to fund leadership and teaching salaries, and a size supplement that recognises the differing management and leadership needs of schools as they grow larger. It also includes additional support, through salary profile factor funding, to assist schools that have high-cost salary profiles relating to teachers at the top of their incremental salary scale.

The 2004 School Global Budget allocated to 110 schools included funding for the Government's Primary Student Welfare initiative.

FACILITIES AND INFRASTRUCTURE

Asset investment

The 2003–04 State Budget committed \$125.1 million in new capital funding for school education.

This funding was directed to:

- \$10.1 million for Facilities of Excellence, which provide state-of-the-art facilities and equipment to support specialisation in Victorian schools, particularly in the arts, music, science and technology, languages and sport
- \$5.5 million for education precincts
- \$38 million for six new schools or stages thereof
- \$5.1 million for replacement schools
- \$51.8 million for modernisation and improvement of existing school sites
- \$12.1 million for reinstatement of facilities at four schools damaged or destroyed by fire.
- \$2 million for planning and development of new projects.
- \$0.5 million for the Community Facilities Fund.

Emergency and security management

The School Alarm Installation program continued very successfully during 2003–04, with a further 60 schools having new or replacement alarm systems installed. The Emergency and Security Management Unit currently monitors in excess of 5000 alarm systems through its Communications Centre.

Six serious school fires occurred during 2003–04. An expert group was established to provide advice to the Department on fire preparedness in schools in partnership with the Metropolitan Fire and Emergency Services Board, the Victoria Police, the Victorian Managed Insurance Authority, the Coroner's Office and the Victoria University of Technology. The purpose of the group is to develop strategies for reducing the risk of fire and minimising damage in both existing and new school buildings.

The Emergency and Security Management Unit continued to provide advice and support services to schools during and after critical incidents as well as coordinating the provision of counselling services where required.

Over 600 senior school staff across the State participated in the Emergency Management Planning Workshop programs delivered by the Unit.

Student transport

The free school bus service, administered by the Department of Infrastructure on behalf of the Department of Education & Training, carries approximately 73,000 students daily.

The new rates of payment for the Conveyance Allowance introduced at the beginning of 2003 meant that almost 41,000 government and non-government school students received conveyance allowances in Semester 1, 2004. These allowances are paid to eligible students to assist with travel costs where access to a free school bus service is not available, or for travel to the nearest free school bus or public transport service.

The Department also provides transport for students attending specialist schools. In 2003–04, approximately 6000 students were transported by bus and taxis to these schools at a cost of almost \$28 million.

School regions

Nine regional directors are accountable for supporting and building the capacity of schools to deliver high-quality educational services and better student outcomes.

Regions are responsible for:

- planning, implementing and evaluating educational initiatives
- overseeing the successful function of government primary, secondary and specialist schools for a designated part of the State
- implementing policies, plans and procedures
- providing advice to the Department on key issues facing the operation of schools and student outcomes
- leading or participating in initiatives with other departments or agencies to achieve Government goals for school improvement, student outcomes and innovation
- supporting schools in the development of their charters and compacts and providing strategic intervention when schools require assistance to achieve set targets and standards
- fostering increased community involvement and school–community partnerships, links with other education and government organisations, and collaborative networks, including LLENs.

Metropolitan regions

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NON-GOVERNMENT SCHOOLS

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

The Department provided over \$300 million in financial assistance to non-government schools in 2003–04, through untied recurrent funding and specific purpose grants.

Non-government schools educate over 286,700 students statewide or 34.6 per cent of all Victorian school students, with 63 per cent of these students attending Catholic systemic schools and 37 per cent attending Independent schools. As of February 2004, there were 483 registered Catholic schools and 216 registered Independent schools.

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

Highlights

- The Department commenced development work on a new funding model for non-government schools. A Consultative Working Committee was established by the Department with representatives from the Catholic Education Commission of Victoria and the Association of Independent Schools of Victoria.
- In 2003–04, \$262 million was allocated to Victorian non-government schools on a per capita basis through the State Grant to assist schools in meeting recurrent operating costs.
- In the 2003–04 State Budget, the Government outlined an additional commitment of \$62 million over four years to assist needy schools in meeting their operational costs.
- The Internet initiative provides \$8 million over four years towards the cost of Internet access in non-government schools connected to the VicONE network and will assist participating schools to implement multimedia teaching and learning programs for students, re-engineer and streamline administrative processes, and share information with other schools.
- Funding to non-government schools in 2003–04 included \$20 million in ongoing supplementary funding for needy schools, \$5.2 million in support services to assist students with disabilities and impairments, \$1.2 million to schools for suicide prevention initiatives, \$6.4 million for the EMA, \$1 million in interest subsidies, \$16.8 million in conveyance, and \$4.7 million in rail ticket subsidies through the Department of Infrastructure.

Registered Schools Board

The *Education Act 1958* (the Act) requires the Registered Schools Board to:

- register and, where appropriate, revise the registration of schools
- conduct a registration review every six years to assess compliance with the Act
- endorse schools as suitable to accept full fee-paying students from overseas.

Registration of non-government schools

During 2003–04, the Registered Schools Board approved the registration, or revision of registration, of schools in the following categories.

| | |
|---|----|
| New primary schools | 2 |
| New secondary schools | 1 |
| New primary and secondary schools | 1 |
| New special schools | 1 |
| Primary schools added to existing secondary schools | 0 |
| Additional secondary year levels | 32 |
| Additional campuses | 2 |
| School amalgamations (two schools to form one school) | 2 |
| Relocations | 1 |
| School closures | 8 |
| Campus closures | 3 |

All schools complete an 'approval to open' period of at least six months prior to opening. Before being granted approval to open, schools must be able to demonstrate that curriculum, policies, facilities and organisation are of a satisfactory standard and that teachers are registered. New schools must also meet probity requirements and demonstrate that they are financially viable. Within 14 days of opening, a school must apply to the Board for registration.

Teacher registration

Responsibility for registration of teachers in non-government schools was transferred to the Victorian Institute of Teaching on 1 January 2003. The Registered Schools Board completed two inquiries into teacher conduct that had commenced but had not been completed at the time of the transfer.

Monitoring of schools

Annual returns

As a requirement of the Act, the Registered Schools Board maintains a database of school details that are collected on census day in February. Schools submit their returns electronically.

Registration reviews

In order for non-government schools to maintain registration under the Act, the Registered Schools Board must be satisfied that the school continues to meet the requirements for registration. Registration review material is updated annually in accordance with changes in legislation and regulations relevant to non-government schools.

During 2003–04, 100 schools undertook registration reviews.

Full fee-paying overseas students

In Victoria, the Registered Schools Board is responsible for the endorsement of registered schools to accept full fee-paying overseas students in line with the Act.

During 2003–04, there were 134 registered schools endorsed to accept 3678 full fee-paying overseas students, compared with the 3569 students attending endorsed schools during the previous reporting period. Six schools were newly endorsed, 23 re-endorsed and eight did not seek re-endorsement or cancelled their endorsement. There were two cancellations of endorsement by the Board.

Membership

The Board, which meets monthly, consists of eight members, four from the government sector, including the nominee of the Secretary of the Department as chair, and four members from the non-government sector, appointed by the Governor-in-Council.

Membership of the Registered Schools Board as at 30 June 2004 was as follows:

Department of Education & Training

Lesley Foster (acting Chair)

Maria Kelly

Vacant position

Vacant position

Catholic Education Commission of Victoria

Tony O'Meara

Pauline Audley

Association of Independent Schools of Victoria

Michelle Green

Geoff Ryan

Review of the Registered Schools Board

In 2003–04, the Minister for Education and Training commissioned a review of the Registered Schools Board.

The review is a key component in the Government's education reform agenda and ensures that Victoria has a modern regulatory framework for non-government schools.

Professor Jim Falk from the Victoria University of Technology conducted the review in his capacity as chair of a Steering Committee broadly representative of the non-government school sector.

The Committee consulted widely with organisations, schools, parents and communities with a stake in Victoria's non-government schools. Nine forums were held in metropolitan and regional Victoria. The Committee met with eight key stakeholder organisations and 58 written submissions were received.

The Steering Committee's report, containing recommendations for improving the regulatory framework governing non-government schools, has been referred to the Department's Legislative Review project.

VICTORIAN SCHOOLS INNOVATION COMMISSION

The Victorian Schools Innovation Commission was established in 2001 by the State Government to act as an independent not-for-profit educational think tank. Chaired by The Hon. Dr Barry Jones with Viv White as Chief Executive Officer, the Commission works collaboratively with schools, government, corporate, philanthropic and community organisations at a local, national and international level:

- to research, develop, trial and support innovative practices in Victorian government schools
- to provide advice to the Minister for Education and Training on educational reform
- to communicate and promote knowledge and ideas about innovation and creativity in public education
- to raise funds and other resources for Victorian government schools.

The Commission's motto – create, relate, innovate – reflects its core work of promoting innovative public education for the 21st century.

Highlights

- Approximately \$900,000 was raised in collaboration with representatives of the philanthropic and corporate sectors to advance the Commission's research and development work in Victorian government schools.
- The Survey Report of Innovative Projects in Victorian Government Schools, an important component of the Beyond The Pilot project, was published and provided an insight into innovative projects being conducted in government schools and the way in which schools deal with common barriers to innovation.

- Research was conducted as part of the Beyond The Pilot project to investigate how government, philanthropic and corporate sector policies can support innovations in education.
- The Creativity and Cultural Education pilot commenced in 2003. It aims to identify how curriculum, pedagogy, assessment, school organisation and community can be harnessed to ensure the creative capacity of all children is fully developed.
- Initiatives exploring how Victorian government schools can share innovations.
- The three-year Educational Support for Young People with Refugee Experiences project, a partnership between community, education and government sectors, was scoped in 2003. It seeks to develop policy and program guidelines to foster sensitive and supportive educational environments for this cohort of students.
- The Landmark Blueprint: Building Sustainable Schools project is focused on designing and constructing a school in which students, staff and community can be taught about sustainability. It is also intended to provide a blueprint for the construction of schools in the future. Started in 2003, the project is a joint initiative with the Department and the Building Commission.
- Support was provided to the Department's Innovation and Excellence in the Middle Years initiative through professional learning activities, ranging from Research and Innovation Circles to workshops and seminars, for both the teaching profession and Department representatives.

For more information about the Commission's projects see <www.vsic.org.au>.

Commission members

As at 30 June 2004, the Board of the Victorian Schools Innovation Commission comprised:

The Hon. Dr Barry Jones (Chair)

Ellen Koshland
President, Education Foundation (Deputy Chair)

Alister Maitland
Chair, Folkestone Ltd (Deputy Chair)

Dahle Suggett
Deputy Secretary, Office of Learning and Teaching, Department of Education & Training

Philip Bullock
CEO and Managing Director, IBM Australia/
New Zealand

Julian Burnside QC

Sharan Burrow
President, Australian Council of Trade Unions

Tricia Caswell
Chief Executive Officer, Victorian Association of
Forest Industries

John Clarke
Writer and performer

Susan Halliday
Chair, Victorian Institute of Teaching

Peter Laver
Chair, Victorian Learning and Employment Skills
Commission

Professor David Stokes
Former Dean, Faculty of Science and Technology,
Deakin University

Rachael Thomas
Teacher, Footscray City Primary School

Michael White
CEO, Victorian Curriculum and Assessment
Authority

TRAINING AND TERTIARY EDUCATION

Training and tertiary education outputs involve the provision of training and tertiary education services to the Victorian community through a number of programs and service providers:

- TAFE institutes and TAFE divisions within universities
- private providers of vocational education and training
- ACE organisations, including neighbourhood houses and community-based organisations
- adult education institutions – Adult Multicultural Education Services (AMES) and the CAE
- universities and private providers of higher education.

The VET system includes publicly and privately funded vocational education and training delivered by a wide range of training institutions and enterprises including TAFE institutes, private registered training organisations and ACE organisations. TAFE refers to the publicly owned aspect of the broader VET system.

FUTURE DIRECTIONS

The Minister for Education and Training released a major statement in June 2004: *Future Directions for Adult Community Education in Victoria* (ACE Ministerial Statement). This statement outlined the Government's strategies to foster a sustainable and innovative ACE sector for all Victorians. It complements existing Ministerial Statements on vocational education and training and higher education.

In 2003–04, the Department worked towards delivering on the commitments contained in these Ministerial Statements to support skills development in Victoria.

Continuing to reinvigorate training and further education

- Supporting the establishment of 15 Specialist Centres

- Establishing a TAFE Development Centre to foster the professional development of institute staff
- Managing the approval process for the delivery of degree programs offered by TAFE institutes.

Focusing on completion

- Implementing the apprentice and trainee Completion Bonus
- Increasing the number of students completing Year 12 or its equivalent in training and further education and adult community education.

Resource allocation

- Developing new resource allocation strategies to ensure public funds are directed towards areas of demand and to Victoria's skills development priorities

- Developing a framework that will secure the sustainability of the ACE sector
- Working in partnership with other governments to further Australian National Training Authority (ANTA) Agreement negotiations
- Consolidating and strengthening ACE, higher education and TAFE planning processes

OVERVIEW

The Department supports and manages the provision of training and further education and adult community education and provides higher education accreditation and monitoring services. The Department is responsible for the planning, regulation and delivery of education and training programs and services in Victoria.

These services are provided through:

- 19 TAFE institutes (including five universities with TAFE divisions)
- over 450 ACE organisations and two adult education institutions
- 1173 registered training organisations.

The regulation of this network is managed through two independent statutory authorities: the VLESC and the ACFE Board. Both have broad advisory, policy, regulatory and management functions.

The Department is responsible for overseeing the administration and coordination of programs for vocational education and training, adult community education and tertiary education in Victoria. It has responsibility for all matters relating to the VLESC as the State training agency, the ACE sector, the ACFE Board and higher education. Both the VLESC and the ACFE Board report separately to Parliament. Their annual reports provide additional information relating to training and tertiary education services.

General education and skills training is provided through:

- courses in basic literacy and numeracy
- basic preparation for work
- entry- or certificate-level training, including apprenticeships
- advanced vocational training, including training for paraprofessionals.

Higher education accreditation and monitoring services provided by the Department include negotiation of appropriate levels of Commonwealth resources, accreditation of higher education courses and the endorsement of higher education providers offering courses to international students.

TRAINING AND FURTHER EDUCATION

Training and further education places are provided by TAFE institutes and other registered training organisations in accordance with priorities set by Government, industry and the community.

The State Training System

The State Training System consists of TAFE institutes, ACE organisations and the apprenticeship/traineeship program. Training is also delivered by private registered training organisations under the priority education and training program. These organisations and programs operate in accordance with priorities set by Government, industry and the community.

Delivered training

In 2003–04, the State Training System provided over 112 million student contact hours of training to approximately 531,000 students, an increase of 3.7 per cent compared to 2002–03 delivery. Government-funded provision accounted for over 80.8 million of the reported contact hours, a decrease of 2.4 per cent on 2002. Better targeting of training needs and deployment of resources to areas of innovation and specialisation where outputs cannot be measured in terms of student contact hours is the reason for the decrease.

In 2003–04, TAFE institutes delivered 63.7 million student contact hours, with the remainder delivered by ACE and private registered training organisations.

Priority Education and Training program

The Priority Education and Training program provides funding to private registered training organisations. Training is purchased to provide people and regions experiencing skills shortages with expertise and competencies identified as priorities by industry and the Government. Program funding is not available to apprentices or trainees. The program is a mechanism for responding to industry demands, providing value-added training and reinforcing the Government's goal of increased contributions from industry.

In 2003, the program budget was \$12.5 million, corresponding to more than 2.1 million student contact hours. Similar outcomes are expected in 2004.

Apprenticeship/Traineeship Training program

The Apprenticeships/Traineeships Training program provides predominantly young people with the opportunity to engage in meaningful employment while receiving formal training towards a nationally recognised qualification. In 2003, 242 private registered training organisations offered over 22,000 new apprenticeship and traineeship places. In 2004, \$61 million was allocated to 245 registered training organisations for 24,400 places. These include Jobs for Young People placements in local government. A further 1000 places are reserved for integrated school-based new apprenticeships and traineeships.

Fee-for-service activity

In addition to their government-funded profile delivery, TAFE institutes delivered 23.96 million student contact hours of fee-for-service vocational and further education in 2003, and 7.3 million student contact hours were delivered to full fee-paying overseas students. Over 1.7 million student contact hours in personal enrichment programs were also delivered to approximately 64,000 students.

Ministerial Statement

In June 2002, the Minister for Education and Training released the Ministerial Statement *Knowledge & Skills for the Innovation Economy*, a comprehensive plan for addressing Victoria's future skills requirements. In 2003–04, significant progress was made towards implementing the initiatives contained in the statement.

Reinvigorating TAFE

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

Specialist Centres

The Ministerial Statement announced the allocation of \$5 million seed funding for Specialist Centres. These centres assist providers to deliver specialist training to industry clients and to foster closer relationships between training providers and industry. Fifteen Specialist Centres have been funded and are fully operational. Their focus ranges from new manufacturing to primary industries and environmental technology design. Two feasibility projects arising from the industrial application of biotechnology and the synchrotron were also funded.

Design initiative

The Department, in partnership with the Department of Innovation, Industry and Regional Development, jointly managed the Government's investment of \$10.2 million over two years from 2002–03 to position Victoria as an international centre of excellence in applied design. A centre for excellence in digital design *lab.3000* has been established and is fully operational.

Over 900 secondary school and TAFE teachers received funding for the development of design skills and innovative thinking. A further 1000 staff are expected to be funded by the end of 2004.

Transforming the workforce

In 2003–04, Staff Development Grants totalling \$2 million were provided to TAFE institutes. The Department also continued implementation of a statewide TAFE workforce development strategy. This was given effect through the provision of an e-recruitment system for TAFE institutes and a set of initiatives to strengthen human resource practices in institutes.

Design and development work for the establishment of a TAFE Development Centre was completed. The Centre will facilitate the professional development of TAFE institute staff. Starting in early 2004–05, programs improving the quality of initial teacher training and ongoing professional and leadership development will be in place. This includes opportunities for non-teaching staff.

Industry liaison agents

Industry liaison agents were established to stimulate demand and promote delivery of manufacturing training to small- and medium-sized enterprises. A total of \$1.7 million in funding was allocated to the Australian Manufacturing Technology Institute Limited, the Australian Industry Group, the Victorian Employers' Chamber of Commerce and Industry, Swinburne University of Technology (TAFE Division), Kangan Batman Institute of TAFE and the City of Greater Bendigo.

VET products for the innovation economy

The Ministerial Statement outlines the goal for providers to move towards new approaches to design, development and delivery.

Degrees in TAFE

In 2004, Box Hill Institute of TAFE and Northern Metropolitan Institute of TAFE gained Ministerial approval to offer higher education degrees in applied music and applied aquaculture.

The capacity of TAFE institutes to offer degrees will increase student access to higher qualifications in specialist and niche areas.

Learning pathways

Victoria assists ANTA to develop training package implementation guides for national use. Training packages describe the skills and knowledge needed to obtain a qualification and work effectively in particular industries. A review of these packages led to the inclusion of transition arrangements, qualifications and apprenticeship/traineeship pathways. In 2003–04, the Department facilitated the development and endorsement of three new training packages and reviewed 15 others.

Innovation Fund

The Innovation Fund was established to enable TAFE institutes to trial new initiatives in innovation and leveraged flexible delivery. In 2004, 59 initiatives with a value of \$5.3 million were endorsed for implementation across 14 TAFE institutes and have been incorporated into Performance and Funding Agreements for 2004. In 2003, 44 initiatives with a value of \$8.2 million were completed.

Lifelong learning

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

Options for young people

Over 70,000 young people aged 15–19 undertook vocational education and training in government-funded programs in TAFE institutes and with ACE and private registered training organisation provides in 2003. In 2003, two innovative programs for young people aged 15–17 seeking alternative education options were funded at Box Hill Institute of TAFE and South West Institute of TAFE. These programs provide opportunities for early school leavers to continue in education and improve their career and employment options. More information on the expanded range of programs for early school leavers is detailed in the section on the Youth Pathways program.

School-based apprenticeships and traineeships

Traineeship and apprenticeship pathways for senior school students continued to expand. In 2003–04, 1935 school students undertook a part-time traineeship or apprenticeship as part of a program of study that combined the VCE or VCAL with a nationally accredited training

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

The VLESC Action plan to increase school-based new apprenticeship opportunities includes a support program that funds a statewide network of local coordinators. These coordinators provide information, support and links to employment to students choosing a school-based new apprenticeship pathway.

VET in Schools

The VET in Schools program provides certificates for school students interested in vocational training, enabling them to work in a broad range of industries. For many students, VET in Schools involves attending a TAFE institute for vocational training. In 2003, more than one-third of all VET in Schools activity was provided by TAFE institutes through partnership arrangements with schools.

References to the VLESC

Establishing priorities for vocational education and training

In December 2002, the VLESC approved a framework for assessing demand and establishing priorities for vocational education and training in Victoria. The framework includes a comprehensive research program, consultation with stakeholders and processes for resource allocation. The implementation of the framework has led to the development of priorities for government funding for vocational education and training.

In 2003, the Department prepared reports on priority training for government funding in 48 industry sectors. During 2004, the priority reports were further revised. In October 2003, the VLESC endorsed extension of the priorities work program to include priorities at a regional level. The outcomes of the priorities work will inform the allocation of government funding in the Victorian VET system. It also has the capacity to:

- comprehensively address training demand and supply issues
- influence the training purchased from public and private training providers
- inform workforce and capital infrastructure planning.

Industry advice on training

The Ministerial Statement flagged new industry advisory arrangements to be introduced in 2003. It included a reference to the VLESC providing comprehensive advice on priorities for public expenditure on vocational education and training in an innovation economy.

Since the 2002 VLESC Review of Industry Advice on Training, significant progress has been made towards developing a robust industry advisory system by:

- engaging a wider range of key stakeholders to inform Victoria's VET policy and resource allocation processes
- increasing cooperative relationships, particularly between government and industry, to allow for strategic and streamlined industry advice to be provided to the VLESC
- implementing transparent and customised contractual arrangements for the Victorian Industry Training Advisory Bodies Network and continuing to contribute to their long-term viability
- continuing to develop greater synergies between state and national industry skills development.

Financing skills development

A key objective identified in the Ministerial Statement requires the VLESC, in the context of increased demand for VET programs, to develop options to improve the long-term financial sustainability of the VET system.

In response to this objective the Department undertook a number of policy reviews in 2003–04, the results of which are under consideration. These included:

- a review of how TAFE institutes use government funds to 'leverage' contributions from industry
- a costing project to ascertain the relative cost of providing VET courses
- a review of VET student fees and charges.

Australian National Training Authority

ANTA is a Commonwealth statutory authority established to provide a national focus for vocational education and training.

New National VET strategy 2004–10

The ANTA national strategy for vocational education and training, *Shaping Our Future*, is a commitment by all Australian governments to work in partnership with industry, training providers and other stakeholders to develop vocational education and training.

The vision for vocational education and training is that:

- VET works for Australian businesses – making businesses internationally competitive

- VET works for people – giving Australians world-class skills and knowledge
- VET works for communities – building inclusive and sustainable communities.

ANTA Agreement

The ANTA Agreement reinforces the commitment of all Australian governments to a strong, national, industry-led VET system and establishes funding, planning, reporting and accountability arrangements. By the end of 2003, when the ANTA Agreement was to expire, the Commonwealth, State and Territory governments were unable to reach a new agreement. The 2001–03 Agreement was rolled over into 2004 and financial penalties were applied to the States and Territories by the Commonwealth Government.

In June 2004, Ministers agreed to recommence ANTA Agreement negotiations in order to finalise an agreement for 2005 onwards that would contain a coordinated training response to address current and future skills needs nationally.

Apprenticeships and traineeships

New entrants to apprenticeships and traineeships increased by 14.6 per cent to 71,229 in 2003–04. A further 29,661 existing employees also commenced apprenticeships and traineeships for total commencements of 100,890. The total number of apprentices and trainees in training was 151,042, of whom 105,107 were new entrants.

Apprenticeship and traineeship completions for 2003–04 increased to 30,328, an increase of 25.53 per cent (excluding existing workers). The increase in completions reflects the greater number of apprenticeship and traineeship commencements in previous years, as well as greater efficiencies in data collection and registration practices.

Quality in apprenticeships and traineeships

In 2003–04, several initiatives supporting quality in apprenticeships and traineeships were introduced.

In the 2003–04 State Budget, the Victorian Government, as an incentive for employers to support apprentices and trainees to complete their training, announced a commitment of \$65.3 million over four years to the new Apprentice Trainee Completion Bonus scheme.

During 2003–04, 7542 apprentice and trainee employers qualified for Completion Bonus payments, of which 1827 were employed by not-for-profit group training organisations.

Administrative improvements

Databases maintained by the Victorian and Commonwealth governments containing information about apprentices, trainees and their employers were linked electronically in 2003–04. Aided by a revised national training contract, the consolidated database allowed for electronic lodgements of training contracts and significantly streamlined the registration process. This permitted New Apprenticeships Centres to register most training contracts within 24 hours of lodgement. A project to develop the electronic linkage was also initiated.

A joint review of more than 20,000 traineeships emerged from an intensive registered training organisation marketing strategy and was conducted by the State and Commonwealth Governments. The review focused on employers' understanding of their contractual obligations in the provision of supervision and training. As a result, 7803 training contracts were cancelled and 8980 were transferred to more suitable traineeships. In partnership with the Commonwealth Department of Education, Science and Training, the Department undertook more intensive monitoring of registered training organisations and employers who recorded high growth in training numbers. Apprenticeship Field Officers had a significant role in the implementation of monitoring actions.

Flexible learning

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

Providers across the State Training System develop practices to address the training and employment needs of disadvantaged groups and people living in rural and remote areas.

Improving learner access

To maximise the involvement of Koorie communities in decisions about the planning and delivery of training, the Wurreker strategy is being progressively implemented in 2004.

The strategy ensures that TAFE delivery and support services respect and value Koorie culture. In 2003, 4207 students identifying as Koorie were enrolled in VET programs.

The Victorian Government is continuing a review of services and opportunities for students with disabilities to participate in vocational education and training as part of the national implementation of the Bridging Pathways strategy. A Disability Agenda for the VET sector in Victoria is also being developed for implementation in 2005.

The Department provided all TAFE institutes with supplementary funding of \$1.7 million through the Disability Support Fund so that institutes could provide extra support for students with disabilities. This allowed TAFE institutes to meet their statutory obligations under the *Disability Discrimination Act 1992*.

Work continued on specific initiatives to improve the access of women to training and further education, including:

- provision of funding to the Equity Research Centre for advice on training needs and opportunities for women, particularly in emerging and non-traditional industries
- reports on the ongoing implementation of the Government's Valuing Victoria's Women: Forward Plan 2000–03, which details access strategies to be implemented across and between departments.

In July 2004, a total of \$11 million over four years was committed to the Parents Returning to Work program. The initiative provides grants of up to \$1000 to parents who have been out of the workforce for two or more years and have children requiring care. The grant may be used to cover course fees, child-care while undertaking training, or other costs. Grants totalling 2875 were issued for use in 2003–04, with a further 1142 allocated for use in 2004–05.

Skill Up program

The Skill Up program is a component of a whole-of-government approach to address labour market restructuring issues. The Department of Education & Training liaises with the Department of Innovation, Industry and Regional Development and the Department of Victorian Communities to ensure that the program dovetails with Government initiatives addressing skills and labour shortages and community needs.

The Skill Up program provides \$5 million over four years for a rapid response program to retrain and support workers made redundant

because of a major industry downturn or workplace closure, and so improve their employment prospects.

Training under the program is currently delivered by six TAFE institutes in metropolitan Melbourne and regional Victoria. Retrenched workers of all ages are eligible. Recipients are funded for an average of 80 hours training (valued at \$1000) and are exempt from normal tuition fees. As at June 2004, funding had been approved for 730 retrenched workers.

Youth Pathways program

The Youth Pathways program provides customised education and support to young people aged 15–19 years who have not completed Year 12.

In 2003, over 2300 young people participated in the program at TAFE institutes. All participants received MIPs support and were tracked by a survey undertaken six months after exiting the program.

The tracking survey demonstrates that participants achieve very positive outcomes, with almost two-thirds of the students continuing with studies or training. Around 30 per cent secured employment, including 11 per cent who successfully obtained an apprenticeship or traineeship.

VCE and VCAL

Over the past three years, there has been a coordinated effort to increase opportunities for young people who have left school to achieve their VCE or VCAL.

More than half of Victoria's TAFE institutes offered VCE and VCAL programs in 2003 with 3763 students participating in VCE programs and 850 undertaking the VCAL. A significant proportion of participating students (2900) received support and MIPs plans as part of their education program.

Review of TAFE governance

TAFE institutes are governed by Councils responsible to the Minister for Education and Training, who appoints half of their membership. Councillors give their time voluntarily to attend meetings and to represent their institute in their communities.

In response to significant changes in the sector during the last ten years, including the fact that TAFE institutes now generate 21.7 per cent of their earnings from commercial activities, the

Department reviewed the governance of TAFE institutes. While the review did not recommend any changes in the current governance structures, it identified a need to enhance the governance practices within the existing framework.

A reference group was formed to implement the recommendations of the review and best practice governance documentation is being developed, including a governance charter, delegations of authority and a risk management framework for subsidiary companies. Training will also be developed and delivered as part of an induction process for new members and further training provided for more experienced members.

Quality assurance

The Department works to ensure that vocational education and training in Victoria is delivered to a high standard.

In 2003–04, under the delegation of the VQA, the Department performed the following functions:

- registration of training organisations to deliver nationally recognised training
- approval of training organisations to provide courses to overseas students
- ongoing performance monitoring of training organisations
- participation in annual reviews of Victoria's performance and delivery of services in accordance with the ANTA Performance Agreement.

The Department also provides a report on its registration and audit activity to each meeting of the VQA Board.

Australian Quality Training Framework

During 2003–04, the Australian Quality Training Framework (AQTF) Standards for registered training organisations were established across more than 1170 organisations in Victoria. The AQTF Standards provide a benchmark for registering and monitoring the performance of training organisations and ensuring a nationally consistent, high-quality VET system. The Department registers and monitors registered training organisations in accordance with these standards.

Risk assessment

In managing its annual audit program, the Department has developed a risk management strategy that addresses key risk areas including:

- the high number and/or seriousness of verified complaints against registered training organisations

- apprenticeships and traineeships delivered by exclusive (full-time in a workplace) pathways
- priority interface areas as defined by a State or Territory that may include providers in receipt of government funds, unsatisfactory statistical returns and/or particular courses and qualifications.

During the second half of 2003, 131 registered training organisations were audited for compliance with the AQTF Standards. During the first half of 2004, an additional 232 registered training organisations were audited, including 72 organisations in receipt of government funding. The audit program for the second half of 2004 will include a further 222 registered training organisations.

Strategic industry audits

Strategic industry audits were conducted to identify compliance and quality issues in specific industry areas or training market sectors. They provide a basis for making systematic improvements in the quality of training delivery. The selection of industry areas includes those:

- with a recent strong growth in training
- of importance to the Victorian economy
- with a short history of participation in recognised training.

Strategic audits are also conducted in industry areas where concerns have been raised about the quality of training.

A strategic industry audit of Certificate IV in Assessment and Workplace Training in the implementation of the AQTF Standards was conducted during the second half of 2003. Other strategic audits undertaken in 2003–04 included education services to overseas students, schools operating as registered training organisations, the delivery of the Certificate II in Security (Guarding) and nationally recognised first aid training. A national strategic audit of training in the transport industry also commenced in 2004 in collaboration with other States and Territories.

Group training organisations

Thirty-two organisations in Victoria have been approved as meeting the national standards for group training organisations and are included on the National Register of Group Training Organisations. In the first stage of an ongoing audit review program, audits of two of these organisations were carried out in 2003–04. Both demonstrated continuing compliance with the national standards.

Matched State and Commonwealth Government funding of \$5 million was provided to 24 not-for-profit group training organisations under

the Joint Group Training program in 2003–04. Commencement, progression and completion outcomes were purchased with these funds, with increased payments outcomes against managing diversity equity groups, skills shortage vocations and for school-based new apprenticeships.

In November 2003, the ANTA Ministerial Council determined that, over a three-year period, 15 per cent of funding for group training organisations would be provided under 'open market conditions'. Following consultation with Group Training Australia (Victoria), the Group Training – Innovation Fund program was established. This program will allow group training organisations to open up new markets – particularly in industry sectors or regions where group training has not had a strong presence.

Capital resources

Asset management

The TAFE Asset Portfolio is made up of over 1000 buildings worth approximately \$2.1 billion. The age of the asset portfolio ranges from new to over 100 years old. The average age of the building stock is approximately 22 years.

Asset management includes both the acquisition and the disposal of properties. This approach ensures that the overall use of TAFE building stock is maximised.

VET infrastructure development

Following the introduction of new directions in TAFE capital infrastructure in 2002–03, greater emphasis is being placed on improving the TAFE asset base. This involves deploying resources to improve the built environment for teaching and student services. Asset rationalisation is a component of the review. Facilities that are underused are being considered for closure and disposal.

The 2003–04 Victorian State Budget allocated \$12 million in new capital infrastructure funding, specifically the replacement of TAFE teaching equipment. This allowed TAFE institutes to keep pace with new and emerging technology changes and better align teaching equipment to industry standards and ensure students are well prepared for the workplace.

Over \$1.1 million was allocated from the Commonwealth Capital program for planning projects at a number of institutes in 2003. These included:

- consolidation of engineering and information technology at Victoria University of Technology (TAFE Division)

- establishment of the Centre for Integrated Engineering & Science at Chisholm Institute of TAFE
- building extension at Gordon Institute of TAFE.

A further \$17.3 million was allocated to construction projects. These included:

- a Wine Industry Training Centre at Bendigo Regional Institute of TAFE
- an Automotive and Building Studies facility and refurbishment of the Hospitality Faculty building at East Gippsland Institute of TAFE
- horticulture redevelopment at Holmesglen Institute of TAFE.

Asset investment

In 2003–04, major capital developments commenced at Chisholm, East Gippsland, Kangan Batman and Northern Melbourne Institutes of TAFE and the Driver Education Centre of Australia. Major TAFE refurbishment works were undertaken on buildings at RMIT and the city campus of Gordon Institute of TAFE.

The redevelopment of the Warrnambool campus of South West Institute of TAFE continued during 2003–04. Stage 2 of the redevelopment was completed in 2003–04. The final stage of the project is being developed.

Information and communications technology

The Department is developing an ICT strategy for TAFE institutes. This strategy will set out preferred options to assist institutes to develop ICT infrastructure and better align their needs with Government objectives.

Work involving five TAFE institutes is taking place to improve voice communications through a cooperative project aimed at replacing obsolete telephony equipment. This is a key issue given the need for communication links between campuses in rural and regional Victoria that, in some cases, are located hundreds of kilometres apart.

ADULT COMMUNITY EDUCATION

Community-based adult education organisations provide lifelong learning opportunities for Victorian adults. Characterised by a flexible learning environment, the sector contributes to the educational, social, economic and cultural development of individuals and Victorian communities.

ACE organisations, Learning Towns, adult education institutions, TAFE institutes and private registered training organisations provide adult community education through the following programs:

- adult literacy and numeracy programs (incorporating ESL programs)
- vocational education programs for learners who require specific skills to re-enter the workforce
- employment skills programs, which equip learners with the essential skills required to effectively participate in the workforce
- the VCE and VCAL for adults and young people as a pathway to return to school, education and training or employment
- enrichment programs, which meet personal development and special interests.

The Government funds ACE program delivery through the ACE Board. The VLESC provides funding to TAFE institutes and private registered training organisations for the delivery of further education. Both sources of funding are administered by the Department.

Eligible ACE organisations are not-for-profit organisations that are community-owned and managed by voluntary committees, although many receive additional funding from other sources. They range from small operations such as neighbourhood houses that focus on basic literacy to larger and more complex organisations such as the CAE and AMES. The latter organisations also offer a range of programs up to diploma level qualifications.

Participation

Nearly 13 million student contact hours across almost 447,000 module enrolments were delivered in ACE organisations and adult education institutions in 2003. This included programs funded by the Commonwealth Department of Immigration and Multicultural and Indigenous Affairs and delivered by AMES. The Victorian Government funded over 7.1 million student contact hours.

Participants ranged from young adults to older people and were drawn from educationally, culturally and linguistically diverse backgrounds. More women than men participated.

All reported participation is for the 2003 calendar year unless otherwise indicated.

Future directions for adult community education

In early 2003, the Minister for Education and Training requested the development of a Ministerial Statement on adult community education. Subsequently, *Future Directions for Adult Community Education in Victoria* was released in June 2004. The statement builds on previous achievements and has received strong support across the ACE sector. The broad themes of the statement are as follows.

- Broaden the role of adult and community education through the introduction of community learning partnerships. These partnerships will help local communities to harness community resources and groups to identify and meet the learning needs of communities and individuals. They will build social capital through participation and a community-based approach to social learning.
- Recognise groups of learners that are under-represented in community-based adult education organisations. In addition to funding the delivery of education and training to people with low levels of educational attainment, specific initiatives will be implemented to identify learning opportunities for Koories, people from culturally and linguistically diverse backgrounds, people with disabilities and men aged 45 and over who need retraining to find work. Capital funding of \$1 million was provided to increase the access of adult learners in remote Victoria and urban growth corridors.
- Enhance the sustainability of adult and community education provision by offering support to community-based adult education organisations that will enhance their business, management, governance, workforce and volunteer practices. To this end, additional funding of \$1.2 million over three years to increase the average student contact hour price, and up to an additional \$1 million for payment of fee concession reimbursements to eligible ACE organisations was provided. Reporting and accountability requirements for ACE providers will also be simplified. The Ministerial Statement identifies the need to enhance the roles and responsibilities of the governance arrangements that support and facilitate the delivery of community-based adult education and training at the regional level.
- Invest in adult and community education through a range of measures designed to strengthen the capacity for financial and business planning and to develop

opportunities to attract additional funding. These measures include the introduction of three-year funding agreements and using community learning partnerships to leverage additional funding and in-kind support from partner organisations. A performance measurement framework will be introduced to enable organisations to measure more effectively the broad impact of adult education on a community.

Learning communities

The ACE sector supports the Government's vision – *Growing Victoria Together* – by promoting the value of lifelong learning. In 2003–04, \$3.7 million was allocated to ACE Clusters and Learning Towns.

ACE Clusters

The ACE Cluster program supports ACE organisations by improving the quality of their infrastructure and teaching and learning activities. In 2003, 75 Clusters were formed and several new members were inducted into existing Clusters.

Learning Towns

Learning Towns establish partnerships with community groups, ACE organisations, industry, local government and TAFE institutes and other educational institutions. These partnerships develop local learning solutions to community-identified concerns.

The Learning Towns initiative was announced in the Government's Pathways and Standards policy in 1999. Funded by the ACE Board, Learning Towns have been established in ten areas of rural and regional Victoria: Albury/Wodonga, Ballarat, Bendigo, Geelong, Horsham, Kyabram, Mt Evelyn, Wangaratta/Benalla and the Learning Towns within the Shires of Buloke and Southern Gippsland.

The Performance Measures Framework, implemented in all Learning Towns in 2003–04, will enable the collection of qualitative and quantitative data to evaluate the contribution made by Learning Towns to their communities.

Community Building Hubs

The Community Support Fund is providing \$1.9 million between June 2003 and May 2005 to establish Community Building Hubs in local community-based organisations, providing training, mentoring and support on issues related to their governance and management. Thirty-five hubs have been established and further organisations are undergoing induction to become community hubs.

Connected ACE

In 2003–04, new networks and upgraded ICT equipment were installed in more than 160 ACE organisations. The ACFE Board and the Commonwealth Government jointly funded the work through the Connected ACE project, part of the Networking the Nation initiative. In October 2003, the ACFE Board launched a kit to assist more than 100 organisations with the management of the equipment and to mark the closure of the project.

LearnScope

LearnScope projects endeavour to increase the knowledge and skills of ACE staff in the areas of e-learning and new flexible learning technologies. Ten projects were delivered by ACE organisations across Victoria in 2003.

ACE infrastructure

A number of renovation, extension and refurbishment projects to improve the building infrastructure available to ACE organisations were completed in 2003–04. The Government committed \$9 million through the Community Support Fund over a three-year period from 2001 to 2003. Additional funding of \$16 million was raised by local communities. A large number of these projects were carried out in rural and remote areas of Victoria.

Curriculum maintenance

Curriculum Maintenance Managers (CMMs) provide advice on national training packages and state vocational education and training products. CMMs are responsible for developing Victorian Purchasing Guides to facilitate the implementation of national training packages and for providing advice to registered training organisations to support delivery of the national product.

A review of the role and function of CMMs was concluded in August 2003. The review focused on maximising the efficiency and effectiveness of the CMM operations and their provision of advice to vocational education and training stakeholders. It was agreed that the CMM function, in addition to the clearinghouse function, will be undertaken by Service Industries CMM located at Victoria University of Technology from 1 July 2004.

Young people in ACE

Over 8700 students aged 15–19 were enrolled in ACE in 2003. This represents a decrease of 3 per cent from the previous year. However,

on average, there was a rise in the number of hours delivered to each student, with 1.4 million student contact hours being delivered, an increase of 3.5 per cent on 2002.

Youth Pathways program

The Youth Pathways program is a transition program intended to re-engage early school leavers in the learning process. The program supports the delivery of basic educational qualifications to young people aged 15–19 years who have not completed Year 12. In 2003, two adult education institutions, over 30 community-based adult education organisations and more than 1100 young learners were involved in the program.

The ACFE Board funded CREATE to undertake the Youth in ACE Victorian Network initiative. This project complements the program through its focus on improving statewide programs and services to young people, the development of cooperative links between government, schools and business and the development of a youth community of practice for practitioners.

VCE in ACE

In 2003, the ACFE Board funded research on the delivery of the VCE to young people through ACE and the level of professional support and development provided.

The research showed that the demand for adult VCE has increased since 2002 in a number of ACE organisations and the CAE. The report has informed an initiative to support the development of the VCE in ACE through the CAE. This helps to give effect to a commitment in the Ministerial Statement on ACE to make the CAE a centre of excellence in VCE for adults. In 2003, the VCE was provided to 1261 people in ACE.

VCAL in ACE

Four providers across three regions commenced delivery of the VCAL in 2003, with 81 students studying VCAL in ACE.

An additional five organisations with registered training status began planning for the commencement of VCAL delivery in 2004. These organisations were AMES Melbourne, Djerriwarrh Employment & Education Services, Kyabram Community & Learning Centre, SkillsPlus Peninsula Incorporated and Upper Yarra Community House Learning Centre. In total, seven ACE organisations across six regions, as well as the CAE and AMES in Melbourne, are approved VCAL providers.

ACE and Schools Partnership Delivery program

In 2003–04, the Minister for Education and Training endorsed guidelines and funding arrangements for the ACE and Schools Partnership Delivery program. In exceptional circumstances, the program enables students under 15 years of age to participate in adult and community education in order to maintain an engagement in learning. An evaluation of the program undertaken by RMIT University in 2003 noted good records of module completions and effective program integration.

HIGHER EDUCATION

There are eight public universities, one private university (Melbourne University Private) and two campuses of the Australian Catholic University operating in Victoria. Some are multi-campus, with campuses located in both metropolitan and regional areas. Others are dual-sector institutions with large TAFE divisions.

The Commonwealth Government funds Victoria's public universities. The State Government, through legislation and the Minister's requirements, approves the establishment of universities and ensures their accountability. It also ensures that institutions are equipped to meet Victoria's diverse educational, economic, social and cultural needs.

In addition to its regulatory role, the State Government provides some targeted funding and engages in strategic partnerships with universities to encourage the provision of high-quality teaching, innovation and research infrastructure across the State. This includes ensuring that, while universities increasingly operate in international markets and global networks, they also remain relevant to their local communities.

Ministerial Statement on higher education

The Ministerial Statement *Future Directions for Victorian Higher Education*, released in October 2002, sets out the Government's strategies for positioning universities to meet the changing knowledge and skills demands of the community and industry.

The Ministerial Higher Education Roundtable, which promotes the Government's strategic engagement with universities, commissioned two investigations into access to higher education by Victorians living in outer urban

and regional centres. The response to the review was a strengthening of the Government's commitment to represent the interests of higher education providers at the national level.

An inter-departmental Higher Education Coordination Committee has also been established to improve coordination of government activity in the higher education sector.

Liaison with the Commonwealth

When liaising with the Commonwealth, the Department represents and promotes the interests of Victorian universities and other higher education providers. The Department responded strongly to emerging Commonwealth policies on higher education incorporated in the 2004 Federal Budget.

New partnership arrangements continue to be sought with the Commonwealth, including consultative planning related to the range and location of programs offered and allocated university place numbers. The Victorian Government has encouraged the Commonwealth to acknowledge the specific needs of regional and rural university campuses and, appropriately, increase the allocation of funded Victorian university places in accordance with the State's need.

Regulation

The Department's role in higher education includes developing and implementing legislation for Victorian universities. The Department monitors the governance and compliance of each university and coordinates the preparation and tabling of each university's annual report in the Victorian Parliament.

Accreditation

Publicly funded universities offer most of the higher education programs in Victoria. However, private providers can be authorised to conduct programs accredited under the *Tertiary Education Act 1993*. Private providers of higher education courses require accreditation of their courses to ensure standards are comparable with those of public universities. Approval is subject to a rigorous review conducted by expert panels that make recommendations to the Minister for Education and Training through the Higher Education Advisory Committee.

In 2003:

- four new private providers, including two TAFE institutes, were authorised to deliver higher education courses and had five courses accredited
- eight established private providers were reaccredited and reauthorised to deliver higher education courses
- six interstate universities were endorsed to offer higher education courses in Victoria
- 42 private providers were approved to operate in Victoria
- ten new private provider courses were endorsed for delivery to overseas students
- 394 new public university courses and 2709 amended public university courses were endorsed for registration on the Commonwealth Register of Institutions and Courses for Overseas Students.

Access and participation

The Government supports clear targets to increase the participation of under-represented groups and seeks to maximise opportunities for access to universities. Clearer pathways between higher education and TAFE sectors do provide further means of access. Regional and outer-urban higher education working parties have undertaken two reviews, both of which will provide valuable support to the development of strategies to maximise provision in under-represented areas.

The total undergraduate student enrolments in the eight Victorian public universities, including domestic fee-paying and international students, increased from 165,221 in 2002 to 167,907 in 2003. Postgraduate enrolments increased from 63,340 in 2002 to 68,915 in 2003.

International students

Victoria continues to attract an increasing number of overseas students. In 2003, 60,497 international students were enrolled in Victorian universities, an increase of 13.6 per cent from the previous year. International students now make up over 25.6 per cent of the student population in universities. Victoria was home to 28.8 per cent of the total number of 210,397 international students studying in Australia in 2003.

University governance

The responsibility for ensuring the effective governance of public universities rests with the State Government. Government reforms, arising from the Review of University Governance in 2002, have been implemented to strengthen the accountability framework and firmly place the responsibility for the commercial activities of universities with university councils. These reforms enable Victorian universities to better position themselves to take the greatest advantage of future commercial opportunities, while maintaining a high level of public accountability.

The Victorian Government continues to lead the way nationally in university governance. The Commonwealth National Governance Protocols for Higher Education Providers are largely based on the outcomes of the Victorian review. The Review of University Governance resulted in a number of decisions requiring legislative change and others requiring improved reporting requirements by universities. An assessment of the outcomes of the Government's decisions showed that all decisions had been implemented or are being implemented. The assessment was undertaken by the Department and informed by an external evaluation of the impact of the Review. The Minister for Education and Training has stipulated that each university, in its annual report to Parliament, addresses all of the review decisions that require public reporting.

POLICY, STRATEGY AND INFORMATION SERVICES

These outputs involve the provision of:

- policy, strategy and executive services
- international education
- public information and promotion.

POLICY, STRATEGY AND EXECUTIVE SERVICES

The Department coordinates and provides advice to the Ministers and statutory authorities in the areas of Department-wide planning, policy development and resource allocation for school education, post-compulsory education and training, training and further education, adult and community education, and higher education.

The Department also provides executive, legal and administrative services to the Ministers, Parliamentary Secretaries, the Secretary and Deputy Secretaries.

Yearly management cycle

In 2003–04, major activities in the coordination of the Department's yearly management cycle included:

- developing an integrated 2003–06 Corporate Plan for the Department, Office Strategic Plans as well as Divisional and Regional Business plans
- developing a strategic framework to improve business planning across the Department
- developing long-term strategies to achieve the Government's targets and objectives for education and training

- developing the Department's budget submissions, culminating in the 2004–05 State Budget
- evaluating major activities and programs within the Department
- preparing presentations and briefings to the Public Accounts and Estimates Committee of the Victorian Parliament
- managing the preparation of quarterly performance reports for the Expenditure Review Committee (ERC) for the purpose of revenue certification
- managing the preparation of the portfolio annual reports for 2003–04
- supporting the operation of the statutory authorities.

Performance measurement and reporting

The Department undertook work in 2003–04 to revise its output structure to better support achievement of the Government's policy objectives and accountability requirements for education and training. The new structure consists of four 'families' of outputs that focus on students in compulsory years, those in post-compulsory years, services to support students and services to manage the portfolio. Further details are provided in this report.

The Department also revised its suite of output performance measures and deleted a number of obsolete measures while adding a small number of new measures, particularly in relation to services to Ministers and policy. The revisions will take effect in the 2004–05 financial year.

Post-compulsory education and training policy

Four of the Government's goals and two of the targets focus on post-compulsory education and training and improved outcomes for young people.

The Department supports programs and initiatives such as VET in Schools, the VCE and the VCAL, the Youth Pathways program, MIPs plans, On Track and LLENs. Each contributes to ensuring that multiple education and training pathways and support are available to young people from school through to employment. Several areas of the Department and a range of providers are responsible for these programs. This can involve schools, TAFE institutes and the ACE sector in a variety of collaborative arrangements.

Victorian Learning and Employment Skills Commission

The VLESC has a broad advisory role to Government on post-compulsory education, training and employment. It is also the State training agency for Victoria under the ANTA Agreement. The VLESC has responsibility for matters relating to post-compulsory education and training and the State Training System. Full details of the VLESC and its achievements are provided in the VLESC's annual report for 2003–04.

In 2003–04, the VLESC:

- undertook development of a post-compulsory framework for education and training for young people aged 15–24
- supported the 31 LLENs in developing local partnerships to achieve sustained improvements in education, training and employment outcomes for young people
- initiated a review of the LLEN initiative
- reviewed the VLESC Audit Committee to ensure compliance with the Standing Directions of the *Financial Management Act 1994*, and initiated work on risk plans and an internal audit plan

- continued implementation under the framework outlined in the Ministerial Statement on *Knowledge & Skills for the Innovation Economy*. This included:
 - establishing 15 Specialist Centres and undertaking two feasibility studies arising from the industrial application of biotechnology and the synchrotron
 - forming the TAFE Development Centre to foster professional development of TAFE staff
 - managing the approval process for the delivery of degree programs offered by TAFE institutes
- developed options to improve the long-term financial sustainability of the VET system, in the context of increased demand for VET programs. These included:
 - a study into how TAFE institutes leverage government funding to obtain a contribution from industry
 - a costing project to ascertain the relative cost of providing VET courses
- continued to develop the industry advisory system on training
- initiated the extension of the priorities work program at a regional level
- implemented recommendations arising out of the review of TAFE governance.

Local Learning and Employment Networks

Thirty-one LLENs across the State continue to link education and training providers, employers, unions, community and government agencies and individuals. These links facilitate improved education, training and employment outcomes of young people, particularly those who might leave education without a qualification.

LLENs develop partnerships and assist in localised problem-solving and implementing statewide programs to improve outcomes for young people.

Through their strategic partnerships with industry and local communities, LLENs have contributed significantly to the increased number of students participating in the VCAL, VET in Schools and school-based new apprenticeships.

LLEN membership increased by 23 per cent during 2003 and now over 5100 organisations and individuals are LLEN members. Industry continues to engage with LLENs and accounts for approximately 13 per cent of all LLEN members.

Over 97 per cent of government schools, 97 per cent of Catholic schools and nearly 41 per cent of Independent schools are members of a LLEN. All TAFE institutes and a high proportion of ACE providers are engaged in the LLEN initiative.

For more information on LLENs, see the VLESC's annual report for 2003–04.

Managed Individual Pathways

The MIPs program was successfully expanded in 2004 to include special schools. This program supports post-compulsory students to develop appropriate pathway plans towards further education and training or full-time employment. Pathway plans are reviewed and adapted, taking account of changed circumstances including career aspirations, entry requirements, performance and available curriculum and training options.

MIPs providers access information about broader pathway options from LLENs including cross-sectoral education and training options and support services offered by local agencies.

On Track

The On Track initiative, which commenced in 2003, builds on the MIPs program. On Track follows up school leavers (both government and non-government) through a telephone survey, and offers them further advice if they are not in education, training or full-time employment. Information collected about destinations of post-Year 12 students is published, in line with a commitment by the Minister for Education and Training to improve the quality of reporting to parents and the Victorian public on educational outcomes. Regional consultations were held with stakeholders in late 2003 to discuss the key messages of the 2003 data, encourage engagement with the data and seek feedback through regional offices and LLENs on how to improve transition profiles.

In 2004, over 34,000 Victorian students who were enrolled in Year 12 in 2003 participated in the second On Track survey. Destination data highlighted the diversity of pathways young people pursue after leaving school, including university, training and further education or other vocational education and training, apprenticeships or traineeships, and employment. Young people not in education, training or full-time employment at the time of the survey who requested further assistance were linked with local programs and services by LLENs through On Track Connect. Research into destinations of 2003 Years 10 and 11 school leavers will be completed in late 2004.

The On Track longitudinal survey commenced in 2004. A sample of the 2003 Year 12 completers and Years 10 and 11 early leavers will be tracked over the next four years to gain qualitative and quantitative information about their pathways and transitions from school. The data will contribute to a comprehensive picture of the destinations of these young people during their first four years after leaving school.

National Competition policy

In 1995, the Commonwealth, State and Territory governments agreed to implement the National Competition policy to promote greater competition and encourage economic growth. Two requirements of the policy are:

- legislative reviews to eliminate restrictions on competition
- competitive neutrality to ensure consistency in pricing of services and/or facilities.

The Department has complied with the requirements of the National Competition policy and is continuing to report to the Department of Treasury and Finance as required regarding implementation.

Legislative reviews

The Department did not undertake any reviews of legislation under the National Competition policy in 2003–04.

Competitive neutrality

The Department was not involved in any complaints for the year 2003–04.

External and inter-governmental relations

The Department supports Ministers and the Department's Executive in fulfilling their responsibilities across the portfolio, through Ministerial and Executive support functions, inter-agency relations, legal services and privacy administration.

Services provided include the coordination of briefings, correspondence, Community Cabinet, Parliamentary services, Cabinet and legislation, archives and records management, freedom of information and the Ombudsman. These areas provide the interface between the Department and the Ministers on day-to-day matters and ensure the Department's administrative support functions operate effectively.

The Department provides advice on portfolio policy and funding relationships with other Victorian Government departments, State jurisdictions and Commonwealth agencies. The Department supports the Minister for Education and Training, the Minister for Education Services and the Secretary as members of the Ministerial Council on Education, Employment, Training and Youth Affairs and the Australian Education Systems Officials Committee. It also provides advice to Commonwealth and State parliamentary inquiries and reviews on education and training policy.

INTERNATIONAL EDUCATION

The provision of education and training to overseas students is a central element of Victoria's export profile. Demand for education and training is expected to remain strong and increase in the short to medium term.

The Department's international services include:

- marketing, recruitment, assessment and placement services for full fee-paying overseas students in Victorian government schools
- generic marketing support for vocational education and training providers and the higher education sector
- marketing of the Department's capabilities and programs to international communities
- organisation of overseas delegations and study tours to Victorian education and training institutions and agencies
- organisation and implementation of teacher and principal exchange programs, student exchange and student study tours
- delivery of associated consultancy and training services to international clients.

A new strategic direction

In March 2004, the Minister for Education and Training launched the Ministerial Statement *Global Pathways: International Education for Victoria*. The statement highlights the social, cultural and economic benefits of international education to Victoria. It outlines three global strategies, including Global Learning, Positioning Victoria, and Quality Assurance, to ensure that Victoria can make the most of opportunities presented by the growth in international education.

The Department has established the Positioning Victoria Working Party with representatives from relevant stakeholder organisations to maximise collaboration and achieve the objectives of the statement.

In 2003–04, the Department also initiated a project to develop a quality assurance framework to improve the delivery of the International Student program for full fee-paying overseas students in government schools.

Industry development

To strengthen Victoria's position in the education global market, the Victorian International Education Consultative Group, which includes representatives from universities, TAFE providers and schools, initiates projects to enhance relationships with industry groups. A key activity in 2003–04 was the inaugural International Education Week. Held in March 2004, International Education Week celebrated the contribution that international education makes to Victoria's cultural diversity and social and economic development.

Strengthening linkages across government

A key aim of the *Global Pathways* statement is to strengthen linkages with other Victorian government agencies and develop whole-of-government strategies to effectively utilise Victorian Government infrastructure overseas.

In 2003–04, a consortium, chaired by the General Manager of the International Division and comprising providers and representatives from the Department of Innovation, Industry and Regional Development, was established to develop educational business opportunities in the Middle East. Funding for an education officer in the Dubai Victorian Government Business Office is provided by the consortium.

In addition, the Department supported the Department of Innovation, Industry and Regional Development in the development of whole-of-government strategies for promoting Victorian education in Italy and China.

In cooperation with the Department for Victorian Communities, the Department also commenced planning for the promotion of Victorian education and training before, and during, the 2006 Commonwealth Games in Melbourne.

Full fee-paying overseas students

Full fee-paying overseas students make an important contribution to the Victorian economy. In 2003–04, international student enrolments across all education sectors totalled 83,714, compared to 74,208 in 2002, an increase of almost 13 per cent.

Victoria recruits a high number of international students to government schools, making it a market leader. In 2003–04, 2626 international students were enrolled in government schools compared with 2515 the previous year – an increase of 4.4 per cent.

Student study tours

Student study tours are conducted by the Department for prospective overseas students. In 2003–04, 1490 students visited 66 metropolitan, rural and regional schools for a total of 14,121 student days. This figure is slightly less than the previous year. The reduction was due to the impact of SARS and the value of the Australian dollar. Most of the groups were from Japan and China.

International cooperation

In 2003–04, the Department successfully concluded new Memoranda of Cooperation aimed at strengthening education and training relationships with other countries. Memoranda were concluded with:

- United Arab Emirates – Ministry of Education and Youth, Ministry of Higher Education and Scientific Research, Abu Dhabi Education Zone
- Ministry of Education, Youth and Sports, Kingdom of Cambodia
- Ministry of Education, Punjab, Pakistan
- Jiangsu Provincial Department of Education, People's Republic of China (recognising the 25th anniversary of the sister-state relationship between Victoria and Jiangsu Province).

In addition, the Department coordinated the delivery of Victorian Government support for the reconstruction of the education and training system in East Timor. Specific assistance for the planning function at Dili Institute of Technology and the Alola Foundation Friendship Schools project was provided by the Government.

Victoria also coordinated the UNESCO Associated Schools project on behalf of the Commonwealth.

Exchanges and language support

The Department organises a range of overseas exchange programs for Victorian teachers and principals. In 2003–04, 41 teachers and principals participated in the International Teaching Fellowship Exchange program. This program facilitated long-term exchanges with countries such as Canada, Denmark, France, Switzerland, the United Kingdom and the United States. Short-term exchange programs also provided opportunities for teachers and principals to visit Cambodia, Denmark and Italy.

In order to strengthen the provision of language education in government schools, 132 native-speaker assistants provided classroom-based support for teachers and students.

International delegations

Delegations of teachers, principals and education officials from overseas visit Victoria on a regular basis, with 43 delegations, involving 485 participants organised in 2003–04.

Programs focused on schools and vocational education and training were organised for delegations from Bangladesh, People's Republic of China, Colombia, Germany, Hong Kong Special Administrative Region, Indonesia, Japan, Malaysia, Pakistan, Russia, Saudi Arabia, South Africa, South Korea, Thailand, the United Arab Emirates, the United Kingdom and Vietnam.

International projects

In partnership with the Overseas Projects Corporation of Victoria in the Asia-Pacific Region, the Department plays an important role in the delivery of offshore education and training projects. In 2003–04, these included:

- the Institutional Strengthening project in Samoa funded by AusAID
- the Basic Education of Girls project in Laos, funded by AusAID and the Asian Development Bank
- the Secondary Education Development and Improvement project in the Philippines, funded by the Asian Development Bank
- the Asian Development Bank Education Sector project in Samoa.

PUBLIC INFORMATION AND PROMOTION

The Department promotes education and training opportunities throughout Victoria in a variety of ways.

The *Education Times* is the main communication link within the school education sector. The newspaper is published fortnightly during school terms and is available online at <www.sofweb.vic.edu.au/edtimes/index.htm>.

Success is a magazine that highlights excellence and innovation in all areas of the VET sector across the State. It is distributed to TAFE institutes, registered training organisations, the ACE sector, Victorian businesses and industry bodies, and other training providers.

Major publications in 2003–04 included *Bringing Learning to Life*, an information handbook for parents, and the *TAFE Courses Directory 2005*. These publications are available at <www.det.vic.gov.au/parents/handbook> and <www.tafe.vic.gov.au> respectively.

The Education Line provides a telephone and email information service for school staff, parents, students and other community members. During 2003–04, the Education Line assisted with 13,665 telephone and 3279 email enquiries. Respectively, these figures were 3.5 per cent and 10.42 per cent higher than the previous year.

The increase in the number of calls to the Education Line for July 2003 – June 2004, compared to July 2002 – June 2003, is attributed to media promotion of the *Bringing Learning to Life* information handbook. The increased number of email enquiries received can be attributed to a greater number of households having access to the Internet (work or home) both in Victoria and overseas.

The Education Line contact details are (03) 9637 2222 or 1800 809 834 (freecall). The email address is <edline@edumail.vic.gov.au>.

Information requested by callers, 2003–04

| Category | Number of calls | Per cent |
|---|-----------------|----------|
| Publications | 1,706 | 12.4 |
| Department policy | 2,832 | 20.5 |
| Term dates and public holidays | 544 | 3.9 |
| Zones for primary and secondary schools | 246 | 1.8 |
| School charges and parent contributions | 392 | 2.8 |
| Transfers – intrastate, interstate and overseas | 457 | 3.3 |
| Employment and recruitment | 630 | 4.6 |
| EMA | 507 | 3.7 |
| Complaints | 797 | 5.8 |
| General information | 5,695 | 41.3 |
| Total | 13,806 | 100.0 |

The TAFE Course Line provides a statewide information and referral service for TAFE-accredited and short courses conducted in Victoria and interstate by TAFE institutes and private providers. During 2003–04, the TAFE Course Line assisted with more than 37,983 telephone calls and 1768 email enquiries.

The study areas that received the most enquiries in 2003–04 were building, nursing, aged care, real estate, business management, computer-software packages, industrial skills (forklift, crane and bobcat), languages, children's services and beauty. The TAFE Course Line telephone number is 131 823.

In 2003–04, a number of awards were held to promote and celebrate education and training in Victoria. Key awards included:

- Victorian Education Excellence Awards, recognising and rewarding outstanding leaders and teachers in government schools
- Premier's VCE Awards, recognising outstanding achievement in the VCE
- Victorian Training Awards, celebrating and rewarding excellence in the Victorian training sector
- Adult Learners' Week Awards, recognising excellence in Victoria's ACE sector
- Literacy and Numeracy Week Awards, recognising school communities for the work they have undertaken to improve students' literacy and/or numeracy outcomes.

STATUTORY AUTHORITIES AND OTHER BODIES

Fifty-three statutory authorities and other bodies work with the education and training communities to provide direct education and training provision and/or advice to the Minister for Education and Training and the Minister for Education Services.

OVERVIEW

The Minister for Education and Training and the Minister for Education Services are accountable to the Victorian Parliament for the performance of the Department. In the discharge of their responsibilities, the Ministers received advice from several education and training statutory authorities in 2003–04, as indicated in the following table. The Department works in conjunction with statutory authorities to achieve the Government’s goals and targets for education and training and the delivery of Government-funded education and training outputs.

Selected statutory authorities and their reporting requirements

| <i>Agency</i> | <i>Minister</i> | <i>Annual report</i> |
|--|------------------------|----------------------|
| Adult, Community and Further Education Board | Education and Training | Separate report |
| Merit Protection Boards | Education Services | See pages 49–52 |
| Registered Schools Board | Education and Training | See pages 27–28 |
| VCAA | Education and Training | Separate report |
| VLESC | Education and Training | Separate report |
| VQA | Education and Training | Separate report |
| VIT | Education and Training | Separate report |

Staff of some of these authorities are on the Department’s payroll, as reflected in the workforce data on pages 17 and 112–113. Some of the authorities produce annual reports in their own right. These reports can be accessed from the Department’s website at <www.det.vic.gov.au>. Summaries of the Registered Schools Board and the Merit Protection Boards reports are included in this report on pages 27–28 and 49–52.

Information about the remaining 47 statutory authorities and other bodies in the portfolio is presented in the table on page 112.

MERIT PROTECTION BOARDS

The Merit Protection Boards were established in 1993 under the *Teaching Service Act 1981* to:

- advise the Minister for Education Services about principles of merit and equity to be applied in the teaching service
- hear reviews and appeals in relation to decisions made under the Teaching Service Act, or any other Act
- advise the Minister or the Secretary about any matter referred to them by the Minister or the Secretary relating to merit and equity in the teaching service

- hear reviews and appeals in relation to any decision prescribed by the regulations to be a decision in respect of which there is a right of review by, or appeal to, a Merit Protection Board.

There are seven Teaching Service Merit Protection Boards, each of which comprises a chairperson, a nominee of the Secretary and a nominee of the former Standards Council of the Teaching Profession. Most members are part-time.

The public sector Merit Protection Boards comprise three members, a chairperson, a nominee of the Secretary and a staff member. The public sector boards make a recommendation to the Senior Chairperson of the Merit Protection Boards who has the delegation from the Secretary of the Department of Education & Training to hear and determine public sector grievances.

The Senior Chairperson, Mr Ian Adams, and the Secretary's nominee, Mr Raymond Wilkinson, are full-time members of the Boards. Ms Beverly Trease is the Registrar.

Members of the Merit Protection Boards

Chairs

Mr Ian Adams, Senior Chairperson

Mr John Coulson, Principal, Wellington Secondary College

Ms Avis Grahame, Senior Education Officer, Southern Metropolitan Region

Ms Helen Jackson, Principal, Pascoe Vale Girls Secondary College

Mr Eric Keenan, Principal, Sunbury Secondary College

Mr Francis O'Dea, Principal, Noble Park Secondary College (retired August 2003)

Ms Bronwyn Valente, Principal, University High School

Secretary's nominees

Mr Raymond Wilkinson, Secretary's nominee

Ms Leonie Fitzgerald, Principal, Dandenong South Primary School

Ms Denise Howes, Principal, Eltham North Primary School

Mr Alex Mifsud, Senior Education Officer, Southern Metropolitan Region

Teacher nominees

Ms Lorraine Dell, Ormond Primary School (resigned February 2004)

Ms Aniko Kariko, Trafalgar High School

Ms Jennifer Pringle, Mount Waverley Secondary College

The Merit Protection Boards are independent bodies that hear appeals and grievances of employees of the Department and education statutory authorities. Appeals and grievances can relate to matters concerning transfer and promotion, discipline, incapacity, grievances of a general personal nature including sexual harassment and discrimination, and appeals in relation to police records checks.

Members of the Boards make objective decisions about appeals and grievances. The hearing procedures of the Boards are consistent with the principles of procedural fairness.

Appeals and grievances are heard in the metropolitan area and regional centres. Access to the Merit Protection Boards is open to all employees in the Department, including principal class officers, teachers, school-based non-teaching staff and public servants.

Other activities

In 2003–04, the Merit Protection Boards provided advice to the Department on merit and equity issues in relation to major policy initiatives and reviews. The Senior Chairperson and the Secretary's nominee spoke to groups of principal class officers across the State and conducted professional development programs for principal class officers, the field officers of the principals' associations and the Australian Education Union Principal Class Association. In September 2003, the Senior Chairperson attended the National Public Sector Appeals Conference in Brisbane.

Appeals and grievances

Teaching service

During 2003–04, the Merit Protection Boards for the teaching service received a total of 171 appeals and grievances, comprising 33 promotion grievances, three discipline appeals and 135 personal grievances. Of the 83 grievances heard, 48 (57 per cent) were upheld.

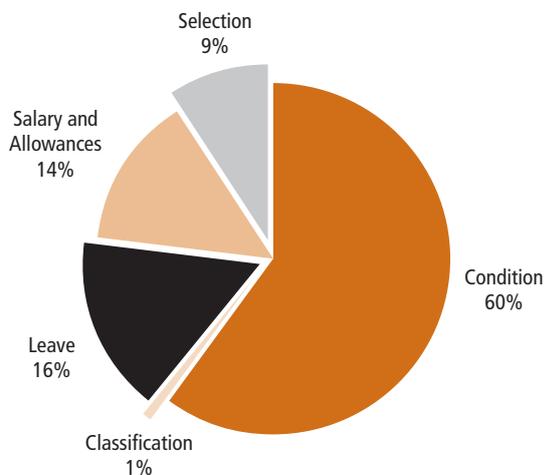
Teaching service – appeals and grievances, 2003–04

| Category | Received | | Upheld | | Disallowed | | Withdrawn | | Pending | | No jurisdiction, out of time or lapsed | | Total | | |
|-----------------------|-----------|------------|-----------|-----------|------------|-----------|-----------|-----------|----------|----------|--|-----------|-----------|-----------|------------|
| | M | F | M | F | M | F | M | F | M | F | M | F | | | |
| Promotion | 18 | 15 | 4 | 4 | 7 | 5 | 5 | 2 | | 1 | 1 | 3 | 1 | 33 | |
| Discipline | 2 | 1 | | | 1 | | 1 | | | | | 1 | | 3 | |
| Incapacitated officer | | | | | | | | | | | | | | | |
| Personal | 48 | 87 | 12 | 28 | 13 | 10 | 6 | 11 | 3 | 5 | 4 | 8 | 10 | 25 | 135 |
| Total | 68 | 103 | 16 | 32 | 21 | 15 | 12 | 13 | 3 | 7 | 5 | 11 | 11 | 25 | 171 |

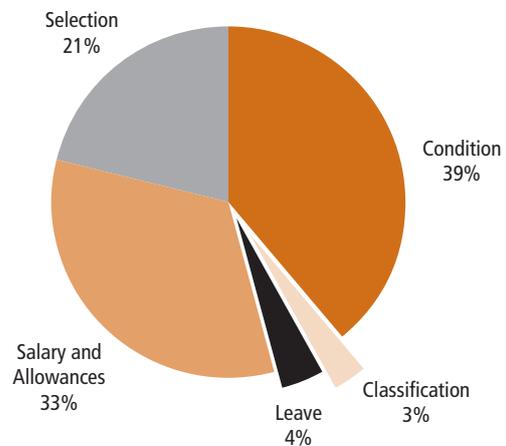
Public sector – appeals and grievances, 2003–04

| Category | Received | | Upheld | | Disallowed | | Withdrawn | | Pending | | Lapsed | | Conciliated | | Total | |
|--------------------------|----------|-----------|-----------|----------|------------|-----------|-----------|----------|-----------|----------|----------|----------|-------------|----------|-----------|-----------|
| | M | F | M | F | M | F | M | F | M | F | M | F | M | F | | |
| SSO staff | | | | | | | | | | | | | | | | |
| Promotion | | 1 | 2 | | | | 1 | 1 | | | | | 1 | | 3 | |
| Discipline | | | | | | | | | | | | | | | | |
| Personal | | 4 | 36 | | 8 | 3 | 7 | | 6 | | | 1 | 12 | 3 | 40 | |
| Total SSO | | 5 | 38 | | 8 | 3 | 8 | 1 | 6 | | | 1 | 13 | 3 | 43 | |
| VPS staff | | | | | | | | | | | | | | | | |
| Promotion | | 6 | 2 | 1 | | 2 | 1 | 2 | 1 | 1 | | | | | 8 | |
| Discipline | | | | | | | | | | | | | | | | |
| Personal | | 15 | 14 | 3 | 2 | 6 | 5 | 3 | 4 | 1 | 1 | 1 | | 1 | 2 | 29 |
| Total VPS | | 21 | 16 | 4 | 2 | 8 | 6 | 5 | 5 | 2 | 1 | 1 | | 1 | 2 | 37 |
| Total VPS and SSO | | 26 | 54 | 4 | 10 | 11 | 14 | 6 | 11 | 2 | 1 | 2 | 13 | 1 | 5 | 80 |

Breakdown of personal grievances, teaching service



Breakdown of personal grievances, public sector



During the reporting period, there was a decrease in the number of promotion grievances lodged but little change in the proportion of grievances upheld. There was a significant increase in personal grievance claims, with approximately 65 per cent of lodgements upheld. The most common personal grievances were rejections of referred excess teachers and teachers with compassionate transfer status. The vast majority of these grievances were upheld. Performance assessment was also subject to a high number of personal grievance claims.

In relation to the three discipline appeals, one was disallowed, one was withdrawn and the other is pending a decision.

Public sector

The Merit Protection Boards for the public sector received 80 grievances, comprising 43 from SSOs and 37 from public servants. SSOs lodged three promotion grievances and 40 personal grievances, while public servants lodged eight promotion and 29 personal grievances. Thirty-nine of these grievances were heard and 14 (35 per cent) were upheld.

Promotion grievances lodged by SSOs have declined while personal grievances have increased significantly. The most common personal grievances related to the denial of redeployment rights, being declared in excess, the rejection of referred SSOs, and bullying.

The number of grievances lodged by members of the VPS rose considerably. Personal grievances related to performance assessment and conditions of employment were the main reason for this increase.

Merit protection accreditation

The Merit Protection Boards provide training in merit and equity for principal class officers, teachers, SSOs and public servants employed by the Department. This fulfils the requirement for the membership of panels to include a merit-accredited employee. In 2003–04, the Board conducted 36 seminars in metropolitan and country centres. A total of 1528 Departmental employees participated, including:

- 119 members of the principal class – accredited principal class officers are eligible to serve on principal class officer selection panels
- 1034 members of the teacher class, of which 71 were recredited – accredited teachers are eligible to assist principals with personnel management decision making in schools. It is a requirement that panels include a merit protection accredited teacher
- 215 SSOs and 160 VPS employees – accredited SSOs and VPS employees are available to assist on panels in decision making concerning selection.

OTHER STATUTORY AUTHORITIES AND BODIES

Other statutory authorities and bodies in the education and training portfolio include 14 TAFE institute councils, nine regional councils of ACFE, the boards of two adult education institutions, the councils of eight Victorian universities and 13 industry training boards. All of these authorities and bodies report to the Minister for Education and Training. Contact details for these authorities and bodies are on pages 53–54.

TAFE institute councils

| <i>Institute</i> | <i>Address</i> | <i>Phone and website</i> |
|--|--|--|
| Bendigo Regional Institute of TAFE Council | 136 McCrae Street, Bendigo Victoria 3550 | (03) 5434 1555 < www.britafe.vic.edu.au > |
| Box Hill Institute of TAFE Council | 465 Elgar Road, Box Hill Victoria 3128 | (03) 9286 9222 < www.bhtafe.edu.au > |
| Central Gippsland Institute of TAFE Council | Corner Princes Drive and Monash Way, Morwell Victoria 3814 | (03) 5120 4500 < www.gippstafe.vic.edu.au > |
| Chisholm Institute of TAFE Council | 121 Stud Road, Dandenong Victoria 3175 | (03) 9212 5000 < www.chisholm.vic.edu.au > |
| East Gippsland Institute of TAFE Council | 48 Main Street, Bairnsdale Victoria 3875 | (03) 5152 0700 < www.egtafe.vic.edu.au > |
| Gordon Institute of TAFE Council | 2 Fenwick Street, Geelong Victoria 3220 | (03) 5225 0500 < www.gordontafe.edu.au > |
| Goulburn Ovens Institute of TAFE Council | Fryers Street, Shepparton Victoria 3630 | 1300 733 111 < www.gotafe.vic.edu.au > |
| Holmesglen Institute of TAFE Council | Corner Batesford and Warrigal Roads, Holmesglen Victoria 3148 | (03) 9564 1555 < www.holmesglen.vic.edu.au > |
| Kangan Batman Institute of TAFE Council | Pearcedale Parade, Broadmeadows Victoria 3047 | (03) 9279 2222 < www.kangan.edu.au > |
| Northern Melbourne Institute of TAFE Council | 77–91 St Georges Road, Preston Victoria 3072 | (03) 9269 1200 < www.nmit.vic.edu.au > |
| South West Institute of TAFE Council | Timor Street, Warrnambool Victoria 3280 | (03) 5564 8911 < www.swtafe.vic.edu.au > |
| Sunraysia Institute of TAFE Council | Benetook Avenue, Mildura Victoria 3500 | (03) 5022 3666 < www.sunitafe.edu.au > |
| William Angliss Institute of TAFE Council | 555 La Trobe Street, Melbourne Victoria 3000 | (03) 9606 2111 < www.angliss.vic.edu.au > |
| Wodonga Institute of TAFE Council | 15 McKoy Street, Wodonga Victoria 3690 | (02) 6055 6600 < www.wodonga.tafe.edu.au > |

Regional councils of ACFE

| <i>Council</i> | <i>Address</i> | <i>Phone and website</i> |
|---|--|---|
| Barwon South Western Regional Council of ACFE | 40 Brougham Street, Geelong Victoria 3220 | (03) 5221 8248 < www.acfebsw.vic.edu.au > |
| Central Highlands Wimmera Regional Council of ACFE | Level 1, 1220 Sturt Street, Ballarat Victoria 3350 | (03) 5332 3989 < www.chw-acfe.ballarat.net.au > |
| Central Western Metropolitan Regional Council of ACFE | 29 Cobden Street, North Melbourne Victoria 3051 | (03) 9326 7647 < www.acfecwm.vic.edu.au > |
| Eastern Metropolitan Regional Council of ACFE | Rear, 1st Floor, 25 Ringwood Street, Ringwood Victoria 3134 | (03) 9879 4000 < www.acfeemr.vic.edu.au > |
| Gippsland Regional Council of ACFE | Cnr Haigh and Kirk Streets, Moe Victoria 3825 | (03) 5127 6000 < www.acfegip.vic.edu.au > |
| Goulburn Ovens Murray Regional Council of ACFE | 13 Lowry Place, Benalla Victoria 3672 | (03) 5762 4655 < www.gomacfe.net > |
| Loddon Campaspe Mallee Regional Council of ACFE | Havlin Street East, Bendigo Victoria 3550 | (03) 5442 4300 < www.acfelcm.vic.edu.au > |
| Northern Metropolitan Regional Council of ACFE | Suite 11–14, 420 Victoria Street, Brunswick Victoria 3056 | (03) 9940 1405 < www.acfenmr.vic.edu.au > |
| South Western Port Regional Council of ACFE | 133 Nepean Highway Seaford Victoria 3198 | (03) 9786 9466 < http://home.vicnet.net.au/~swpacfe/index.htm > |

Adult education institution boards

| <i>Institution</i> | <i>Address</i> | <i>Phone and website</i> |
|--|--|-------------------------------------|
| The CAE | 253 Flinders Lane, Melbourne Victoria 3000 | (03) 9652 0611 <www.cae.edu.au> |
| Adult Multicultural Education Services Board | 255 William Street, Melbourne Victoria 3000 | (03) 9926 4666 <www.ames.net.au> |

Victorian university councils

| <i>University</i> | <i>Address</i> | <i>Phone and website</i> |
|---|---|---|
| Deakin University Council | 221 Burwood Highway, Burwood Victoria 3124 | (03) 9244 6100 <www.deakin.edu.au> |
| La Trobe University Council | Corner Plenty Road and Kingsbury Drive, Bundoora Victoria 3083 | (03) 9473 8888 <www.latrobe.edu.au> |
| Monash University Council | Wellington Road, Clayton Victoria 3800 | (03) 9905 4000 <www.monash.edu.au> |
| RMIT University Council | 124 La Trobe Street, Melbourne Victoria 3000 | (03) 9925 2000 <www.rmit.edu.au> |
| Swinburne University Council | John Street, Hawthorn Victoria 3122 | (03) 9214 8000 <www.swin.edu.au> |
| University of Ballarat Council | University Drive, Mt Helen Victoria 3353 | (03) 5327 9506 <www.ballarat.edu.au> |
| University of Melbourne Council | Grattan Street, Parkville Victoria 3052 | (03) 8344 4000 <www.unimelb.edu.au> |
| Victoria University of Technology Council | Corner Nicholson and Buckley Streets, Footscray Victoria 3011 | (03) 9688 4000 <www.vu.edu.au> |

Other bodies: Industry training boards

| <i>Board</i> | <i>Address</i> | <i>Phone and website</i> |
|---|--|--|
| Automotive Industry Training Board | Level 2, 464 St Kilda Road, Melbourne Victoria 3004 | (03) 9866 1292 <www.atv.org.au> |
| Business Services, Finance and Property Industry Training Board | Suite E, 222–224 Church Street, Richmond Victoria 3121 | (03) 9429 0004 <www.bsv.org.au> |
| Community Services and Health Industry Training Board | 180A Palmerston Street, Carlton Victoria 3053 | (03) 9347 0377 <www.intraining.org.au> |
| Cultural and Recreation Industry Training Board | Level 5, 313–315 Flinders Lane, Melbourne Victoria 3000 | (03) 9614 5566 <www.artv.org.au> |
| Electrotechnology, Printing, Information and Communications Training Board | 29 Drummond Street, Carlton Victoria 3053 | (03) 9654 1299 <www.epicitb.com/> |
| Engineering Industry Training Board | 1378A Toorak Road, Burwood Victoria 3125 | (03) 9889 0966 <www.estb.com.au> (under construction at 21 July 2004) |
| Food Industry Training Board | Suite 10, Skipping Girl Place, 651–653 Victoria Street, Abbotsford Victoria 3067 | (03) 9428 7744 <www.foodindustrytraining.com.au> |
| Furnishing Industry Training Board | 1 Grattan Street, Carlton Victoria 3053 | (03) 8663 2188 <www.vfitb.org.au> |
| Primary Industry Training Board | Suite 10B, Skipping Girl Place, 651–653 Victoria Street, Abbotsford Victoria 3067 | (03) 9428 9811 <www.psv.com.au> |
| Process Manufacturing Industry Training Board | 1378A Toorak Road, Burwood Victoria 3125 | (03) 9889 0233 <www.mlvic.com> |
| Service Skills Victoria | Level 5, 315 Flinders Lane, Melbourne Victoria 3000 | (03) 8610 0555 (website under construction) |
| Transport and Distribution Industry Training Board | Level 3, 33 Walsh Street, West Melbourne Victoria 3003 | (03) 9326 7211 <www.careersintransport.org> |

Note: The Wholesale, Retail and Personal Services Industry Training Board and the Tourism and Hospitality Industry Training Board have merged to become Service Skills Victoria.

OUTPUTS AND PERFORMANCE MEASURES

SCHOOL EDUCATION

Outputs for school education involve:

- policy development, regulation and management of the Victorian government school system, including provision of a safe and effective learning environment staffed by appropriately trained and qualified teachers and conducted in a properly resourced and maintained physical environment
- high-quality curriculum delivery to prescribed content and performance standards in the eight Key Learning Areas in Years P–10 and in accordance with the requirements of the VCE and the VCAL in Years 11 and 12
- provision of programs specifically designed to improve the quality of student learning and school management
- provision of specialist services designed to improve the quality of student learning or social needs
- financial support to and regulation of non-government schooling.

These outputs make a significant contribution to the achievement of the following Departmental objectives:

- improve the standards of literacy and numeracy in primary schooling
- increase the percentage of young people successfully completing Year 12 or its equivalent
- increase the percentage of adults taking up education and training and so increase the overall level of educational attainment and literacy levels in Victoria
- increase the level of 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.

These objectives make a significant contribution to the achievement of the following key Government outcomes:

- valuing and investing in lifelong education
- growing and linking all of Victoria
- more jobs and thriving, innovative industries across Victoria
- building cohesive communities and reducing inequalities
- promoting rights and respecting diversity.

Major outputs and deliverables

Primary education

Delivery of education services in Victorian government schools for students in Years P–6.

| <i>Major outputs/deliverables</i> | <i>Unit of measure</i> | <i>2003–04 Target*</i> | <i>2003–04 Actual*</i> | <i>Comment</i> |
|--|------------------------|------------------------|------------------------|---|
| Quantity | | | | |
| Average P–2 class size | number | 21 | 21 | |
| Average Years 3–6 class size | number | 24.8 | 24.3 | |
| Teacher–student ratio: primary | ratio | 1:16.3 | 1:16.2 | |
| Primary school welfare officers employed ^(a) | number | 65 | 65 | |
| Year 1 cohort accessing one-to-one literacy intervention programs such as Reading Recovery | per cent | 20 | 19.6 | |
| Schools with a 1:5 or better computer-to-student ratio: primary | per cent | 95 | 83.3 | Retirement of computers by schools is occurring at a faster rate than expected, with more than 26,000 computers retired during 2003 as part of a cycle of technology replacement and modernisation. A strategy is being put in place to improve the percentage of schools achieving the target in future years. |
| Teachers and principals with a notebook computer: primary | per cent | 95 | 91.4 | |
| Students accessing education through distance education: primary | number | 365 | 352 | |
| New-arrival students receiving intensive or targeted support: primary | number | 1,150 | 1,161 | |
| Eligible students in regular schools receiving ESL support: primary | per cent | 92.1 | 91.2 | |
| Percentage of schools with an Early Years numeracy coordinator | per cent | 100 | 95.4 | Actual result reflects the level of vacancies at a particular point in time. |
| Koorie Home School Liaison Officers employed | number | 6 | 6 | |
| Koorie Educators employed | number | 15 | 15 | |
| Average rate of student attendance at Year 5 | per cent | 95 | 94 | |
| Average rate of student attendance at Year 6 | per cent | 95 | 93 | |
| Quality | | | | |
| Student attainment at text level 1 at end of Prep in reading (metropolitan and non-metropolitan students) ^(b) | per cent | 96 | 96.1 | |
| Students in non-metropolitan regions achieving at text level 1 at end of Prep in reading ^(b) | per cent | 96 | 95.6 | |
| Student attainment at text level 5 at end of Year 1 reading (metropolitan and non-metropolitan students) ^(c) | per cent | 99.6 | 99.4 | |
| Percentage of Year 3 students reaching national benchmarks in reading | per cent | 92 | Not available | National benchmark results have not yet been released. |
| Percentage of Year 3 Indigenous students reaching national benchmarks in reading | per cent | 70 | Not available | National benchmark results have not yet been released. |
| Percentage of Year 3 students reaching national benchmarks in numeracy | per cent | 95 | Not available | National benchmark results have not yet been released. |

| <i>Major outputs/deliverables</i> | <i>Unit of measure</i> | <i>2003–04 Target*</i> | <i>2003–04 Actual*</i> | <i>Comment</i> |
|--|------------------------|------------------------|------------------------|--|
| Percentage of Year 3 Indigenous students reaching national benchmarks in numeracy | per cent | 79 | Not available | National benchmark results have not yet been released. |
| Percentage of Year 5 students reaching national benchmarks in reading | per cent | 92 | Not available | National benchmark results have not yet been released. |
| Percentage of Year 5 Indigenous students reaching national benchmarks in reading | per cent | 73 | Not available | National benchmark results have not yet been released. |
| Percentage of Year 5 students reaching national benchmarks in numeracy | per cent | 95 | Not available | National benchmark results have not yet been released. |
| Percentage of Year 5 Indigenous students reaching national benchmarks in numeracy | per cent | 82 | Not available | National benchmark results have not yet been released. |
| Primary schools identified as performing at or above expected levels as identified in the triennial review process | per cent | 93 | 91 | |
| Parent satisfaction with primary schooling on a 100-point scale | per cent | 85 | 85 | |
| Teachers reporting routine use of learning technologies in curriculum planning and delivery: primary | per cent | 90 | Not measured | Measure is no longer relevant due to the changing nature of teacher and student use of ICT and the shift from basic skills to pedagogical integration. |

^(a) 2003–04 financial year measure and result

^(b) Students deemed as capable read unseen text with 90 per cent accuracy at text level 1.

^(c) Students deemed as capable read unseen text with 90 per cent accuracy at text level 5.

* Refers to 2003 calendar year unless otherwise indicated.

Junior secondary education

Delivery of education services in Victorian government schools for students in Years 7–10.

| <i>Major outputs/deliverables</i> | <i>Unit of measure</i> | <i>2003–04 Target*</i> | <i>2003–04 Actual*</i> | <i>Comment</i> |
|---|------------------------|------------------------|------------------------|---|
| Quantity | | | | |
| Teacher–student ratio: secondary | ratio | 1:12.1 | 1:12.1 | |
| Years 7–10 English class sizes less than 26 students | per cent | 86 | 85.4 | |
| Average rate of student attendance in Years 7–10 | per cent | 93 | 90 | |
| Schools with a 1:5 or better computer to student ratio: secondary | per cent | 95 | 80.1 | Retirement of computers by schools is occurring at a faster rate than expected, with more than 26,000 computers retired during 2003 as part of a cycle of technology replacement and modernisation. A strategy is being put in place to improve the percentage of schools achieving the target in future years. |
| Teachers and principals with a notebook computer: secondary | per cent | 95 | 91.7 | |
| Additional principals accessing new leadership programs | per cent | 8 | 9 | |
| Students accessing education through distance education: secondary | number | 3,500 | 4,196 | |
| New-arrival students receiving intensive or targeted support: secondary | number | 882 | 940 | |
| Eligible students in regular schools receiving ESL support: secondary | per cent | 95.9 | 96 | |

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| <i>Major outputs/deliverables</i> | <i>Unit of measure</i> | <i>2003–04 Target*</i> | <i>2003–04 Actual*</i> | <i>Comment</i> |
|--|------------------------|------------------------|------------------------|--|
| Centres of Excellence in Languages established by February 2004 | number | 3 | 0 | It was announced on 3 June 2004 that Centres of Excellence in Languages will be established at Berwick Secondary College, the Warrnambool network of secondary schools and the Western Region cluster of schools, with a revised start date of Term 4, 2004. |
| Additional Victorian School of Languages centres in regional Victoria by February 2004 | number | 5 | 5 | |
| Percentage of eligible after-hours ethnic schools provided with grants | per cent | 100 | 100 | |
| Quality | | | | |
| Percentage of Year 7 Restart students whose reading improved | per cent | 75 | 70 | This was a new measure in 2003–04. The target was set at 75 per cent without the benefit of accurate performance data. |
| Years 10–12 apparent retention rate (August census) | per cent | 78 | 77.3 | |
| Parent satisfaction with secondary schooling on a 100-point scale | per cent | 75 | 77 | |
| Secondary schools identified as performing at or above expected levels as identified in the triennial review process | per cent | 90 | 89 | |
| Teachers reporting routine use of learning technologies in curriculum planning and delivery: secondary | per cent | 90 | Not measured | Measure is no longer relevant due to the changing nature of teacher and student use of ICT and the shift from basic skills to pedagogical integration. |
| Percentage of Year 8 students assessed as 'consolidating' at CSF Level 5 or above in English: Reading | per cent | 85 | 84 | |
| Percentage of Year 8 students assessed as 'consolidating' at CSF Level 5 or above in English: Writing | per cent | 85 | 83 | |
| Percentage of Year 8 students assessed as 'consolidating' at CSF Level 5 or above in Mathematics: Chance & Data | per cent | 83 | 83 | |
| Percentage of Year 8 students assessed as 'consolidating' at CSF Level 5 or above in Mathematics: Algebra | per cent | 82 | 81 | |
| Percentage of Year 10 students assessed as 'consolidating' at CSF Level 6 or above in English: Reading | per cent | 81 | 83 | |
| Percentage of Year 10 students assessed as 'consolidating' at CSF Level 6 or above in English: Writing | per cent | 82 | 82 | |
| Percentage of Year 10 students assessed as 'consolidating' at CSF Level 6 or above in Mathematics: Chance & Data | per cent | 74 | 77 | |
| Percentage of Year 10 students assessed as 'consolidating' at CSF Level 6 or above in Mathematics: Algebra | per cent | 73 | 74 | |
| Statewide rate of transition from Year 10 to Year 11 | per cent | 95.5 | 96.8 | |
| Years 5–9 students' opinion of their connectedness with school | number 1–5 | 3.8 | 3.12 | This is a new measure so the target was set without the benefit of any historic data. |
| Years 5–9 students' opinion of their motivation to learn | number 1–5 | 4.5 | 4.07 | This is a new measure so the target was set without the benefit of any historic data. |
| Years 5–9 students' opinion of the quality of instruction they receive | number 1–4 | 3 | 2.99 | |
| Years 5–9 students' opinion of the level of expectations their teachers have of them | number 1–4 | 3 | 3.09 | |

*Refers to 2003 calendar year unless otherwise indicated.

Senior secondary education

Delivery of education services in Victorian government schools for students in Years 11–12.

| <i>Major outputs/deliverables</i> | <i>Unit of measure</i> | <i>2003–04 Target*</i> | <i>2003–04 Actual*</i> | <i>Comment</i> |
|--|------------------------|------------------------|------------------------|--|
| Quality | | | | |
| Students participating in VET in the VCE programs (government and non-government schools) | number | 30,000 | 32,043 | Implementation of the VCAL has been associated with increased enrolments in VET in the VCE (including school-based apprenticeships). |
| Average number of VCE studies provided per school | number | 27 | 34 | Schools are responding to student demand for more senior school study options by widening their range of VCE studies, particularly with VET in Schools, and by the provision of the VCAL. |
| Annual student contact hours in VET in the VCE programs (government and non-government schools) | number (million) | 7.6 | 8.7 | The implementation of the VCAL has been associated with increased hours delivered in VET in the VCE (including school-based apprenticeships). |
| Number of providers offering the VCAL | number | 300 | 239 | A significant number of schools have chosen to engage in additional planning prior to introducing VCAL programs. |
| Number of students undertaking the VCAL | number | 5,000 | 5,137 | |
| Students accessing technology-enabled curriculum choices | number | 3,000 | Not available | Measure is no longer relevant due to the changing nature of teacher and student use of ICT and the shift from basic skills to pedagogical integration. |
| Percentage of government school students with a MIPs plan | per cent | 100 | 97.4 | |
| Quality | | | | |
| Students continuing past Year 10 in VCAL sites | per cent | 90 | 96.3 | |
| Students satisfactorily completing the VCAL | per cent | 50 | 56 | |
| VET in the VCE students progressing to further education, training or work (government and non-government schools) | per cent | 90 | 89.6 | |
| Median VCE study score | number | 29 | 28 | |
| VET in the VCE students completing a qualification (government and non-government schools) | number | 12,000 | 12,405 | |
| Enrolments in VET in the VCE units as a proportion of total VCE unit enrolments (government and non-government schools) | per cent | 5 | 5.6 | The implementation of the VCAL has been associated with increased enrolments in VET in the VCE. |
| Average rate of student attendance in Years 11 and 12 (government and non-government schools) | per cent | 93 | 91 | |
| Years 7–12 apparent retention rate (August census) | per cent | 75 | 74.9 | |
| Proportion of government school students in Years 10–12 with a MIPs plan | per cent | 100 | 97.4 | |
| Proportion of students leaving government schools after Year 9 but before completing Year 12 who were tracked by a school six months after exiting | per cent | 60 | 67 | |
| Percentage of Years 10–12 school students provided with initial (mail) follow-up in the year after exit | per cent | 95 | 100 | |
| Percentage of Years 10–12 school students provided with detailed (mail and phone) follow-up in the year after exit | per cent | 70 | 68 | |
| Timeliness | | | | |
| Percentage of participating Years 10–12 school students provided with detailed follow-up by June in the year after exit (six months after the school year completes) | per cent | 90 | 100 | All exit students identified by VCAA records were contacted by mail or phone prior to June. Additional exit students were identified at the school level in May 2003 but have not been included in this measure. |

*Refers to 2003 calendar year unless otherwise indicated.

Non-government school education

Provision of services for non-government students including payment of State recurrent and specific purpose grants to non-government schools, including student support services; targeted assistance to needy non-government schools and students, including supplementary funding and needs-based capital assistance; monitoring of non-government school accountability requirements; registration of non-government schools and non-government teachers; registration reviews of non-government schools; and endorsement of non-government schools to accept full fee-paying overseas students.

| <i>Major outputs/deliverables</i> | <i>Unit of measure</i> | <i>2003–04 Target*</i> | <i>2003–04 Actual*</i> | <i>Comment</i> |
|---|------------------------|------------------------|------------------------|----------------|
| Quantity | | | | |
| Non-government students receiving supplementary funding as a percentage of all non-government school students | per cent | 79 | 79 | |
| Quality | | | | |
| Recommendations of non-government school registration reviews approved by Registered Schools Board | per cent | 99 | 99 | |

*Refers to 2003 calendar year unless otherwise indicated.

Student welfare and support

Provision of education services relating to student welfare, including drug education and mental health issues; and student support services in the area of student wellbeing including speech pathology, visiting teacher services for hearing, visually, health and physically impaired students, curriculum services and alternative programs.

| <i>Major outputs/deliverables</i> | <i>Unit of measure</i> | <i>2003–04 Target*</i> | <i>2003–04 Actual*</i> | <i>Comment</i> |
|--|------------------------|------------------------|------------------------|---|
| Quantity | | | | |
| Percentage of Victorian government schools meeting minimum requirements of the Framework for Student Support Services in Victorian Government Schools | per cent | 98 | Not measured | Data on this measure was not collected in the August 2003 School Census pending the outcomes of the review of the Framework for Student Support Services. |
| Quality | | | | |
| Government schools who have completed an Individual School Drug Education strategy or an action plan as part of the review process | per cent | 100 | 99 | |
| Percentage of students who participated in an alternative program who, on completion of the program, are engaged in education, training or employment | per cent | 90 | Not applicable | Alternative programs are one of a range of student support strategies that will be subject to the review of the Framework for Student Services. This review will include consideration of more appropriate and effective output-based measures. |
| School satisfaction with student support services | per cent | 82 | 94 | |
| Percentage of parents participating in drug education activities who believe they will be better able to address drug-related issues with their children | per cent | 90 | 95 | |

*Refers to 2003 calendar year unless otherwise indicated.

Services to students with disabilities

Provision of education services to Victorian students with disabilities in government regular and specialist schools.

| <i>Major outputs/deliverables</i> | <i>Unit of measure</i> | <i>2003–04 Target*</i> | <i>2003–04 Actual*</i> | <i>Comment</i> |
|--|------------------------|------------------------|------------------------|----------------|
| Quantity | | | | |
| Students funded under the disabilities program in government schools as a proportion of the total student population | per cent | 3 | 3.4 | |
| Regular schools with students with disabilities | per cent | 89 | 89 | |
| Quality | | | | |
| Parent satisfaction with special education on a 100-point scale | per cent | 92 | 92 | |

*Refers to 2003 calendar year unless otherwise indicated.

Education Maintenance Allowance

Provision of the EMA to eligible parents of school students up to the age of 16 years in government and non-government schools.

| <i>Major outputs/deliverables</i> | <i>Unit of measure</i> | <i>2003–04 Target*</i> | <i>2003–04 Actual*</i> | <i>Comment</i> |
|---|------------------------|------------------------|------------------------|----------------|
| Quantity | | | | |
| School students receiving the EMA | number | 205,000 | 201,037 | |
| Timeliness | | | | |
| EMA payments processed according to published timelines | per cent | 100 | 99 | |

*Refers to 2003 calendar year unless otherwise indicated.

Student transport

Administration of student conveyance allowances and the transport of government and non-government school students, including those attending specialist schools.

| <i>Major outputs/deliverables</i> | <i>Unit of measure</i> | <i>2003–04 Target*</i> | <i>2003–04 Actual*</i> | <i>Comment</i> |
|---|------------------------|------------------------|------------------------|--|
| Quantity | | | | |
| Government school students supported by conveyance allowance | number | 11,500 | 12,200 | The introduction of a new rate of payment and increased public awareness have resulted in an increase in the number of students seeking support. |
| Non-government school students supported by conveyance allowance | number | 28,000 | 29,000 | The introduction of a new rate of payment and increased public awareness have resulted in an increase in the number of students seeking support. |
| Eligible special school students provided with appropriate travel | number | 5,800 | 5,800 | |
| Timeliness | | | | |
| Student transport payments made according to published schedule | per cent | 100 | 100 | |

*Refers to 2003 calendar year unless otherwise indicated.

Training and tertiary education

These outputs involve the provision of training and tertiary education services to the Victorian community. These services are provided through a number of programs and service providers. The role of the Department varies from direct service provision to accreditation and monitoring.

These outputs make a significant contribution to the achievement of the following Departmental objectives:

- increase the percentage of young people successfully completing Year 12 or its equivalent
- increase the percentage of adults taking up education and training and so increase the overall level of educational attainment and literacy levels in Victoria
- increase the level of 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.

These objectives make a significant contribution to the achievement of the following key Government outcomes:

- valuing and investing in lifelong education
- growing and linking all of Victoria
- more jobs and thriving, innovative industries across Victoria
- building cohesive communities and reducing inequalities
- promoting rights and respecting diversity.

Training and further education places

Provision of training and further education places by TAFE institutes and other registered training organisations in accordance with priorities set by Government, industry and the community. This output also includes provision of services to providers and the community to ensure and enhance the quality of the education and training places purchased.

| <i>Major outputs/deliverables</i> | <i>Unit of measure</i> | <i>2003-04 Target*</i> | <i>2003-04 Actual*</i> | <i>Comment</i> |
|---|------------------------|------------------------|------------------------|--|
| Quantity | | | | |
| Annual Government-funded module enrolments | number (million) | 2.65 | 2.31 | The Government purchases student contact hours rather than enrolments. Students are participating in longer programs, with the average duration of individual modules increasing. |
| Government-funded student contact hours of training and further education provided | number (million) | 69.55 | 72.94 | |
| Number of apprenticeship/traineeship commencements by new employees ^(a) | number | 64,325 | 71,229 | |
| School-based apprentices/trainees in training ^(a) | number | 1,800 | 1,935 | |
| Number of apprentices/trainees completions who qualify for the Completion Bonus ^(a) | number | 7,670 | 7,542 | |
| Number of people assisted by Parents Returning to Work grants ^(a) | number | 2,475 | 4,017 | |
| Number of individuals assisted through the Skill Up program ^(a) | number | 600 | 190 | Access to Skill Up funding is approved as the need arises and the number of individuals assisted is determined by the extent of workplace closures and take-up by eligible retrenched workers. |
| Audit of contract compliance by registered training organisations and other State Training System organisations | number | 350 | 427 | |

| <i>Major outputs/deliverables</i> | <i>Unit of measure</i> | <i>2003-04 Target*</i> | <i>2003-04 Actual*</i> | <i>Comment</i> |
|---|------------------------|------------------------|------------------------|--|
| Quality | | | | |
| TAFE graduates in employment six months following graduation | per cent | 75 | 77.5 | |
| Participation rate of 15–19-year-olds in training and further education in Victoria: all Victoria ^(b) | per cent | 27.8 | 28 | This result is based on the Estimated Resident Population figures (ABS Release No. 3235.2.55.001). |
| Participation rate of 15–19-year-olds in training and further education in Victoria: non-metropolitan Victoria ^(b) | per cent | 31.1 | 33.1 | This result is based on the Estimated Resident Population figures (ABS Release No. 3235.2.55.001). |
| Persons aged 15–64 participating in TAFE programs as a proportion of population | per cent | 14.8 | 15 | This result is based on the Estimated Resident Population figures (ABS Release No. 3235.2.55.001). |
| Successful training completions as measured by module load pass rate | per cent | 75.3 | 77.5 | |
| TAFE students funded through Youth Pathways program with a MIPs plan | per cent | 100 | 100 | Target and result excludes students who withdrew before a MIPs plan was completed and students who were unwilling to participate. |
| TAFE students funded through Youth Pathways program leaving TAFE who are tracked by a provider six months after exiting | per cent | 100 | 100 | Target and result excludes students who did not respond or who were not contactable. |
| Percentage of TAFE graduates who rate quality of training as 8 or more out of 10 | per cent | 65 | Not applicable | The national survey that provided data for this measure has changed and no longer assesses TAFE graduate ratings of the quality of training out of 10. Victoria will implement its own survey to gauge student satisfaction. |
| Timeliness | | | | |
| Performance agreements with TAFE institutes in place according to agreed timelines | per cent | 100 | 100 | |

^(a)2003–04 financial year measure and result

^(b)Excludes participation undertaken through ACE organisations and adult education institutions.

*Refers to 2003 calendar year unless otherwise indicated.

Adult and community education places and community support

Provision of education and training places and support for education for adults in approximately 450 community settings and in adult education institutions (AMES and the CAE), in accordance with priorities established by the Government and regional demand. This output also includes provision of support services to providers, networks and the community to ensure and enhance the quality of the education and training places purchased.

| <i>Major outputs/deliverables</i> | <i>Unit of measure</i> | <i>2003–04 Target*</i> | <i>2003–04 Actual*</i> | <i>Comment</i> |
|---|------------------------|------------------------|------------------------|--|
| Quantity | | | | |
| Government-funded annual module enrolments – ACE organisations and adult education institutions | number | 129,000 | 195,000 | |
| Government-funded student contact hours of vocational education and training activity provided through ACE providers and adult education institutions | number (million) | 3.68 | 5.9 | |
| Quality | | | | |
| Student satisfaction with ACE courses meeting overall needs | per cent | 80 | Not applicable | The national survey to gauge student satisfaction with ACE courses is no longer conducted. Victoria will implement its own survey. |
| Persons aged 15 and over participating in ACE as a proportion of the population | per cent | 4.6 | 4.3 | The slight fall in the participation rate is due to greater levels of students participating in longer programs, with the average duration of individual modules increasing. |

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| <i>Major outputs/deliverables</i> | <i>Unit of measure</i> | <i>2003–04 Target*</i> | <i>2003–04 Actual*</i> | <i>Comment</i> |
|--|------------------------|------------------------|------------------------|---|
| Successful completions as measured by module load completion rate – ACE organisations and adult education institutions | per cent | 78.5 | 79.8 | |
| ACE students funded through Youth Pathways program with a MIPs plan | per cent | 100 | 100 | Target and result excludes students who withdrew before a MIPs plan was completed and students who were unwilling to participate. |
| ACE students funded through Youth Pathways program leaving ACE who are tracked by a provider six months after exiting | per cent | 100 | 100 | Target and result excludes students who did not respond or who were not contactable. |
| Timeliness | | | | |
| Performance agreements with Regional Councils signed within agreed timelines | number | 9 | 9 | |

*Refers to 2003 calendar year unless otherwise indicated.

Higher education

Effective provision of services to universities, higher education private providers and the public, including: liaison with the Commonwealth Department of Education, Science and Training regarding appropriate levels of Commonwealth resources for universities, approval of private providers to deliver higher education courses, monitoring the performance of higher education private providers, endorsement of Victorian higher education courses for placement on the Commonwealth Register of Institutions and Courses for Overseas Students, and provision of information to the public and liaison between the public and universities.

| <i>Major outputs/deliverables</i> | <i>Unit of measure</i> | <i>2003–04 Target*</i> | <i>2003–04 Actual*</i> | <i>Comment</i> |
|---|------------------------|------------------------|------------------------|---|
| Quantity | | | | |
| Universities participating in cooperative arrangements in regional areas ^(a) | number | 9 | 9 | |
| Teacher scholarships taken up | number | 220 | 217 | |
| Quality | | | | |
| Private providers complying with quality standards ^(a) | per cent | 100 | 100 | |
| Direct costs of accrediting for-profit providers recovered through fees ^(a) | per cent | 100 | 80 | A new national approval process for accrediting a course delivered by a for-profit provider has cost more than the fee collected. The new fee regulations in place from 28 June 2004 will increase cost recovery. |
| Timeliness | | | | |
| Private provider applications assessed within six months ^(a) | per cent | 75 | 89 | |

^(a)2003–04 financial year measure and result

*Refers to 2003 calendar year unless otherwise indicated.

Policy, strategy and information services

These outputs involve provision of policy and strategy advice to the Ministers, and Ministerial and support services for the various statutory authorities and advisory bodies in the portfolio. Services relating to international education and public information and promotion are also included.

These outputs make a significant contribution to the achievement of the following Departmental objectives:

- improve the standards of literacy and numeracy in primary schooling

- increase the percentage of young people successfully completing Year 12 or equivalent
- increase the percentage of adults taking up education and training and so increase the overall level of educational attainment and literacy levels in Victoria
- increase the level of 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.

These outputs make a significant contribution to the achievement of the following key Government outcomes:

- valuing and investing in lifelong education
- sound financial management
- growing and linking all of Victoria
- more jobs and thriving, innovative industries across Victoria
- building cohesive communities and reducing inequalities
- promoting rights and respecting diversity.

Policy, strategy and executive services

Provision of strategic policy advice and administrative support, including services relating to parliamentary and legislative responsibilities, to Ministers and Boards in the areas of Department-wide resource management, planning and budgeting; school education; training and further education; adult and community education; and higher education.

| <i>Major outputs/deliverables</i> | <i>Unit of measure</i> | <i>2003-04 Target*</i> | <i>2003-04 Actual*</i> | <i>Comment</i> |
|--|------------------------|------------------------|------------------------|---|
| Quantity | | | | |
| Correspondence prepared for Ministers' and Executive Group's signature or responded to on behalf of Ministers ^(a) | number | 9,000 | 7,305 | The actual result differs from the target because of a significant reduction in the number of letters sent to the Ministers in the first half of 2004. |
| Briefings prepared for Ministers' and Executive Group's signature ^(a) | number | 5,000 | 3,532 | The target was not reduced for 2003–04 compared to earlier years and therefore has not taken into account the transfer of the Office for Youth and the Office of Employment from the Department of Education & Training. |
| Proportion of LLENs with a membership of every government secondary school and TAFE institute and ACE provider present within their boundary | per cent | 100 | Not available | 97.4% of government secondary schools and all TAFE institutes are involved in LLENs. Sixty per cent of medium-to-large ACE organisations are involved in LLENs and the ACE sector is represented through broad membership of LLENs and on committees of management. |
| LLEN strategic plans forwarded to and approved by the VLESC | per cent | 100 | 100 | |
| Quality | | | | |
| Executive satisfaction that services received meet relevant quality standards | per cent | 90 | 90 | |
| Timeliness | | | | |
| Correspondence prepared for Ministers' signatures or responded to on behalf of Ministers within predetermined timelines | per cent | 95 | 74 | The 2003–04 actual result is a significant improvement over the 2002–03 result (50 per cent). New processes were implemented in 2003 to improve timeliness, the full effect of which will be realised in 2004. |

^(a)2003–04 financial year measure and result

*Refers to 2003 calendar year unless otherwise indicated.

International education

Services include marketing, recruitment, assessment and placement services for full fee-paying overseas students in Victorian government schools and provision of generic marketing support for TAFE providers and the higher education sector; marketing of the Department's capabilities, programs and services to national and international markets; organisation of overseas delegations and study tours to visit the Department and Victorian education and training institutions; and organisation and implementation of teacher and principal exchange programs and study tours, registration of student exchange organisations and student study tours.

| <i>Major outputs/deliverables</i> | <i>Unit of measure</i> | <i>2003–04 Target*</i> | <i>2003–04 Actual*</i> | <i>Comment</i> |
|---|------------------------|------------------------|------------------------|---|
| Quantity | | | | |
| Overseas student study tour days into Victoria | number | 15,000 | 9,848 | Reduced activity in 2003–04 was due to the impact of SARS and the higher Australian currency exchange rate. |
| Overseas students recruited to study in Victorian government schools in the year | number | 800 | 1,088 | |
| Proportion of costs met by revenue raised from delivery of adult international study tours into Victoria ^(a) | per cent | 150 | 159 | |
| Proportion of costs met by revenue raised from delivery of international projects and programs ^(a) | per cent | 80 | 76 | The variance is due to delays in the receipt of payments from the Australian managing contractor. |
| Quality | | | | |
| Satisfaction of agents with overseas student programs/services offered | per cent | 80 | 80 | |
| Satisfaction of clients with services provided in relation to projects and programs | per cent | 80 | 85 | |

^(a)2003–04 financial year measure and result

*Refers to 2003 calendar year unless otherwise indicated.

Public information and promotion

Provision of information services about education and training to the community, including: advertising services, newspaper supplements, *Education Times*, *Success* and dissemination of information on Departmental policies and initiatives; telephone information services (Education Line and TAFE Course Line); and public promotions such as Education Week and Adult Learners' Week.

| <i>Major outputs/deliverables</i> | <i>Unit of measure</i> | <i>2003–04 Target*</i> | <i>2003–04 Actual*</i> | <i>Comment</i> |
|---|------------------------|------------------------|------------------------|--|
| Quantity | | | | |
| Responses to telephone and email information queries ^(a) | number | 60,000 | 56,695 | The Department's information and Referral Line numbers (TAFE Course Line and Education Line) were not as extensively promoted in 2003–04 as in previous years. |
| Percentage of publications published online ^(a) | per cent | 50 | 70 | |
| Quality | | | | |
| Reader satisfaction with news publications ^(a) | per cent | 95 | 100 | |
| Customer satisfaction with quality of telephone information service | per cent | 95 | Not applicable | This performance measure is not monitored as it is no longer relevant. The measure no longer reflects industry standards. |

^(a)2003–04 financial year measure and result

*Refers to 2003 calendar year unless otherwise indicated.

FINANCIAL REPORT

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Statement of financial performance for the year ended 30 June 2004

| | Notes | 2004 \$'000 | 2003 \$'000 |
|---|-------|--------------------|----------------|
| Revenue from ordinary activities | | | |
| Output appropriations | 4 | 5,756,770 | 5,533,613 |
| Special appropriations | 4 | 285 | 238 |
| Resources given free of charge | 4 | 9 | – |
| Other revenue and revenue from other parties | 4 | 429,433 | 478,409 |
| | | 6,186,497 | 6,012,260 |
| Expenses from ordinary activities | | | |
| Employee benefits | 6 | (3,351,669) | (3,199,207) |
| Depreciation and amortisation | 6 | (209,156) | (219,927) |
| Grants and other payments to service providers | 6 | (1,063,523) | (1,057,699) |
| Resources provided free of charge or for nominal consideration | 7 | (1,748) | (1,818) |
| Capital asset charge | 1(q) | (666,780) | (565,236) |
| Supplies and services | 6 | (862,497) | (789,697) |
| Borrowing costs | | (11) | – |
| Other expenses from ordinary activities | | (15,421) | (65,410) |
| | | (6,170,805) | (5,898,994) |
| Result from ordinary activities | 6 | 15,692 | 113,266 |
| Net result for the reporting period | 16(c) | 15,692 | 113,266 |
| Net increase in asset revaluation reserve | 16(b) | 991,196 | 874,476 |
| Adjustments resulting from adoption of new accounting standard | 16(c) | – | (742) |
| Total revenues, expenses and revaluation adjustments recognised directly in equity | | 991,196 | 873,734 |
| Total changes in equity other than those resulting from transactions with Victorian State Government in its capacity as owner on behalf of the Crown | 16(d) | 1,006,888 | 987,000 |

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

Statement of financial position

as at 30 June 2004

| | Notes | 2004 \$'000 | 2003 \$'000 |
|--|-------|------------------|----------------|
| Current assets | | | |
| Cash assets | 8 | 384,782 | 401,640 |
| Receivables | 9 | 262,450 | 208,776 |
| Prepayments | 10 | 11,671 | 7,173 |
| Total current assets | | 658,903 | 617,589 |
| Non-current assets | | | |
| Receivables | 9 | 144,748 | 135,732 |
| Other financial assets | | 6,820 | 6,375 |
| Property, plant and equipment | 11 | 8,557,634 | 7,445,353 |
| Total non-current assets | | 8,709,202 | 7,587,460 |
| Total assets | | 9,368,105 | 8,205,049 |
| Current liabilities | | | |
| Payables | 12 | 239,395 | 178,119 |
| Interest-bearing liabilities | 13 | 226 | – |
| Provisions | 14 | 132,196 | 125,616 |
| Other | 15 | 11,107 | 9,115 |
| Total current liabilities | | 382,924 | 312,850 |
| Non-current liabilities | | | |
| Interest-bearing liabilities | 13 | 779 | – |
| Provisions | 14 | 728,248 | 696,379 |
| Total non-current liabilities | | 729,027 | 696,379 |
| Total liabilities | | 1,111,951 | 1,009,229 |
| Net assets | | 8,256,154 | 7,195,820 |
| Equity | | | |
| Contributed capital | 16(a) | 4,641,462 | 4,588,016 |
| Reserves | 16(b) | 3,304,451 | 2,313,255 |
| Accumulated surplus | 16(c) | 310,241 | 294,549 |
| Total equity | 16(d) | 8,256,154 | 7,195,820 |
| Contingent liabilities and contingent assets | 21 | 15,761 | 13,803 |
| Commitments for expenditure | 22 | 344,704 | 247,005 |

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 2004

| | Notes | 2004 \$'000 | 2003 \$'000 |
|---|-------|------------------|----------------|
| Cash flows from operating activities | | | |
| Receipts from Government | | 5,698,717 | 5,517,698 |
| Receipts from other entities | | 413,731 | 499,159 |
| Payments to suppliers and employees | | (5,295,144) | (5,256,559) |
| Goods and Services Tax recovered from the ATO | | 107,939 | 148,233 |
| Interest received | | 20,026 | 18,802 |
| Capital asset charge | | (666,780) | (565,236) |
| Net cash inflow from operating activities | 26 | 278,489 | 362,097 |
| Cash flows from investing activities | | | |
| Payments for property, plant and equipment | | (356,972) | (430,531) |
| Movement of investments | | (445) | 9,377 |
| Proceeds from sale of property, plant and equipment | | 2,320 | 3,420 |
| Net cash (outflow) from investing activities | | (355,097) | (417,734) |
| Cash flows from financing activities | | | |
| Capital contributions from owner | 16(a) | 59,774 | 57,360 |
| Repayment of finance leases | | (24) | |
| Net cash (outflow) from financing activities | | 59,750 | 57,360 |
| Net increase (decrease) in cash held | | (16,858) | 1,723 |
| Cash at the beginning of the financial year | | 401,640 | 399,917 |
| Cash at the end of the financial year | 8 | 384,782 | 401,640 |

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

Notes to and forming part of the financial statements

for the year ended 30 June 2004

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Note 1 Summary of significant accounting policies

This general-purpose financial report has been prepared in accordance with the *Financial Management Act 1994*, Australian Accounting Standards, Statements of Accounting Concepts and other authoritative pronouncements of the AASB, and Urgent Issues Group Consensus Views.

The financial report is prepared in accordance with the historical cost convention except for certain assets and liabilities, which, as noted are reported 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.

The financial report includes all transactions of the State's 1626 primary and secondary schools. All transactions between the Department and schools have been eliminated as required by Australian Accounting Standards.

The accrual basis of accounting has been applied except to the extent that schools operate on a cash basis. The schools' balances for cash, investments, creditors and operating leases incorporated into these financial statements are those held by them as at 31 December 2003.

(a) Reporting entity

The financial statements include all the controlled activities of the Department.

Administered resources

The Department administers but does not control certain resources on behalf of the Victorian Government. It is accountable for the transactions involving those administered resources, but does not have the discretion to deploy the resources for achievement of the Department's objectives. Such administered transactions include Commonwealth funds on-passed by the Department to Victorian non-government schools. The accrual basis of accounting has been used in the reporting and recognition of the administered resources.

Transactions and balances relating to these administered resources are not recognised as departmental revenues, expenses, assets or liabilities within the body of the financial statements but are disclosed in note 24.

Other administered activities on behalf of parties external to the Victorian Government

The Department has received monies in a trustee capacity for various trusts including prizes and scholarships. As the Department performs only a custodial role in respect of these monies and because

the monies cannot be used for achievement of the Department's objectives, they are not recognised in the statement of financial performance and statement of financial position of the Department. The transaction balances are reported in note 24.

Administrative changes

There were no administrative changes during 2003–04. For comparative purposes, the output Youth was transferred from the Department of Education & Training to the Department for Victorian Communities on 31 December 2002 (see note 3).

(b) Objectives and funding

The objectives of the Department of Education & Training are to:

- increase learner participation, engagement and achievement
- expand options and pathways in education and training
- strengthen the quality of delivery to clients
- strengthen a culture of working together
- develop services in response to community and industry priorities
- maintain sound financial management

The Department provides support and advisory services to the Minister for Education and Training and the Minister for Education Services, as well as a number of statutory bodies. The Department is predominantly funded by accrual-based parliamentary appropriations for the provision of outputs.

(c) Outputs of the Department

Information about the Department's output activities and the expenses, revenues, assets and liabilities which are reliably attributable to those output activities is set out in the Departmental Outputs Schedule (note 2). Information about expenses, revenues, assets and liabilities administered by the Department are given in the Schedule of Administered Items (note 24).

(d) Revenue recognition

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

Revenue becomes controlled by the Department when it is appropriated from the Consolidated Fund by the Victorian Parliament and applied to the purposes defined under the relevant appropriation act. Additionally, the Department is permitted under section 29 of the *Financial Management Act 1994* to have certain receipts annotated to the annual appropriation. The receipts, which form part of a section 29 agreement, are received by the Department and paid into the Consolidated Fund as administered revenue (note 24). At that point, section 29 provides for an equivalent amount to be added to the annual appropriation. In respect to revenue from the provision of outputs, Commonwealth grants and sales of non-current physical assets, the Department

may be permitted under section 29 of the *Financial Management Act 1994* to have this revenue initially paid into the Consolidated Fund and an equivalent amount is provided by appropriation. In these instances the revenue 'received' by the department is administered and disclosed in note 24.

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

(i) Output revenue

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

(ii) Commonwealth grants

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

(iii) Contributions

Contributions of services and non-current assets are recognised at their fair value when the Department obtains control over these resources. Other revenue items are recognised as they are earned.

(iv) Other revenue

Other revenue items are recognised as they are earned. Interest revenues are recognised as they accrue.

All other amounts of revenue over which the Department does not gain control are disclosed as administered revenue in the Schedule of Administered Revenues and Expenses (note 24).

(e) Acquisitions of assets

The cost method of accounting is used for all acquisitions of assets. Cost is measured as the fair value of the assets given up or liabilities undertaken at the date of acquisition plus incidental costs directly attributable to the acquisition. Assets acquired at no cost, or for nominal consideration, are initially recognised at their fair value at the date of acquisition.

(f) Cash

For purposes of the statement of cash flows, cash includes short-term deposits, which are readily convertible to cash on hand and are subject to an insignificant risk of changes in value, net of outstanding cheques yet to be presented by the Department's suppliers and creditors (note 8).

(g) 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 known to be uncollectable are written off. A provision for doubtful debts is raised when some doubt as to collection exists.

(h) Revaluations of non-current assets

Subsequent to the 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. The Office of the Valuer-General undertook a full valuation of all the Department's land and buildings, including Crown land controlled by the Department, as at 30 June 1997. Land and buildings will be revalued on a progressive three-year cycle in accordance with the Victorian Government policy 'Revaluation of Non-current Physical Assets'. 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. However, where movements within the classes of assets are material, the entire class of assets are subject to detailed revaluation. The assets to be revalued in each year of the progressive revaluation period will be based on a similar percentage of the total value of the class prior to revaluation. This approach is based on the carrying amount of the class to be equally proportioned over the period of the progressive revaluation.

In the current year, approximately 961 school sites were subject to a detailed valuation (415 school sites in 2002–03) (refer note 11). Land not subject to detailed valuation is adjusted annually using indices provided by the Office of the Valuer-General.

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 net result, the increment is recognised immediately as revenue in the net result. Revaluation decrements are recognised immediately as expenses in the net result, except that, to the extent that a credit balance exists in the asset revaluation reserve in respect of the same class of assets, they are debited directly to the asset revaluation reserve. Revaluation increments and decrements are offset against one another within a class of non-current assets.

(i) Depreciation of property, plant and equipment

Depreciation is calculated on a straight-line basis to write off the net cost of each item of property, plant and equipment (excluding land and work-in-progress) over its expected useful life to the Department. Estimates of the remaining useful lives for all assets are reviewed at least annually. The expected useful lives for the financial years ended 30 June 2004 and 30 June 2003 and depreciation rates are as follows:

| | Useful life Years | 2004 % | 2003 % |
|--|----------------------|-----------|-----------|
| Buildings – permanent | 60 | 1.7 | 1.7 |
| Buildings – relocatable and other improvements | 40 | 2.5 | 2.5 |
| Plant and equipment | 3–20 | 5–33 | 5–33 |

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

(j) Other financial assets – investments

Investments are recognised at cost. Where there has been a permanent diminution in the value of any individual investment, a provision for diminution in value is made. Interest revenues are recognised as they accrue.

(k) Leased non-current assets

A distinction is made between finance leases, which effectively transfer from the lessor to the lessee substantially all the risks and benefits incidental to ownership of leased non-current assets, and operating leases under which the lessor effectively retains substantially all such risks and benefits.

Finance leases are capitalised. A lease asset and liability are established at the present value of minimum lease payments. Lease payments are allocated between the principal component of the lease liability and the interest expense.

The lease asset is amortised on a straight-line basis over the term of the lease, or where it is likely that the Department will obtain ownership of the asset, the expected useful life of the asset to the Department. Lease assets held at the reporting date are being amortised over five years.

Incentives received on entering into operating leases are recognised as liabilities. Lease payments are allocated between interest (calculated by applying the interest rate implicit in the lease to the outstanding amount of the liability), rental expense and reduction of the liability.

The present value of future payments for surplus leased space under non-cancellable operating leases is recognised as a liability, net of sub-leasing revenue, in the period in which it is determined that the leased space will be of no future benefit to the entity. Each lease payment is allocated between the liability and finance charge.

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

(l) Restrictive nature of cultural and Heritage assets and Crown land

During the reporting period, the Department may hold cultural assets, Heritage assets and Crown land. Cultural and Heritage assets are held for exhibition, education, research and/or historical interest.

Such assets, including Crown land, are deemed worthy of preservation because of the social rather than financial benefits they provide to the community. The nature of these assets means that there are certain limitations and restrictions imposed on their use and/or disposal.

(m) Leasehold improvements

The cost of improvements to or on leasehold properties is amortised over the unexpired period of the lease or the estimated useful life of the improvement to the Department, whichever is the shorter. Leasehold improvements held at the reporting date are being amortised over ten years at a rate of 10 per cent.

(n) Trade and other creditors

These amounts represent liabilities for goods and services provided to the Department 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.

(o) Employee benefits

(i) Wages, salaries and annual leave

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

(ii) Long-service leave

The liability for long-service leave expected to be settled within 12 months of the reporting date is recognised 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 is measured at 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 by the Department to the superannuation funds (note 23).

(iv) Termination benefits

Liabilities for termination benefits are recognised when a detailed plan for the terminations has been developed and a valid expectation has been raised in those employees affected that the terminations will be carried out. The liabilities for termination benefits are recognised in other creditors unless the amount or timing of the payments is uncertain, in which case they are recognised as a provision.

Liabilities for termination benefits expected to be settled within 12 months are measured at the amounts expected to be paid when they are settled. Amounts

expected to be settled more than 12 months from the reporting date are measured as the estimated cash outflows, discounted using interest rates on national Government-guaranteed securities with terms to maturity that match, as closely as possible, the estimated future cash outflows.

(v) Employee benefit oncosts

Employee benefit oncosts, including payroll tax, are recognised and included in employee benefit liabilities and costs when the employee benefits to which they relate are recognised as liabilities.

(p) Goods and Services Tax system changes

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

(q) Capital asset charge

The capital asset charge is imposed by the Department of Treasury and Finance and represents the opportunity cost of capital invested in the non-current physical assets used in the provision of outputs. For the 2003–04 financial year, the basis of the charge is 8 per cent of the budgeted estimate of the carrying amount of controlled non-current physical assets as approved by the Department of Treasury and Finance.

(r) 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.

(s) Contributed capital

Consistent with Urgent Issues Group 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.

(t) Maintenance and repairs

Property, plant and equipment is managed as part of an ongoing maintenance program. The costs of this maintenance are charged as expenses as incurred, except where they relate to the replacement of a component of an asset, in which case the costs are capitalised and depreciated in accordance with note 1(i). Other routine operating maintenance, repair costs and minor renewals are also charged as expenses as incurred.

(u) Intangible assets and expenditure carried forward

(i) Software

Significant costs associated with the acquisition or development of computer software are capitalised and amortised on a straight-line basis over the periods of the expected benefit, which varies from three to five years. Software costs not capitalised are charged as expenses in the period in which they are incurred.

(ii) Website costs

Costs in relation to websites controlled by the Department are charged as expenses in the period in which they are incurred unless they relate to the acquisition of an asset, in which case they are capitalised and amortised over their period of expected benefit. Generally, costs in relation to feasibility studies during the planning phase of a website, and ongoing costs of maintenance during the operating phase are considered to be expenses. Costs incurred in building or enhancing a website, to the extent that they represent probable future economic benefits controlled by the Department that can be reliably measured are capitalised as an asset and amortised over the period of the expected benefits, which vary from three to five years.

(v) Rounding of amounts

Amounts in the financial report have been rounded to the nearest thousand dollars or in other cases, to the nearest dollar.

(w) The impacts of adopting AASB equivalents to IASB standards

For interim and annual reporting periods ending on or after 30 June 2004, AASB 1047, 'Disclosing the Impacts of Adopting AASB Equivalents to International Financial Reporting Standards' (IFRS), requires an explanation of how the transition process is being managed and a narrative explanation of the key differences in accounting policies that are expected to arise from the adoption of Australian equivalents to IFRS. Refer to note 29 for further details.

(x) Interest-bearing liabilities

Loans are carried at historical cost. Interest is accrued over the period it becomes due and is recorded as part of other creditors.

(y) Borrowing costs

Borrowing costs are recognised as an expense in the period in which they are incurred, except where they are included in the costs of qualifying assets. For this reporting period, borrowing costs consist of finance lease charges only.

Note 2 Departmental outputs

A description of Departmental outputs performed during the year ended 30 June 2004, and the objectives of these outputs, are summarised below.

School education

Description of outputs

Policy development, regulation and management of the Victorian government school system, including:

- a safe and effective learning environment through the provision of appropriately trained and qualified teachers in a properly resourced and maintained physical environment
- high-quality curriculum delivery to prescribed content and performance standards in the eight Key Learning Areas in Years P–10, and in accordance with the requirements of the Victorian Certificate of Education and the Victorian Certificate of Applied Learning in Years 11 and 12
- provision of a range of programs specifically designed to increase the quality of student learning and school management
- provision of specialist services designed to increase the quality of student learning or social needs
- financial support to and regulation of non-government schooling.

Objectives

These outputs make a significant contribution to the achievement of the following departmental objectives:

- improve the standards of literacy and numeracy in primary schooling
- increase the percentage of young people who successfully complete Year 12 or its equivalent
- increase the percentage of adults taking up education and training and so increase the overall level of educational attainment and literacy levels in Victoria
- increase the level of 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.

Training and tertiary education

Description of outputs

These outputs involve the provision of training and tertiary education services to the Victorian community. These services are provided through a number of programs and service providers. The role of the Department varies from direct service provision to accreditation and monitoring.

Objectives

These outputs make a significant contribution to the achievement of the following departmental objectives:

- increase the percentage of young people who successfully complete Year 12 or its equivalent

- increase the percentage of adults taking up education and training and so increase the overall level of educational attainment and literacy levels in Victoria
- increase the level of 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.

Policy, strategy and information services

Description of outputs

These outputs involve the provision of policy and strategy advice to the Ministers, and Ministerial and support services for the various statutory authorities and advisory bodies in the portfolio. This includes services relating to international education, public information and promotion.

Objectives

These outputs make a significant contribution to the achievement of the following departmental objectives:

- improve the standards of literacy and numeracy in primary schooling
- increase the percentage of young people who successfully complete Year 12 or its equivalent
- increase the percentage of adults taking up education and training and so increase the overall level of educational attainment and literacy levels in Victoria
- increase the level of 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.

| | School education | | Training and tertiary education | | Policy, strategy and information services | | Youth* | | Departmental total | |
|--|--------------------|--------------------|---------------------------------|------------------|---|-----------------|-------------|----------------|--------------------|--------------------|
| | 2004 \$'000 | 2003 \$'000 | 2004 \$'000 | 2003 \$'000 | 2004 \$'000 | 2003 \$'000 | 2004 \$'000 | 2003 \$'000 | 2004 \$'000 | 2003 \$'000 |
| Revenue | | | | | | | | | | |
| Output appropriations | 4,918,202 | 4,692,213 | 812,418 | 806,200 | 26,150 | 29,800 | – | 5,400 | 5,756,770 | 5,533,613 |
| Special appropriations | 285 | 238 | – | – | – | – | – | – | 285 | 238 |
| Resources received free of charge or for nominal consideration | 9 | – | – | – | – | – | – | – | 9 | – |
| Revenue from other parties | 418,448 | 470,344 | – | (326) | 10,985 | 8,368 | – | 23 | 429,433 | 478,409 |
| Total revenue | 5,336,944 | 5,162,795 | 812,418 | 805,874 | 37,135 | 38,168 | – | 5,423 | 6,186,497 | 6,012,260 |
| Expenses | | | | | | | | | | |
| Employee benefits | (3,337,165) | (3,173,480) | (1,566) | (10,544) | (12,938) | (14,431) | – | (752) | (3,351,669) | (3,199,207) |
| Depreciation and amortisation | (209,126) | (217,951) | – | (1,763) | (30) | (204) | – | (9) | (209,156) | (219,927) |
| Grants and other payments to service providers | (429,215) | (411,727) | (623,356) | (640,171) | (10,952) | (1,549) | – | (4,252) | (1,063,523) | (1,057,699) |
| Resources provided free of charge or for nominal consideration | (1,695) | (1,818) | (41) | – | (12) | – | – | – | (1,748) | (1,818) |
| Capital asset charge | (478,026) | (438,564) | (188,647) | (126,574) | (107) | (96) | – | (2) | (666,780) | (565,236) |
| Supplies and services | (852,885) | (743,717) | (1,264) | (29,588) | (8,348) | (16,135) | – | (257) | (862,497) | (789,697) |
| Other expenses from ordinary activities | (14,594) | (63,193) | (49) | (1,984) | (779) | (233) | – | – | (15,421) | (65,410) |
| Borrowing costs | (11) | – | – | – | – | – | – | – | (11) | – |
| Total expenses | (5,322,718) | (5,050,450) | (814,923) | (810,624) | (33,166) | (32,648) | – | (5,272) | (6,170,805) | (5,898,994) |
| Net result for the reporting period | 14,226 | 112,345 | (2,503) | (4,750) | 3,969 | 5,520 | – | 151 | 15,692 | 113,266 |
| Net increase in asset revaluation reserve | 991,196 | 874,476 | – | – | – | – | – | – | 991,196 | 874,476 |
| Adjustment to accumulated surplus | – | (742) | – | – | – | – | – | – | – | (742) |
| Total changes in equity other than those resulting from transactions with Victorian State Government in its capacity as owner on behalf of the Crown | 1,005,422 | 986,079 | (2,503) | (4,750) | 3,969 | 5,520 | – | 151 | 1,006,888 | 987,000 |

Departmental outputs schedule – assets and liabilities as at 30 June 2004

| | 2004 \$'000 | 2003 \$'000 |
|-------------------------------|--------------------|--------------------|
| Assets and liabilities | | |
| Assets | | |
| Current assets | 512,269 | 607,595 |
| Non-current assets | 8,708,546 | 7,459,851 |
| Total assets | 9,220,815 | 8,067,446 |
| Liabilities | | |
| Current liabilities | (381,267) | (308,911) |
| Non-current liabilities | (725,871) | (693,294) |
| Total liabilities | (1,107,138) | (1,002,205) |
| Net assets/(liabilities) | 8,113,677 | 7,065,241 |

*Youth transferred to the Department for Victorian Communities from 31 December 2002 (see note 3).

Note 3 Restructuring of administrative arrangements

There was no restructuring of administrative arrangements during the 2003–04 financial year.

In the 2002–03 financial year, Administrative Arrangements Order (no.187) 2003 made under section 3 of the Administrative Arrangements Act 1983 transferred the functions and employees of the Youth output from the Department of Education & Training to the Department for Victorian Communities. The effective date of this transfer was 31 December 2002.

| In respect of the activities relinquished, the following assets and liabilities were transferred: | 2004 \$'000 | 2003 \$'000 |
|--|------------------------|------------------------|
| Assets | | |
| Prepayments | – | 877 |
| Receivables | – | 1,100 |
| Plant and equipment | – | 33 |
| Total assets | – | 2,010 |
| Liabilities | | |
| Payables | – | 1,569 |
| Provisions | – | 223 |
| Accumulated funds | – | 0 |
| Total liabilities | – | 1,792 |
| Net capital contribution from the Crown | – | 218 |

Note 4 Revenue

| Revenue by source | Operating | | Non-operating | |
|--|------------------------|------------------------|------------------------|------------------------|
| | 2004 \$'000 | 2003 \$'000 | 2004 \$'000 | 2003 \$'000 |
| (a) Revenue from Government | | | | |
| Output appropriations | 5,756,770 | 5,533,613 | – | – |
| Special appropriations | 285 | 238 | – | – |
| Resources received free of charge or for nominal consideration | 9 | – | – | – |
| | 5,757,064 | 5,533,851 | – | – |
| (b) Revenue from other parties | | | | |
| Schools revenue | 349,323 | 382,132 | 2,320 | 3,420 |
| Provision of services | 2,756 | 4,510 | – | – |
| Interest | – | – | 20,026 | 18,802 |
| Other revenue | 55,008 | 69,545 | – | – |
| | 407,087 | 456,187 | 22,346 | 22,222 |
| Total revenue | 6,164,151 | 5,990,038 | 22,346 | 22,222 |

Note 5 Summary of compliance with annual parliamentary appropriations

(a) Summary of compliance with annual parliamentary appropriations

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

| | Appropriation Act | | | | | | Financial Management Act 1994 | | | | | | Variance (\$'000) | | | | | | | |
|--------------------------------------|-------------------------------------|------------------|---------------------------------------|----------------|--------------------------|----------|-------------------------------|----------------|------------------------|----------|------------------------|------------|----------------------|------------------------------------|------------------|--|------------------|---------------------------------------|----------------|--------------|
| | Annual appropriation (\$'000) | | Advance from Treasurer (\$'000) | | Section 3(2) (\$'000) | | Section 29 (\$'000) | | Section 30 (\$'000) | | Section 32 (\$'000) | | | Section 35 advances (\$'000) | | Total parliamentary authority (\$'000) | | Appropriations applied (\$'000) | | |
| | 2004 | 2003 | 2004 | 2003 | 2004 | 2003 | 2004 | 2003 | 2004 | 2003 | 2004 | 2003 | | 2004 | 2003 | 2004 | 2003 | 2004 | 2003 | |
| Controlled | | | | | | | | | | | | | | | | | | | | |
| Provision of outputs | 5,631,305 | 5,315,212 | 17,450 | 155,721 | 50,865 | - | 82,466 | 70,362 | - | - | 1,897 | 715 | - | - | 5,783,983 | 5,542,010 | 5,756,770 | 5,533,613 | 27,213 | 8,397 |
| Additions to net assets | - | - | - | - | - | - | 59,774 | 55,982 | - | - | - | - | 1,378 | - | 59,774 | 57,360 | 59,774 | 57,360 | - | - |
| Administered | | | | | | | | | | | | | | | | | | | | |
| Payments made on behalf of the State | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Total | 5,631,305 | 5,315,212 | 17,450 | 155,721 | 50,865 | - | 142,240 | 126,344 | - | - | 1,897 | 715 | - | 1,378 | 5,843,757 | 5,599,370 | 5,816,544 | 5,590,973 | 27,213* | 8,397 |

*The variance of \$27,213,000 represents: carry-over for the provision of outputs of \$18,492,400 comprising of additional output initiative funding and other school programs to be delivered in 2004-05; and carry-over of additional Section 29 funding.

(b) Summary of compliance with special appropriations

| Authority | Purpose | Appropriations applied | |
|---|---------------------------------|------------------------|------------|
| | | 2004 | 2003 |
| | | \$'000 | \$'000 |
| Section 34 of the <i>Education Act 1958</i> | Volunteers workers compensation | 285 | 238 |
| Total | | 285 | 238 |

Note 6 Result from ordinary activities

Result from ordinary activities includes the following specific net gains and expenses:

| | 2004 \$'000 | 2003 \$'000 |
|---|------------------|----------------|
| Net gains | | |
| Consideration from disposal of assets | 2,320 | 3,420 |
| Carrying amount | (19,693) | (22,793) |
| | (17,373) | (19,373) |
| Expenses | | |
| Employee benefits | | |
| Salary and wages – Departmental employees | 2,529,679 | 2,431,928 |
| Salary and wages – staff employed by school councils | 157,473 | 149,292 |
| Superannuation | 288,275 | 273,809 |
| Annual leave and long-service leave expense | 168,375 | 152,332 |
| Other oncosts (FBT, payroll tax and WorkCover levy) | 207,867 | 191,846 |
| Total employee benefits | 3,351,669 | 3,199,207 |
| Depreciation | | |
| Buildings | 101,532 | 93,948 |
| Plant and equipment | 106,928 | 125,499 |
| Amortisation | | |
| Plant | 26 | – |
| Leasehold improvements | 670 | 480 |
| Total depreciation and amortisation | 209,156 | 219,927 |
| Grants and other payments | | |
| Grants to the Victorian Curriculum and Assessment Authority | 29,730 | 27,695 |
| Grants to the Victorian Learning and Employment Skills Commission | 591,688 | 596,141 |
| Grants to the Victorian Qualifications Authority | 3,859 | 3,418 |
| Grants to the Victorian Institute of Teaching | 1,141 | 1,063 |
| Grants to the Adult, Community and Further Education Board | 30,198 | 28,722 |
| Grants to non-government schools | 299,247 | 292,128 |
| Grants to external organisations | 71,451 | 74,698 |
| Conveyance and Education Maintenance Allowance payments | 36,209 | 33,834 |
| Total grants and other payments | 1,063,523 | 1,057,699 |
| Other charges against assets | | |
| Bad and doubtful debts – debtors | 1,645 | 325 |
| Borrowing cost | | |
| Finance lease charges | 11 | – |
| Supplies and services | | |
| Administration | 409,154 | 357,565 |
| Maintenance | 190,495 | 187,683 |
| Requisites | 196,596 | 190,251 |
| Other | 20,872 | 11,037 |
| Rental expense relating to operating leases | | |
| Minimum lease payments | 45,380 | 43,161 |
| Total supplies and services | 862,497 | 789,697 |

Note 7 Resources provided free of charge or for nominal consideration

| | 2004 \$'000 | 2003 \$'000 |
|--|----------------|----------------|
| Victorian Curriculum and Assessment Authority | | |
| Rent provided free of charge at 1 Railway Parade, Camberwell and 41 St Andrews Place, East Melbourne | 1,748 | 1,771 |
| Victorian Institute of Teaching | | |
| Net value of assets provided free of charge | – | 47 |
| Total resources provided free of charge or for nominal consideration | 1,748 | 1,818 |

Note 8 Cash assets

| | 2004 \$'000 | 2003 \$'000 |
|---|----------------|----------------|
| Amounts held by schools* | 351,812 | 368,440 |
| Departmental operating bank accounts | 32,970 | 33,200 |
| Total cash | 384,782 | 401,640 |
| The above figures are reconciled to cash at the end of the financial year as shown in the statement of cash flows as follows: | | |
| Balances as above | 384,782 | 401,640 |
| Balances per statement of cash flows | 384,782 | 401,640 |

Cash at bank

Due to the State of Victoria's investment policy and government funding arrangements, government departments generally do not hold a large cash reserve in their bank accounts. Cash received by a department from the generation of revenue is generally paid into the State's bank account, known as the Public Account. Similarly, any departmental expenditure, including those in the form of cheques drawn by the Department for the payment of goods and services to its suppliers and creditors are made via the Public Account. The process is such that, the Public Account would remit to the Department the cash required for the amount drawn on the cheques. This remittance by the Public Account occurs upon the presentation of the cheques by the Department's suppliers or creditors.

*The schools' cash and investments balances for 2003–04 are held by the Department's schools across Victoria and are reported as at 31 December 2003. The balances for 2002–03 were balances held by schools as at 31 December 2002.

Amounts held by schools include term investments one year or less of \$82,120,803 (\$89,096,127 in 2003).

Note 9 Receivables

| | 2004 \$'000 | 2003 \$'000 |
|--|----------------|----------------|
| Current | | |
| Amounts owing from the Victorian Government | 237,965 | 182,837 |
| GST receivables | 21,074 | 16,612 |
| WorkCover | 1,976 | 311 |
| Other debtors | 3,507 | 9,517 |
| | 264,522 | 209,277 |
| Less: Provision for doubtful debts | (2,072) | (501) |
| Total current receivables | 262,450 | 208,776 |
| Non-current | | |
| Amounts owing from the Victorian Government | 144,407 | 135,608 |
| Other debtors | 425 | 191 |
| Less: Provision for doubtful debts | (84) | (67) |
| Total non-current receivables | 144,748 | 135,732 |
| Aggregate carrying amount of receivables | | |
| Current | 262,450 | 208,776 |
| Non-current | 144,748 | 135,732 |
| Total aggregate carrying amount of receivables | 407,198 | 344,508 |

Note 10 Prepayments

| | 2004 \$'000 | 2003 \$'000 |
|-------------------------------|----------------|----------------|
| Prepayments | | |
| Operating expenses | 11,671 | 6,577 |
| Grants to other organisations | - | 596 |
| Total prepayments | 11,671 | 7,173 |

Note 11 Property, plant and equipment

| | 2004 \$'000 | 2003 \$'000 |
|---|------------------|------------------|
| Land | | |
| Crown land | | |
| At cost | 33,179 | 26,397 |
| At independent valuation | – | 3,185,427 |
| At Secretary's valuation | 3,968,914 | – |
| Total land | 4,002,093 | 3,211,824 |
| Buildings | | |
| At cost | 228,325 | 260,538 |
| Less: Accumulated depreciation | (5,260) | (4,571) |
| | 223,065 | 255,967 |
| At valuation 1996–97 | – | 3,631 |
| Less: Accumulated depreciation | – | (3,459) |
| | – | 172 |
| At valuation 1997–98 | – | 2,196 |
| Less: Accumulated depreciation | – | (345) |
| | – | 1,851 |
| At valuation 1998–99 | – | 7,706 |
| Less: Accumulated depreciation | – | (1,078) |
| | – | 6,628 |
| At valuation 1999–2000 | – | 435,875 |
| Less: Accumulated depreciation | – | (36,063) |
| | – | 399,812 |
| At valuation 2000–01 | – | 933,183 |
| Less: Accumulated depreciation | – | (47,267) |
| | – | 885,916 |
| At valuation 2001–02 | 1,040,997 | 1,076,443 |
| Less: Accumulated depreciation | (64,359) | (32,677) |
| | 976,638 | 1,043,766 |
| At valuation 2002–03 | 1,108,835 | 1,112,768 |
| Less: Accumulated depreciation | (28,189) | – |
| | 1,080,646 | 1,112,768 |
| At valuation 2003–04 | 1,710,697 | – |
| Less: Accumulated depreciation | – | – |
| | 1,710,697 | – |
| Total buildings at valuation | 3,860,529 | 3,571,802 |
| Total accumulated depreciation | (92,548) | (120,889) |
| | 3,767,981 | 3,450,913 |
| Total buildings | 3,991,046 | 3,706,880 |
| Leasehold improvements – at cost | 8,741 | 8,720 |
| Less: Accumulated amortisation | (3,648) | (2,978) |
| | 5,093 | 5,742 |
| Total buildings and leasehold improvements | 3,996,139 | 3,712,622 |
| Total land and buildings | 7,998,232 | 6,924,446 |

| | 2004 \$'000 | 2003 \$'000 |
|---|------------------|------------------|
| Plant and equipment | | |
| At cost | 839,554 | 798,952 |
| Less: Accumulated depreciation | (575,348) | (514,189) |
| | 264,206 | 284,763 |
| Plant and equipment under finance lease | 1,029 | – |
| Less: Accumulated amortisation | (26) | – |
| | 1,003 | – |
| Total plant and equipment at written-down value | 265,209 | 284,763 |
| Work in progress | | |
| Buildings | 287,037 | 231,104 |
| Plant and equipment | 7,156 | 5,040 |
| Total | 294,193 | 236,144 |
| Total property, plant and equipment including work in progress | 8,557,634 | 7,445,353 |

Valuations of land and buildings

The basis of valuation of land and buildings adopted for those assets revalued as at 30 June 2004 is fair value. Buildings are depreciated based on current replacement cost of the asset's remaining future economic benefits. The revaluation as at 30 June 2004 is a Secretary's valuation based on indexation figures supplied by Ernst & Young Real Estate Advisory Services.

Prior to 30 June 2002, the basis of valuation of the land and building revalued is deprival value being the loss an entity would incur if deprived of the service potential embodied in the asset. The revaluation was based on independent assessments.

Reconciliations

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

| | Land \$'000 | Buildings \$'000 | Leasehold improvements \$'000 | Plant & equipment \$'000 | Work in progress \$'000 | Total \$'000 |
|------------------------------------|------------------|---------------------|-------------------------------------|--------------------------------|-------------------------------|------------------|
| 2004 | | | | | | |
| Carrying amount at start of year | 3,211,824 | 3,706,880 | 5,742 | 284,763 | 236,144 | 7,445,353 |
| Additions | 14,987 | 158,811 | 39 | 112,790 | – | 286,627 |
| Expenditure on work in progress | – | – | – | – | 222,486 | 222,486 |
| Transfers to completed assets | – | – | – | – | (145,849) | (145,849) |
| Disposals | (7,999) | (9,762) | (18) | (19,693) | – | (37,472) |
| Revaluation increments (note 16) | 783,281 | 226,503 | – | – | (18,588) | 991,196 |
| Depreciation/amortisation (note 6) | – | (101,532) | (670) | (106,954) | – | (209,156) |
| Other adjustments | – | 10,146 | – | (5,697) | – | 4,449 |
| Carrying amount at end of year | 4,002,093 | 3,991,046 | 5,093 | 265,209 | 294,193 | 8,557,634 |

Note 12 Payables

| | 2004 \$'000 | 2003 \$'000 |
|--|----------------|----------------|
| Salaries, wages and oncosts | 92,462 | 56,665 |
| Accrued payments to non-government schools | 76,692 | 66,292 |
| Accrued grants and transfer payments | 1,210 | – |
| Government schools' creditors* | 5,471 | 5,203 |
| Capital expenditure | 17,025 | 20,352 |
| Operating expenditure | 36,296 | 21,581 |
| Advance from public account | 10,239 | 8,026 |
| | 239,395 | 178,119 |

*The schools' creditors balances for 2003–04 are held by the Department's schools across Victoria and are reported as at 31 December 2003. The balances reported for 2002–03 were the balances held by the schools as at 31 December 2002.

Note 13 Interest-bearing liabilities

| | 2004 \$'000 | 2003 \$'000 |
|--|----------------|----------------|
| Current | | |
| Secured | | |
| Lease liabilities (note 22) | 226 | – |
| | 226 | – |
| Non-current | | |
| Secured | | |
| Lease liabilities (note 22) | 779 | – |
| | 779 | – |
| Aggregate carrying amount of interest-bearing liabilities | | |
| Current (note 22) | 226 | – |
| Non-current (note 22) | 779 | – |
| | 1,005 | – |

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

Assets pledged as security

The carrying amount of non-current assets pledged as security are:

| | 2004 \$'000 | 2003 \$'000 |
|---|----------------|----------------|
| Finance lease | | |
| Plant and equipment under finance lease (note 11) | 1,003 | – |
| Total non-current assets pledged as security | 1,003 | – |

Note 14 Provisions

| | 2004 \$'000 | 2003 \$'000 |
|--|----------------|----------------|
| Current | | |
| Employee benefits (note 23) | 130,016 | 123,340 |
| Legal expenses | 750 | 846 |
| Sabbatical leave | 1,430 | 1,430 |
| Total current | 132,196 | 125,616 |
| Non-current | | |
| Employee benefits (note 23) | 728,248 | 696,379 |
| Total non-current | 728,248 | 696,379 |
| Aggregate carrying amount of provisions | | |
| Current | 132,196 | 125,616 |
| Non-current | 728,248 | 696,379 |
| Total aggregate carrying amount of provisions | 860,444 | 821,995 |
| Employee benefits | 858,264 | 819,719 |
| Legal expenses | 750 | 846 |
| Sabbatical leave | 1,430 | 1,430 |
| | 860,444 | 821,995 |

Movements in provisions

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

| | 2004 \$'000 | |
|--|----------------|------------------|
| | Legal expenses | Sabbatical leave |
| Carrying amount at start of year | 846 | 1,430 |
| Additional provisions recognised | 500 | – |
| Payments and other sacrifices of economic benefits | (596) | – |
| Carrying amount at end of year | 750 | 1,430 |

Note 15 Other current liabilities

| | 2004 \$'000 | 2003 \$'000 |
|--|----------------|----------------|
| Unearned revenue* | 11,107 | 9,115 |
| Total other current liabilities | 11,107 | 9,115 |

*Relates to tuition fees received from international students

Note 16 Equity and movements in equity

| | 2004 \$'000 | 2003 \$'000 |
|--|------------------|----------------|
| (a) Contributed capital | | |
| Balance as at beginning of reporting period | 4,588,016 | 4,546,757 |
| Capital contribution by Victorian State Government (note 5) | 59,774 | 57,360 |
| Assets received free of charge | 1,279 | 148 |
| Net capital contributed upon restructure (note 3) | – | (218) |
| Equity transfers to other government entities | (7,607) | (16,081) |
| Transfer from accumulated surplus | – | 50 |
| Balance 30 June 2004 | 4,641,462 | 4,588,016 |
| (b) Reserves | | |
| Asset revaluation reserve | 3,304,451 | 2,313,255 |
| | 3,304,451 | 2,313,255 |
| Movements | | |
| Asset revaluation reserve | | |
| Balance 1 July 2003 | 2,313,255 | 1,438,779 |
| Revaluation increment of Crown land and buildings during the year | 991,196 | 874,476 |
| Balance 30 June 2004 | 3,304,451 | 2,313,255 |
| (c) Accumulated surplus | | |
| Accumulated surplus as at beginning of reporting period | 294,549 | 182,075 |
| Transitional adjustment annual leave | – | (742) |
| Transfer to contributed capital | – | (50) |
| Net result for the reporting period | 15,692 | 113,266 |
| Accumulated surplus as at 30 June 2004 | 310,241 | 294,549 |
| (d) Total equity | | |
| Total equity at the beginning of the financial year | 7,195,820 | 6,167,611 |
| Total changes in equity recognised in the statement of financial performance | 1,006,888 | 987,000 |
| Net contribution of equity | 53,446 | 41,259 |
| Transfer to contributed capital | – | (50) |
| Total equity at the end of the financial year | 8,256,154 | 7,195,820 |
| (e) Nature and purpose of reserves | | |
| The asset revaluation reserve is used to record increments and decrements on the revaluation of non-current assets, as described in accounting policy note 1(h). | | |

Note 17 Financial instruments

(a) Credit risk exposures

The credit risk on financial assets of the Department, which have been recognised on the statement of financial position, is generally the carrying amount, net of any provisions for doubtful debts.

(b) Interest rate risk exposures

The Department's exposure to interest rate risk and the effective weighted average interest rate by maturity periods is set out in the following table.

| 2004 | Notes | Weighted average interest rate | Fixed interest maturing in: | | | | | Total \$'000 |
|------------------------------------|-------|--------------------------------|-------------------------------|-----------------------|--------------------------|--------------------------|-----------------------------|--------------|
| | | | Floating interest rate \$'000 | 1 year or less \$'000 | Over 1 to 5 years \$'000 | More than 5 years \$'000 | Non-interest bearing \$'000 | |
| Financial assets | | | | | | | | |
| Cash – Department | 8 | | – | – | – | – | 32,970 | 32,970 |
| Cash – schools | 8 | 3.94%, 4.38% | 269,691 | 82,121 | – | – | – | 351,812 |
| Receivables | 9 | | – | – | – | – | 407,198 | 407,198 |
| Other financial assets – schools | | 4.46% | – | – | 2,619 | 3,342 | 859 | 6,820 |
| | | | 269,691 | 82,121 | 2,619 | 3,342 | 441,027 | 798,800 |
| Financial liabilities | | | | | | | | |
| Payables | 12 | | – | – | – | – | 239,395 | 239,395 |
| Lease liabilities | 13 | 6% | – | 226 | 779 | – | – | 1,005 |
| | | | – | 226 | 779 | – | 239,395 | 240,400 |
| Net financial assets (liabilities) | | | 269,691 | 81,895 | 1,840 | 3,342 | 201,632 | 558,400 |

| 2003 | Notes | Weighted average interest rate | Fixed interest maturing in: | | | | | Total \$'000 |
|----------------------------------|-------|--------------------------------|-------------------------------|-----------------------|--------------------------|--------------------------|-----------------------------|--------------|
| | | | Floating interest rate \$'000 | 1 year or less \$'000 | Over 1 to 5 years \$'000 | More than 5 years \$'000 | Non-interest bearing \$'000 | |
| Financial assets | | | | | | | | |
| Cash – Department | 8 | | – | – | – | – | 33,200 | 33,200 |
| Cash – schools | 8 | 4.03%, 4.37% | 279,344 | 89,096 | – | – | – | 368,440 |
| Receivables | 9 | | – | – | – | – | 344,508 | 344,508 |
| Other financial assets – schools | | 4.63% | – | – | 4,913 | 894 | 568 | 6,375 |
| | | | 279,344 | 89,096 | 4,913 | 894 | 378,276 | 752,523 |
| Financial liabilities | | | | | | | | |
| Payables | 12 | | – | – | – | – | 178,119 | 178,119 |
| | | | – | – | – | – | 178,119 | 178,119 |
| Net financial assets | | | 279,344 | 89,096 | 4,913 | 894 | 200,157 | 574,404 |

(c) Net fair value of financial assets and liabilities

(i) On-balance sheet

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

The carrying amounts and net fair values of financial assets and liabilities at reporting date are:

| On-balance sheet financial instruments | 2004 | | 2003 | |
|---|------------------------|-----------------------|------------------------|-----------------------|
| | Carrying amount \$'000 | Net fair value \$'000 | Carrying amount \$'000 | Net fair value \$'000 |
| Financial assets | | | | |
| Cash – Department | 32,970 | 32,970 | 33,200 | 33,200 |
| Cash – schools | 351,812 | 351,812 | 344,508 | 344,508 |
| Receivables | 407,198 | 407,198 | 336,482 | 336,482 |
| Other financial assets – schools | 6,820 | 6,820 | 6,375 | 6,375 |
| Non-traded financial assets | 798,800 | 798,800 | 752,523 | 752,523 |
| Financial liabilities | | | | |
| Payables | (239,395) | (239,395) | (178,119) | (178,119) |
| Other current liabilities | (1,005) | (1,005) | – | – |
| Non-traded financial liabilities | (240,400) | (240,400) | (178,119) | (178,119) |

(ii) Off-balance sheet

The Department has potential financial liabilities, which may arise from certain contingencies disclosed in note 21. As explained in that note, no material losses are anticipated in respect of any of the contingencies and the net fair value disclosed below is the estimate of amounts which would be payable by the Department as consideration for the assumption of those contingencies by another party.

| | 2004 | | 2003 | |
|--|---------------------------|--------------------------|---------------------------|--------------------------|
| | Carrying amount \$'000 | Net fair value \$'000 | Carrying amount \$'000 | Net fair value \$'000 |
| Off-balance sheet financial instruments | | | | |
| Financial liabilities (see note 21) | | | | |
| Contingencies | – | 15,761 | – | 13,803 |
| | – | 15,761 | – | 13,803 |

None of the classes of financial assets and liabilities are readily traded on organised markets in standardised form.

Net fair value is exclusive of costs, which would be incurred on realisation of an asset, and inclusive of costs, which would be incurred on settlement of a liability.

Note 18 Ministers and Accountable Officers

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

Names

The persons who held positions as Ministers and Accountable Officers in the Department were as follows:

Minister for Education and Training
Lynne Kosky, MP 1 July 2003 to 30 June 2004

Acting Minister for Education and Training
Jacinta Allan, MP 18 August to 22 August 2003
11 September to 12 September 2003
15 January to 24 January 2004

Gavin Jennings, MP 25 January to 26 January 2004
Jacinta Allan, MP 13 February to 27 February 2004
7 June to 30 June 2004

Minister for Education Services
Jacinta Allan, MP 1 July 2003 to 30 June 2004

Acting Minister for Education Services
Lynne Kosky, MP 11 July to 4 August 2003
27 January to 1 February 2004

Secretary
Grant Hehir 1 July 2003 to 30 June 2004

Acting Secretary
Jenny Samms 11 August to 15 August 2003
Jeffrey Rosewarne 23 December 2003 to 2 January 2004
James Davidson 5 January to 16 January 2004

Remuneration

Remuneration received or receivable by the Accountable Officers in connection with the management of the Department during the reporting period was in the range:

| | 2004 | 2003 |
|---------------------|------|------|
| \$40,000 – \$49,999 | – | 1 |
| \$130,000–\$139,999 | – | 1 |
| \$140,000–\$149,999 | – | 1 |
| \$300,000–\$309,999 | 1 | – |

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

Related party transactions

Mr Grant Hehir, as Secretary of the Department of Education & Training, has responsibility for the disbursement of grants to the Victorian Learning and Skills Commission. The amount of grants made by the Department of Education & Training in 2003–04 was \$591,687,880 (2002–03 \$596,140,444).

Other transactions

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

Note 19 Remuneration of executives

The numbers of Executive Officers, other than Ministers and Accountable Officers, and their total remuneration during the reporting period are shown in the first two columns in the table below in their relevant income bands. The base remuneration of executive officers is shown in the third and fourth columns. Base remuneration is exclusive of bonus payments, long-service leave payments, redundancy payments and retirement benefits.

Several factors have affected total remuneration payable to executives over the year. A number of employment contracts were completed during the year and renegotiated and a number of executives received bonus payments during the year. These bonus payments depend on the terms of individual employment contracts. Some contracts provide for an annual bonus payment whereas other contracts only include the payment of bonuses on the successful completion of the full term of the contract. A number of these contract completion bonuses became payable during the year.

A number of Executive Officers retired, resigned or were retrenched in the past year. This has had a significant impact on total remuneration figures due to the inclusion of annual leave, long-service leave and retrenchment payments.

The remuneration of Executive Officers for 2003 and 2004 includes, for the first time, the Adult, Community and Further Education Board and the Victorian Learning and Employment Skills Commission. This has resulted in a comparative change for the 2003 year.

| Income band | Total remuneration | | Base remuneration | |
|------------------------------|--------------------|----------------|-------------------|----------------|
| | 2004 Number | 2003 Number | 2004 Number | 2003 Number |
| \$0,000–\$9,999 | – | 1 | – | 1 |
| \$10,000–\$19,999 | – | 4 | – | 4 |
| \$20,000–\$29,999 | 2 | 2 | 5 | 2 |
| \$30,000–\$39,999 | 1 | – | 4 | – |
| \$40,000–\$49,999 | 1 | – | 1 | – |
| \$50,000–\$59,999 | – | – | 1 | – |
| \$60,000–\$69,999 | 2 | – | 2 | 2 |
| \$70,000–\$79,999 | 1 | 1 | – | – |
| \$80,000–\$89,999 | 1 | – | 1 | 3 |
| \$90,000–\$99,999 | 1 | 1 | 3 | 3 |
| \$100,000–\$109,999 | 1 | 5 | 3 | 4 |
| \$110,000–\$119,999 | 4 | 7 | 5 | 14 |
| \$120,000–\$129,999 | 7 | 10 | 8 | 11 |
| \$130,000–\$139,999 | 9 | 11 | 12 | 16 |
| \$140,000–\$149,999 | 9 | 9 | 13 | 6 |
| \$150,000–\$159,999 | 12 | 11 | 4 | 3 |
| \$160,000–\$169,999 | 11 | 3 | 6 | 2 |
| \$170,000–\$179,999 | 1 | 4 | 2 | 1 |
| \$180,000–\$189,999 | 4 | 2 | – | 2 |
| \$190,000–\$199,999 | 2 | 2 | 1 | – |
| \$200,000–\$209,999 | 2 | 1 | 2 | – |
| \$210,000–\$219,999 | 1 | – | – | – |
| \$220,000–\$229,999 | – | – | – | – |
| \$230,000–\$239,999 | – | – | – | – |
| \$240,000–\$249,999 | – | – | – | – |
| \$250,000–\$259,999 | 1 | – | – | – |
| \$260,000–\$269,999 | – | – | – | – |
| \$270,000–\$279,999 | – | – | – | – |
| Total numbers | 73 | 74 | 73 | 74 |
| Total amount (\$'000) | \$10,325 | \$9,476 | \$8,819 | \$8,545 |

Note 20 Remuneration of auditors

Audit fees paid or payable to the Victorian Auditor-General's Office for audit of the Department's financial report:

| | 2004 \$'000 | 2003 \$'000 |
|----------------------------|----------------|----------------|
| Paid as at 30 June 2004 | 127 | 105 |
| Payable as at 30 June 2004 | 157 | 171 |
| Total audit fees | 284 | 276 |

Note 21 Contingent liabilities and contingent assets

Details and estimates of maximum amounts of contingent liabilities are as follows:

Quantifiable contingent liabilities

| | 2004 \$'000 | 2003 \$'000 |
|--------------------|----------------|----------------|
| Claims for damages | 15,761 | 13,803 |
| | 15,761 | 13,803 |

Unquantifiable contingent liabilities

The Department has a number of unquantifiable contingent liabilities as follows:

- (a) Indemnities provided by the Department of Education & Training to the Commonwealth in funding contracts entered with the Commonwealth throughout the year. Each indemnity is limited to \$10 million for personal injuries and property damage, and \$50 million for damages arising out of Internet usage.
- (b) Indemnities provided by the Department of Education & Training to teachers, volunteer workers, school chaplains and school councils. This indemnity for teachers protects them against liability for personal injuries to students provided the teacher was not intoxicated, not engaged in a criminal offence, was not engaged in outrageous conduct, and was in the course of the teacher's employment.

- (c) Indemnities provided by the Department of Education & Training to members of school councils. The *Education Act 1958* provides a comprehensive indemnity to members of school councils for any legal liability, whether in contract, negligence, defamation etc.

- (d) The Government also provides an indemnity for persons employed under the *Public Sector Management and Employment (PSME) Act 1998*.

No material losses are anticipated in respect of any of the above unquantifiable contingent liabilities.

None of the above contingent liabilities are secured over any assets of the Department.

Unquantifiable contingent assets

The Department does not have any unquantifiable contingent assets.

Note 22 Commitments for expenditure

Capital commitments

Commitments for the acquisition of buildings, plant and equipment contracted for at the reporting date but not recognised as liabilities:

Within one year

Later than one year but not later than five years

Later than five years

Total capital commitments

Operating leases*

Commitments for minimum lease payments in relation to non-cancellable operating leases are payable as follows:

Within one year

Later than one year but not later than five years

Later than five years

Total operating leases

Total commitments

*The Department leases equipment including photocopiers, computers, motor vehicles and property with varying lease terms.

Finance leases

Commitments in relation to finance leases are payable as follows:

Within one year

Later than one year but not later than five years

Later than five years

Minimum lease payments

Less: Future finance charges

Recognised as a liability

Add: Lease incentives on non-cancellable operating leases included in lease liabilities

Total lease liabilities

Representing lease liabilities:

Current (note 13)

Non-current (note 13)

Total finance leases

The weighted average interest rate implicit in the leases is 6 per cent.

| | 2004 \$'000 | 2003 \$'000 |
|---|----------------|----------------|
| Capital commitments | | |
| Within one year | 111,845 | 95,900 |
| Later than one year but not later than five years | - | 2,883 |
| Later than five years | - | - |
| Total capital commitments | 111,845 | 98,783 |
| Operating leases* | | |
| Within one year | 93,041 | 44,497 |
| Later than one year but not later than five years | 108,623 | 69,370 |
| Later than five years | 31,195 | 34,355 |
| Total operating leases | 232,859 | 148,222 |
| Total commitments | 344,704 | 247,005 |
| | | |
| | 2004 \$'000 | 2003 \$'000 |
| Within one year | 285 | - |
| Later than one year but not later than five years | 835 | - |
| Later than five years | - | - |
| Minimum lease payments | 1,120 | - |
| Less: Future finance charges | (115) | - |
| Recognised as a liability | 1,005 | - |
| Add: Lease incentives on non-cancellable operating leases included in lease liabilities | - | - |
| Total lease liabilities | 1,005 | - |
| Representing lease liabilities: | | |
| Current (note 13) | 226 | - |
| Non-current (note 13) | 779 | - |
| Total finance leases | 1,005 | - |

Note 23 Employee benefits

| | 2004 \$'000 | 2003 \$'000 |
|---|----------------|----------------|
| Provision for employee benefits | | |
| Current (note 14) | | |
| Annual leave | 51,730 | 48,490 |
| Long-service leave | 77,628 | 74,181 |
| Other | 658 | 669 |
| | 130,016 | 123,340 |
| Non-current (note 14) | | |
| Long-service leave | 728,248 | 696,379 |
| | 728,248 | 696,379 |
| Aggregate employee benefit liability | 858,264 | 819,719 |
| Employee numbers | | |
| Average number of employees during the financial year | 59,301 | 58,929 |

As a result of the new Enterprise Bargaining Agreement effective 1 March 2004 for VPS staff and 1 April 2004 for teaching staff, long-service leave entitlement becomes effective after seven years.

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

| | 2004 Rate | 2003 Rate |
|---|--------------|--------------|
| (a) Long-service leave | | |
| Weighted average rates of increase in annual employee entitlements to settlement of the liabilities | 4.50% | 4.60% |
| Weighted average discount rates | 5.73% | 4.86% |
| Weighted average terms to settlement of the liabilities | 8 years | 8 years |
| (b) Superannuation | | |
| Name of scheme | | |
| State Superannuation Fund – Revised Scheme | 15.50% | 15.50% |
| State Superannuation Fund – New Scheme 0% contributor | 9.00% | 9.00% |
| State Superannuation Fund – New Scheme 3% contributor | 9.00% | 9.00% |
| State Superannuation Fund – New Scheme 5% contributor | 9.50% | 9.50% |
| State Superannuation Fund – New Scheme 7% contributor | 10.00% | 10.00% |
| VicSuper* | 9.00% | 9.00% |
| State Employees Retirement Benefits Scheme | 12.50% | 12.50% |
| Other Private Schemes | 9.00% | 9.00% |

*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.

Government Employees Superannuation Fund

No liability is recognised in the statement of financial position for the Department's share of the State's unfunded superannuation liability. The State's unfunded superannuation liability has been reflected in the financial statements of the Department of Treasury and Finance. However, superannuation contributions for the reporting period are included as part of salaries and associated costs in the statement of financial performance of the Department.

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

| Funds | Contribution for the year | | Contribution outstanding at year end | |
|---|---------------------------|----------------|--------------------------------------|----------------|
| | 2004 \$'000 | 2003 \$'000 | 2004 \$'000 | 2003 \$'000 |
| State Superannuation Fund (defined benefit scheme) | 175,669 | 173,421 | – | 14,400 |
| VicSuper (accumulation scheme) | 93,149 | 89,879 | 16,459 | – |
| State Employees Retirement Benefits Scheme (defined benefit scheme) | 3,598 | 3,729 | 337 | 298 |
| Various other schemes | 13,761 | 7,325 | – | – |
| Total | 286,177 | 274,354 | 16,796 | 14,698 |

The bases for contributions are determined by the various schemes.

All employees of the Department are entitled to benefits on retirement, disability or death from the Government Employees Superannuation Fund. This fund provides defined lump-sum benefits based on years of service and final average salary.

The above amounts were measured as at 30 June of each year, or in the case of employer contributions they relate to the years ended 30 June.

Note 24 Administered items

In addition to the specific departmental operations which are included in the statement of financial position, statement of financial performance and statement of cash flows, the Department administers or manages activities on behalf of the State. The transactions relating to these State activities are reported as administered items in this note. Administered transactions give rise to revenues, expenses, assets and liabilities and are determined on an accrual basis. Administered revenues include taxes, fees and fines and the proceeds from the sale of administered surplus land and buildings. Administered liabilities include government expenses incurred but yet to be paid. Administered assets include government revenues earned but yet to be collected.

| | School education | | Training and tertiary education | | Policy, strategy and information services | | Youth | | Departmental total | |
|---|------------------|------------------|---------------------------------|----------------|---|----------------|----------------|----------------|--------------------|------------------|
| | 2004 \$'000 | 2003 \$'000 | 2004 \$'000 | 2003 \$'000 | 2004 \$'000 | 2003 \$'000 | 2004 \$'000 | 2003 \$'000 | 2004 \$'000 | 2003 \$'000 |
| Administered | | | | | | | | | | |
| Administered revenue | | | | | | | | | | |
| Commonwealth on-passing to non-government schools | | | | | | | | | | |
| General recurrent grant | 1,117,604 | 1,016,316 | – | – | – | – | – | – | 1,117,604 | 1,016,316 |
| Other | 85,961 | 83,029 | – | – | – | – | – | – | 85,961 | 83,029 |
| Prizes and scholarships | 155 | 160 | – | – | – | – | – | – | 155 | 160 |
| Proceeds from sale of assets | 1,858 | 676 | – | – | – | – | – | – | 1,858 | 676 |
| Commonwealth general recurrent grants to government schools | 358,431 | 329,461 | – | – | – | – | – | – | 358,431 | 329,461 |
| Other | 141,000 | 125,902 | – | – | – | – | – | – | 141,000 | 125,902 |
| Total | 1,705,009 | 1,555,544 | – | – | – | – | – | – | 1,705,009 | 1,555,544 |
| Administered expenses | | | | | | | | | | |
| Commonwealth on-passing to non-government schools | | | | | | | | | | |
| General recurrent grant | 1,117,660 | 1,016,245 | – | – | – | – | – | – | 1,117,660 | 1,016,245 |
| Other | 85,932 | 82,970 | – | – | – | – | – | – | 85,932 | 82,970 |
| Prizes and scholarships | 110 | 119 | – | – | – | – | – | – | 110 | 119 |
| WDV of assets sold* | 10,695 | 2,113 | – | – | – | – | – | – | 10,695 | 2,113 |
| Amounts paid to Consolidated Fund** | 500,945 | 440,158 | – | – | – | – | – | – | 500,945 | 440,158 |
| Other | 0 | 11,303 | – | – | – | – | – | – | 0 | 11,303 |
| Total | 1,715,342 | 1,552,908 | – | – | – | – | – | – | 1,715,342 | 1,552,908 |
| Revenue less expenses | (10,333) | 2,636 | – | – | – | – | – | – | (10,333) | 2,636 |

*Revenue associated with the sale of these assets is recorded in the financial statements of the Department of Treasury and Finance.

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

| | School education | | Training and tertiary education | | Policy, strategy and information services | | Youth | | Departmental total | |
|---------------------------------|------------------|----------------|---------------------------------|----------------|---|----------------|----------------|----------------|--------------------|----------------|
| | 2004 \$'000 | 2003 \$'000 | 2004 \$'000 | 2003 \$'000 | 2004 \$'000 | 2003 \$'000 | 2004 \$'000 | 2003 \$'000 | 2004 \$'000 | 2003 \$'000 |
| Administered assets | | | | | | | | | | |
| Receivables | 13,952 | 14,985 | - | - | - | - | - | - | 13,952 | 14,985 |
| Investments | 4,115 | 2,724 | - | - | - | - | - | - | 4,115 | 2,724 |
| Prepayments | 3,178 | 3,011 | - | - | - | - | - | - | 3,178 | 3,011 |
| Other | (8) | (9) | - | - | - | - | - | - | (8) | (9) |
| Property, plant and equipment | 10,881 | 13,968 | - | - | - | - | - | - | 10,881 | 13,968 |
| Total | 32,118 | 34,679 | - | - | - | - | - | - | 32,118 | 34,679 |
| Administered liabilities | | | | | | | | | | |
| Creditors and accruals | 3,339 | 3,177 | - | - | - | - | - | - | 3,339 | 3,177 |
| Total | 3,339 | 3,177 | - | - | - | - | - | - | 3,339 | 3,177 |

Note 25 Ex-gratia payments

The Department made the following ex-gratia payments which are disclosed below in bands of \$10,000. These ex-gratia payments arise from personal injury claims involving students and third parties. The settlement of legal action is taken under the *Equal Opportunity Act (1995)* and the *Workplace Relations Act (1996)*.

| | 2004 Number | 2003 Number |
|---------------------------------|--------------------|--------------------|
| \$0 – \$9,999 | 82 | 64 |
| \$10,000–\$19,999 | 21 | 28 |
| \$20,000–\$29,999 | 11 | - |
| \$30,000–\$39,999 | 12 | 11 |
| \$40,000–\$49,999 | 2 | 4 |
| \$50,000–\$59,999 | 1 | 3 |
| \$60,000–\$69,999 | 3 | 1 |
| \$70,000–\$79,999 | 2 | - |
| \$80,000–\$89,999 | 3 | - |
| \$90,000–\$99,999 | - | 1 |
| \$100,000–\$109,999 | - | 3 |
| \$110,000–\$119,999 | - | 1 |
| \$120,000–\$129,999 | - | 2 |
| \$130,000–\$139,999 | - | - |
| \$140,000–\$149,999 | - | - |
| \$150,000–\$159,999 | 1 | - |
| \$160,000–\$169,999 | - | - |
| \$170,000–\$179,999 | - | - |
| \$180,000–\$189,999 | - | 1 |
| \$190,000–\$199,999 | 1 | - |
| \$200,000–\$209,999 | - | - |
| \$210,000–\$219,999 | - | - |
| \$220,000–\$229,999 | - | - |
| \$230,000–\$239,999 | - | - |
| \$240,000–\$249,999 | - | - |
| \$250,000–\$259,999 | - | - |
| \$260,000–\$269,999 | - | - |
| \$270,000–\$279,000 | 1 | - |
| Total number of payments | 140 | 119 |
| Total amount of payments | \$2,452,790 | \$2,376,424 |

Note 26 Reconciliation of result from ordinary activities to net cash inflow from operating activities

| | 2004 \$'000 | 2003 \$'000 |
|---|----------------|----------------|
| Net results for the reporting period | 15,692 | 113,266 |
| Depreciation and amortisation | 209,156 | 219,927 |
| Net (gain)/loss on sale of non-current assets | 17,373 | 19,390 |
| Write-back of assets | – | 46,287 |
| Net transfers free of charge | 1,739 | 47 |
| Change in operating assets and liabilities, net of effects from restructuring | | |
| Decrease (increase) in receivables | (62,690) | 17,510 |
| Decrease (increase) in other current assets | (4,498) | (4,550) |
| Increase (decrease) in payables | 61,276 | (79,447) |
| Increase (decrease) in other current liabilities | 1,992 | 468 |
| Increase (decrease) in employee entitlements | 38,449 | 29,199 |
| Net cash inflow from operating activities | 278,489 | 362,097 |

Note 27 Events occurring after reporting date

In the interval between the end of the financial year and the date of this report there has not arisen any item, transaction or event of a material or unusual nature likely to affect significantly the operations of the Department in subsequent financial years.

Note 28 Non-cash financing and investing activities

| | 2004 \$'000 | 2003 \$'000 |
|---|----------------|----------------|
| Acquisition of plant and equipment by means of finance leases | 1,005 | – |
| | 1,005 | – |

During the reporting period, the Department entered into a new finance leasing arrangement with VicFleet (Department of Treasury and Finance) for the replacement of vehicles.

Note 29 Impact of adopting AASB equivalents to IASB standards

For reporting periods beginning on or after 1 January 2005, all Australian reporting entities are required to adopt the financial reporting requirements of the Australian equivalents to IFRS. This requirement also extends to any comparative financial information included within the report. The first day of the comparative period, 1 July 2004, effectively becomes the transition date for the Department. Any adjustments arising from changes in the recognition or measurement of assets and liabilities at the transition date arising from the adoption of IFRS will be made against accumulated funds at the transition date.

The Department has taken the following steps in managing the transition to Australian equivalents to IFRS:

- established a steering committee for the oversight of the transition to and implementation of the Australian equivalents to IFRS
- reviewed the Department's current accounting policies and the proposed new standards to identify key issues and the likely impacts resulting from the adoption of Australian equivalents to IFRS
- commenced an education and training process for all stakeholders to raise awareness of the changes in reporting requirements and the processes to be undertaken
- initiated reconfiguration and testing of user systems and processes to meet new requirements.

The Department has identified a number of changes to the existing accounting policies that may have a material impact on the Department's future financial position and performance following the adoption of the requirements of Australian equivalents to IFRS (the new standards). These include:

- Valuation of assets. In accordance with the Victorian Government policy, Revaluation of Non-Current Physical Assets, the Department currently measures its non-current physical assets, other than plant, equipment and vehicles, at fair value subsequent to initial recognition. Plant, equipment and vehicles are measured on a cost basis. Revaluations are assessed annually and supplemented by independent assessments at least every three years. The new standard continues to offer a choice for measuring each class of non-current physical assets either at cost or at fair value. However, non-current assets measured at fair value will only be required to be revalued at least every three to five years and all assets in a class must be revalued at the same time.

The Victorian Government has not yet concluded whether it will make any changes to the valuation basis of any class of asset or the methodology or frequency at which revaluations are performed. The financial effects of any such changes are unknown.

- Impairment of assets. Under the new standards, an asset will be required to be assessed for impairment each year. If indicators of impairment exist, the carrying value of an asset will need to be assessed to ensure that the carrying value does not exceed its recoverable amount, which is the higher of its value-in-use and fair value less costs to sell. For the Department, value-in-use of an asset is its depreciated replacement cost. Other than inventories, financial assets and assets arising from construction contracts, impairment testing will apply to all assets regardless of whether they are measured on a cost or fair value basis. Where the carrying value of an asset exceeds its recoverable amount, the difference will be written off as an impairment loss to the statement of financial performance except to the extent that the write-down can be debited to an asset revaluation reserve amount applicable to that asset. Any impairment losses at transition date will be adjusted against the accumulated funds.
- Finance leases. Existing Australian accounting standards require a lessee of a finance lease to recognise a lease asset and a lease liability equal to the present value of minimum lease payments at the beginning of the lease term. Under the new standard on leases, the asset and liability recognised would be equal to the lower of the present value of minimum lease payments and fair value of the leased asset. This may result in a write-down of the Department's lease assets and liabilities at the date of transition if the present value of minimum lease payments exceeds the fair value of the leased asset with the resulting adjustment made against accumulated funds. In addition, the guidance on whether a lease is a finance or operating lease is less prescriptive and there is a greater emphasis on the substance of the transaction when making a judgement.

In addition, a number of other changes in requirements have been identified which are expected to lead to changes in methodology or processes, increased disclosures and possibly changes in measurement of assets or liabilities. The changes are not expected to have a material impact.



Department of Education & Training

Office of the Secretary

ACCOUNTABLE OFFICER'S DECLARATION

We certify that the attached financial statements for the Department of Education and Training have been prepared in accordance with Part 9 of the Directions of the Minister for Finance under the *Financial Management Act 1994*, applicable Australian Accounting Standards and other mandatory professional reporting requirements.

We further state that, in our opinion, the information set out in the statement of financial performance, statement of financial position, statement of cash flows and notes to and forming part of the financial statements, presents fairly the financial transactions during the year ended 30 June 2004 and financial position of the Department as at 30 June 2004.

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

Grant Hehir

Date: 23/ 9 / 2004

Claire Tierney
Acting Chief Finance Officer

Date: 23/ 9 / 2004

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East Melbourne, Victoria 3002
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Melbourne, Victoria 3001





AUDITOR GENERAL
VICTORIA

AUDITOR-GENERAL'S REPORT

To the Members of the Parliament of Victoria, responsible Ministers and the Secretary of the Department of Education and Training

Matters relating to the electronic presentation of the Audited Financial Report

This audit report relates to the financial report of the Department of Education and Training for the financial year ended 30 June 2004 included on its web site. The Secretary of the Department of Education and Training is responsible for the integrity of the web site. I have not been engaged to report on the integrity of the 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 Department of Education and Training for the financial year ended 30 June 2004, comprising a statement of financial performance, statement of financial position, statement of cash flows and notes to the financial statements, has been audited. The Secretary of the Department of Education and Training is responsible for the preparation and presentation of the financial report and the information it contains. An independent audit of the financial report has been carried out in order to express an opinion on it to the Members of the Parliament of Victoria, responsible Ministers and the Secretary of the Department 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 Department's financial position, and its financial performance and cash flows.

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

Audit Opinion

In my opinion, the financial report presents fairly in accordance with applicable Accounting Standards and other mandatory professional reporting requirements in Australia, and the financial reporting requirements of the *Financial Management Act* 1994, the financial position of the Department of Education and Training as at 30 June 2004 and its financial performance and cash flows for the year then ended.

MELBOURNE
28 September 2004

J.W. CAMERON
Auditor-General

APPENDICES

Providing more detailed information about the education and training portfolio.

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APPENDIX 1 CONSISTENCY OF BUDGET AND FINANCIAL REPORTING

Introduction

The Government's budgeting framework reports each department's financial estimates in the annual State Budget Papers on a basis that consolidates all budget sector agencies within the Department.

Budget sector agencies are those agencies owned by the State Government that receive the majority of their income from State Government sources.

The financial statements provided in this appendix are consistent with those published in the 2003–04 Budget Paper Number 3 – Budget Estimates. Provision of the statements in this appendix allows comparison of the actual financial results of the Department consolidated budget sector agencies with the estimates published in the Budget Papers. This is consistent with the Government's commitment to more transparent financial reporting.

The total resources made available to a department are applied to three uses:

- provision of outputs
- asset investment
- payments on behalf of the State.

The financial statements on the following pages support the Department's provision of outputs. The information provided includes the statement of financial performance, the statement of financial position and the statement of cash flows for the Department, which presented in the format consistent with the AAS29 accounting standard. However, for the purposes of this report they have been divided into controlled and administered items.

Controlled items reflect those resources applied by the Department to carry out its functions and provide outputs.

Administered items refer to those resources over which the Department cannot exercise direct control. Authority is provided through an appropriation for payments made on behalf of the State. Under the AAS29 standard, these items would normally appear as notes to the financial statements.

The financial information consolidates information for the following portfolio entities:

- Department of Education & Training (including government schools)
- Adult, Community and Further Education Board

- Adult Multicultural Education Services
- Centre for Adult Education
- Driver Education Centre of Australia Limited
- International Fibre Centre Limited
- Merit Protection Boards
- Registered Schools Board
- Victorian Curriculum and Assessment Authority
- Victorian Learning and Employment Skills Commission
- Victorian Qualifications Authority
- 14 TAFE institutes and five universities with TAFE divisions.

Statement of financial performance for the year ended 30 June 2004

| Controlled items | Notes | 2003–04 Actual (\$ million) | 2003–04 Budget (\$ million) | Variation (a) (%) |
|---|-------|-----------------------------------|-----------------------------------|----------------------|
| Revenue from ordinary activities | | | | |
| Output appropriations | 1 | 5,756.8 | 5,694.7 | 1.1 |
| Special appropriations | | 0.3 | 0.3 | (3.3) |
| Resources received free of charge or for nominal consideration | | 0.0 | 0.7 | n/a |
| Sale of goods and services | 2 | 506.4 | 487.4 | 3.9 |
| Commonwealth grants | 3 | 296.6 | 273.8 | 8.3 |
| Other revenue and revenue from other parties (b) | 2 | 319.2 | 285.0 | 12.0 |
| Total | | 6,879.3 | 6,741.9 | 2.0 |
| Expenses from ordinary activities | | | | |
| Employee benefits (c) | 4 | 4,063.1 | 3,907.7 | 4.0 |
| Depreciation and amortisation | 5 | 280.2 | 270.2 | 3.7 |
| Grants and other payments | 6 | 553.5 | 565.0 | (2.0) |
| Capital asset charge | | 666.8 | 666.7 | 0.0 |
| Supplies and services (d) | 7 | 1,238.3 | 1,179.1 | 5.0 |
| Other expenses from ordinary activities | | 5.0 | 0.0 | n/a |
| Borrowing costs | | 0.7 | 1.7 | (57.1) |
| Total | | 6,807.6 | 6,590.4 | 3.3 |
| Result from ordinary activities | | 71.7 | 151.5 | (52.7) |
| Net result for the reporting period | | 71.7 | 151.5 | (52.7) |
| Net increase in asset revaluation reserve | | 1,166.0 | 0.0 | n/a |
| Total revenues, expenses and revaluation adjustments recognised directly in equity | | 1,166.0 | 0.0 | n/a |
| Total changes in equity other than those resulting from transactions with Victorian State Government in its capacity as owner on behalf of the Crown | | 1,237.7 | 151.5 | n/a |

| Administered items | Notes | 2003–04 Actual (\$ million) | 2003–04 Budget (\$ million) | Variation (a) (%) |
|-------------------------------------|--------------|--|--|------------------------------|
| Administered revenue | | | | |
| Sale of goods and services | | 1.8 | 1.7 | 4.1 |
| Commonwealth grants | 8 | 1,700.7 | 1,627.6 | 4.5 |
| Other | | (8.1) | 11.7 | n/a |
| Total | | 1,694.4 | 1,641.0 | 3.3 |
| Administered expenses | | | | |
| Grants and other payments | 8 | 1,203.7 | 1,162.0 | 3.6 |
| Payments into the Consolidated Fund | | 500.9 | 478.9 | 4.6 |
| Total | | 1,704.6 | 1,640.9 | 3.9 |
| Revenue less expenses | | (10.3) | 0.1 | n/a |

(a) Variation between 2003–04 Actual and 2003–04 Budget.

(b) Includes revenue for services delivered to parties outside of government.

(c) Includes salaries and allowances, superannuation contributions and payroll tax.

(d) Includes payments to non-government organisations for delivery of services.

The variances for controlled items can be explained as follows:

Note 1

The variance reflects additional appropriation funding from the Government for education and training.

Note 2

The variance was due to actual revenues raised by schools and TAFE institutes from non-government sources being greater than anticipated.

Note 3

The variance reflects increased revenue from the Commonwealth Government for TAFE institutes.

Note 4

The variance reflects the effect on salary expenses of wage increases, voluntary departure packages, the additional day in the leap year and increased employment in schools funded from grants and locally raised funds.

Note 5

The variance is due to the effect on depreciation expenses of asset revaluations, asset purchases by schools from locally raised funds and asset purchases by TAFE institutes from Commonwealth funds. These asset purchases are not supported by depreciation funding.

Note 6

The variance reflects grants to external organisations being marginally less than originally estimated.

Note 7

The variance reflects increased purchases by schools funded from increased locally raised revenue, government funding and the utilisation of cash reserves.

The variance for administered items can be explained as follows:

Note 8

The variance reflects indexation of Commonwealth funding for government and non-government schools being greater than anticipated.

Statement of financial position as at 30 June 2004

| Controlled items | Notes | 2003-04 Actual (\$ million) | 2003-04 Budget (\$ million) | Variation (a) (%) |
|--------------------------------------|-------|-----------------------------------|-----------------------------------|----------------------|
| Assets | | | | |
| Current assets | | | | |
| Cash assets | 1 | 458.4 | 478.9 | (4.3) |
| Other financial assets | | 164.1 | 156.1 | 5.1 |
| Receivables | | 76.0 | 69.8 | 8.8 |
| Inventories | | 9.4 | 8.4 | 11.7 |
| Prepayments | | 19.5 | 12.7 | 53.2 |
| Other assets | | 1.1 | 1.2 | (9.2) |
| Total current assets | | 728.5 | 727.1 | 0.2 |
| Non-current assets | | | | |
| Receivables (b) | 2 | 434.5 | 448.9 | (3.2) |
| Other financial assets | | 12.8 | 8.9 | 43.6 |
| Property, plant and equipment | 3 | 10,453.1 | 9,295.7 | 12.5 |
| Intangible assets | | 0.5 | 0.5 | 0.0 |
| Other | | 11.8 | 13.1 | (9.6) |
| Total non-current assets | | 10,912.7 | 9,767.1 | 11.7 |
| Total assets | | 11,641.2 | 10,494.2 | 10.9 |
| Liabilities | | | | |
| Current liabilities | | | | |
| Payables | 4 | 199.5 | 183.2 | 8.9 |
| Interest-bearing liabilities | | 0.7 | 1.8 | (60.0) |
| Provisions (c) | 5 | 234.0 | 198.6 | 17.8 |
| Other | | 78.3 | 75.9 | 3.2 |
| Total current liabilities | | 512.5 | 459.5 | 11.5 |
| Non-current liabilities | | | | |
| Interest-bearing liabilities | | 4.8 | 2.6 | 82.7 |
| Provisions | 5 | 811.0 | 788.7 | 2.8 |
| Amounts owing to other departments | | 0.3 | 1.1 | (71.8) |
| Total non-current liabilities | | 816.1 | 792.4 | 3.0 |
| Total liabilities | | 1,328.6 | 1,251.9 | 6.1 |
| Net assets | | 10,312.6 | 9,242.3 | 11.6 |

| | 2003–04 Actual (\$ million) | 2003–04 Budget (\$ million) | Variation (a) (%) |
|----------------------------------|-----------------------------------|-----------------------------------|----------------------|
| Administered items | | | |
| Assets | | | |
| Current assets | | | |
| Cash assets | 0.0 | 0.1 | (100.0) |
| Receivables | 16.8 | 16.5 | 1.5 |
| Other current assets | 0.0 | 0.0 | n/a |
| Prepayments | 3.2 | 3.0 | 6.0 |
| Other financial assets | 1.3 | 1.3 | 0.8 |
| Total current assets | 21.3 | 20.9 | 16.3 |
| Non-current assets | | | |
| Property, plant and equipment | 10.9 | 14.0 | (22.3) |
| | 10.9 | 14.0 | (22.3) |
| Total assets | 32.2 | 34.9 | (6.0) |
| Liabilities | | | |
| Current liabilities | | | |
| Payables | 0.1 | 0.2 | (35.0) |
| Other | 3.2 | 3.0 | 7.0 |
| Total current liabilities | 3.3 | 3.2 | 4.4 |
| Net assets | 28.9 | 31.7 | (10.4) |

(a) Variation between 2003–04 Actual and 2003–04 Budget.

(b) Includes cash balance held in trust in the Public Account.

(c) Includes employee benefits and superannuation.

The variances for controlled items can be explained as follows:

Note 1

The decrease reflects utilisation by schools of cash assets.

Note 2

The variance in the balance reflects the output revenue appropriated to the Department from the Government that is yet to be drawn down to meet cash flow needs. In addition to improved cash collection activities, the balance is directly influenced by the level of accruals and creditors at balance day.

Note 3

The variance is due to significant revaluation of property assets.

Note 4

The variance reflects timing of payments to creditors.

Note 5

The variance reflects the combined effect of salary increases, changes in the discount rate and the amount and timing of payments to employees during the year affecting the long-service leave liability of the Department.

Statement of cash flows for the year ended 30 June 2004

| Controlled items | Notes | 2003-04 Actual (\$ million) | 2003-04 Budget (\$ million) | Variation (a) (%) |
|--|-------|-----------------------------------|-----------------------------------|----------------------|
| Cash flows from operating activities | | | | |
| Operating receipts | | | | |
| Receipts from Government | | 5,757.1 | 5,904.2 | (2.5) |
| Receipts from other entities | | 289.6 | 496.6 | (41.7) |
| Interest received | | 35.4 | 20.0 | 76.9 |
| Other revenue | | 806.9 | 265.1 | n/a |
| | 1 | 6,889.0 | 6,685.9 | 3.0 |
| Operating payments | | | | |
| Payments for supplies, grants and employees | 2 | (5,765.8) | (5,624.7) | 2.5 |
| Capital asset charge | | (666.7) | (666.7) | n/a |
| Borrowing costs expense | | (0.8) | (1.7) | (55.9) |
| | | (6,433.3) | (6,293.1) | 2.2 |
| Net cash inflow (outflow) from operating activities | | 455.7 | 392.8 | 16.0 |
| Cash flows from investing activities | | | | |
| Investing receipts | | | | |
| Payments for property, plant and equipment | 3 | (494.3) | (460.7) | 7.3 |
| Proceeds from sale of property, plant and equipment | | 8.8 | 1.5 | n/a |
| Payments for investments | | 8.4 | n/a | n/a |
| Repayment of loans by other entities | | (0.2) | n/a | n/a |
| Net cash inflow (outflow) from investing activities | | (477.3) | (459.2) | 3.9 |
| Cash flows from financing activities | | | | |
| Net proceeds from capital contribution by State Government | | n/a | 68.2 | 0.1 |
| Net proceeds of borrowings | | 2.7 | n/a | n/a |
| Net cash inflow (outflow) from financing activities | | 2.7 | 68.2 | n/a |
| Net increase (decrease) in cash held | | (18.9) | 1.8 | (1,155.9) |
| Cash at beginning of period | | 477.3 | 477.2 | 0.0 |
| Cash at end of financial year | | 458.4 | 478.9 | (4.3) |

| | Notes | 2003–04 Actual (\$ million) | 2003–04 Budget (\$ million) | Variation (a) (%) |
|--|----------|-----------------------------------|-----------------------------------|----------------------|
| Administered items | | | | |
| Cash flows from operating activities | | | | |
| Operating receipts | | | | |
| Receipts from Government | | 1,700.8 | 1,627.6 | 4.5 |
| Interest received | | 0.1 | 0.1 | n/a |
| Other revenue | | 2.8 | 2.3 | 22.0 |
| | 4 | 1,703.7 | 1,630.0 | 4.5 |
| Operating payments | | | | |
| Payments for supplies, grants and employees | | (1,704.9) | (1,641.0) | 3.9 |
| | 4 | (1,704.9) | (1,641.0) | 3.9 |
| Net cash inflow (outflow) from operating activities | | | | |
| | | (1.2) | (11.0) | n/a |
| Cash flows from investing activities | | | | |
| Investing receipts | | | | |
| Payments for property, plant and equipment | | 14.0 | n/a | n/a |
| Proceeds from sale of property, plant and equipment | | 2.6 | 11.0 | n/a |
| Payments for investments | | (15.4) | n/a | n/a |
| Net cash inflow (outflow) from investing activities | | | | |
| | | 1.2 | 11.0 | n/a |
| Cash at beginning of period | | | | |
| | | n/a | n/a | n/a |
| Cash at end of financial year | | | | |
| | | n/a | n/a | n/a |

(a) Variation between 2003–04 Actual and 2003–04 Budget

Notes

The variances for controlled items can be explained as follows:

Note 1

Refer to notes 1 and 3 of the statement of financial performance.

Note 2

Refer to notes 4, 6 and 7 of the statement of financial performance.

Note 3

The variance reflects purchases above the budgeted level funded from increased Commonwealth capital grants to TAFE institutes; and from schools' and TAFE institutes' locally raised funds.

The variances for administered items can be explained as follows:

Note 4

Refer to note 8 of the statement of financial performance.

APPENDIX 2 PORTFOLIO STATISTICS

School education

*FTE students in government schools, Victoria,
February 2004*

| <i>Year level</i> | <i>2004</i> |
|------------------------|------------------|
| Preparatory | 44,268.8 |
| Year 1 | 43,836.4 |
| Year 2 | 44,175.4 |
| Year 3 | 44,510.6 |
| Year 4 | 44,921.9 |
| Year 5 | 45,169.9 |
| Year 6 | 45,063.6 |
| Ungraded | 17.4 |
| Primary total | 311,964.0 |
| Year 7 | 38,853.8 |
| Year 8 | 39,623.6 |
| Year 9 | 37,582.8 |
| Year 10 | 37,478.4 |
| Year 11 | 35,938.6 |
| Year 12 | 30,722.3 |
| Ungraded | 72.2 |
| Secondary total | 220,271.7 |
| Special | 6,826.2 |
| Language | 1,010.0 |
| Total | 540,071.9 |

FTE students by student type and sector, Victoria, February 2002-04

| Student type | Government | | | | Catholic | | | | Independent | | | | All schools | | | |
|--------------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|-------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|-----------|
| | 2002 | 2003 | 2004 | 2002 | 2003 | 2004 | 2002 | 2003 | 2004 | 2002 | 2003 | 2004 | 2002 | 2003 | 2004 | |
| | Primary | 312,689.2 | 312,134.4 | 311,964.0 | 101,519.6 | 99,665.2 | 98,863.6 | 38,319.9 | 39,381.20 | 40,170.2 | 452,528.7 | 451,180.8 | 450,997.8 | 452,528.7 | 451,180.8 | 450,997.8 |
| Secondary | 216,858.8 | 218,740.7 | 220,271.7 | 79,744.1 | 80,626.2 | 81,514.5 | 61,747.8 | 64,194.30 | 65,659.0 | 358,350.7 | 363,561.2 | 367,445.2 | 358,350.7 | 363,561.2 | 367,445.2 | |
| Special | 6,170.5 | 6,517.0 | 6,826.2 | 170.4 | 171.2 | 165.8 | 299.6 | 310.8 | 331 | 6,640.5 | 6,999.0 | 7,323.0 | 6,640.5 | 6,999.0 | 7,323.0 | |
| Language | 844 | 917 | 1,010.0 | - | - | - | - | - | - | 844 | 917 | 1,010.0 | 844 | 917 | 1,010.0 | |
| Total | 536,562.5 | 538,309.1 | 540,071.9 | 181,434.1 | 180,462.6 | 180,543.9 | 100,367.3 | 103,886.30 | 106,160.2 | 818,363.9 | 822,658.0 | 826,776.0 | 818,363.9 | 822,658.0 | 826,776.0 | |
| % of all students | 65.6 | 65.4 | 65.3 | 22.2 | 21.9 | 21.8 | 12.3 | 12.6 | 12.8 | 100 | 100 | 100 | 100 | 100 | 100 | |

Number of schools by type and sector, February 2002–04

| School type | Government | | | Catholic | | | Independent | | | All schools | | |
|-------------------|--------------|--------------|--------------|------------|------------|------------|-------------|------------|------------|--------------|--------------|--------------|
| | 2002 | 2003 | 2004 | 2002 | 2003 | 2004 | 2002 | 2003 | 2004 | 2002 | 2003 | 2004 |
| Primary | 1,232 | 1,223 | 1,223 | 386 | 384 | 381 | 61 | 62 | 57 | 1,679 | 1,669 | 1,661 |
| Primary–Secondary | 47 | 49 | 49 | 10 | 10 | 10 | 126 | 127 | 131 | 183 | 186 | 190 |
| Secondary | 262 | 261 | 262 | 86 | 86 | 85 | 16 | 17 | 18 | 364 | 364 | 365 |
| Special | 80 | 78 | 80 | 7 | 7 | 7 | 9 | 9 | 10 | 96 | 94 | 97 |
| Language | 4 | 4 | 4 | – | – | – | – | – | – | – | 4 | 4 |
| Total | 1,625 | 1,615 | 1,618 | 489 | 487 | 483 | 212 | 215 | 216 | 2,322 | 2,317 | 2,317 |

Training and tertiary education

Student contact hours of training and further education by Australian Qualifications Framework levels, Victoria, 2001–03

| Level | 2001 | 2002 | 2003 |
|-------------------|--------------------|--------------------|--------------------|
| AQF 1–2 | 24,594,722 | 24,347,220 | 22,288,403 |
| AQF 3–4 | 41,908,107 | 44,181,717 | 50,467,474 |
| AQF 5–6 and above | 28,747,905 | 30,754,842 | 29,694,560 |
| Secondary | 1,297,126 | 1,332,544 | 2,327,393 |
| Module only | 3,128,182 | 3,479,010 | 3,044,575 |
| Not defined* | 4,351,890 | 4,048,972 | 4,182,817 |
| Total | 104,027,932 | 108,144,305 | 112,005,222 |

*Including non-award courses, bridging and enabling courses, statements of attainment and other courses not identifiable by level.

Data refers to all funding sources, excluding hobby, recreation and leisure (non-VET) activity.

Numbers for 2001–02 have been modified to reflect changes in classifications.

Source: Department of Education & Training

Student contact hours of training and further education by industry group, Victoria, 2001–03

| Industry | 2001 | 2002 | 2003 |
|---|--------------------|--------------------|--------------------|
| Further education | 13,159,882 | 12,790,707 | 14,492,304 |
| Automotive | 2,803,249 | 2,644,410 | 2,705,580 |
| Building and construction | 5,454,055 | 5,500,968 | 5,663,440 |
| Business services | 17,532,611 | 17,785,756 | 17,966,543 |
| Community services and health | 9,891,082 | 11,355,930 | 12,053,380 |
| Cultural and recreation | 7,786,376 | 8,663,928 | 8,902,974 |
| Electrotechnology and communications | 12,065,354 | 12,211,759 | 12,024,512 |
| General manufacturing | 5,040,667 | 5,421,878 | 4,991,695 |
| Metals and engineering | 3,663,910 | 3,754,041 | 3,638,177 |
| Primary and forest | 4,484,012 | 4,937,665 | 4,579,413 |
| Public administration and safety | 456,939 | 411,063 | 414,470 |
| Tourism and hospitality | 8,114,423 | 8,207,689 | 8,388,306 |
| Transport and storage | 3,346,940 | 3,086,780 | 4,811,761 |
| Wholesale retail and personal services | 5,590,750 | 5,966,087 | 5,610,588 |
| Not industry-specific (including module only) | 4,637,682 | 5,405,644 | 5,762,079 |
| Total | 104,027,932 | 108,144,305 | 112,005,222 |

Data refers to all funding sources, excluding hobby, recreation and leisure (non-VET) activity.

Numbers for 2001–02 have been modified to reflect changes in classifications.

Source: Department of Education & Training

Adult and community education

Government-funded provision by ACE organisations by region and adult education institutions, Victoria, 2003

| Region | Adult literacy and numeracy | | Employment skills | | VCE/VCAL* | | Vocational | | Total | |
|--------------|-----------------------------|------------------|-------------------|----------------|--------------|----------------|----------------|------------------|----------------|------------------|
| | E | SCH | E | SCH | E | SCH | E | SCH | E | SCH |
| BSW | 4,028 | 260,485 | 4,589 | 147,579 | 276 | 19,887 | 11,641 | 349,326 | 20,534 | 777,277 |
| CHW | 1,352 | 63,159 | 1,876 | 52,544 | – | – | 12,428 | 214,129 | 15,656 | 329,832 |
| CWM | 7,619 | 510,196 | 1,573 | 66,489 | – | – | 8,390 | 360,551 | 17,582 | 937,236 |
| EM | 4,498 | 233,431 | 4,673 | 122,139 | – | – | 22,016 | 532,276 | 31,187 | 887,846 |
| GIP | 4,515 | 155,293 | 1,534 | 52,116 | – | – | 12,553 | 229,054 | 18,602 | 436,463 |
| GOM | 3,007 | 166,535 | 970 | 27,678 | 157 | 9,124 | 13,774 | 273,466 | 17,908 | 476,803 |
| LCM | 3,858 | 175,863 | 4,364 | 169,585 | 22 | 1,362 | 13,218 | 326,286 | 21,462 | 673,096 |
| NM | 5,309 | 248,094 | 2,877 | 101,018 | 122 | 10,500 | 10,338 | 291,566 | 18,646 | 651,178 |
| SWP | 6,493 | 378,649 | 2,754 | 83,962 | 44 | 2,562 | 16,504 | 397,124 | 25,795 | 862,297 |
| AMES | 2,115 | 76,532 | 2,098 | 65,437 | – | – | 6,036 | 162,397 | 10,249 | 304,366 |
| CAE | 2,573 | 176,470 | 2,182 | 67,953 | 2,395 | 278,641 | 6,332 | 293,699 | 13,482 | 816,763 |
| Total | 45,367 | 2,444,707 | 29,490 | 956,500 | 3,016 | 322,076 | 133,230 | 3,429,874 | 211,103 | 7,153,157 |

E = module enrolments

SCH = student contact hours

Government-funded provision is for education and training provided from State and Commonwealth funds allocated by the ACFE Board and the VLESC.

The ACFE regions and institutions are abbreviated as follows: Barwon South Western (BSW), Central Highlands Wimmera (CHW), Central Western Metropolitan (CWM), Eastern Metropolitan (EM), Gippsland (GIP), Goulburn Ovens Murray (GOM), Loddon Campaspe Mallee (LCM), Northern Metropolitan (NM), Southern Western Port (SWP), Adult Multicultural Education Services (AMES), the CAE.

Source: Department of Education & Training

Total reported adult, community and further education provision for ACE organisations and adult education institutions, Victoria, 2001–03

| Region | Module enrolments | | | Student contact hours | | |
|--------------|-------------------|----------------|----------------|-----------------------|-------------------|-------------------|
| | 2001 | 2002 | 2003 | 2001 | 2002 | 2003 |
| BSW | 38,043 | 39,340 | 38,046 | 1,021,919 | 1,069,466 | 1,292,309 |
| CHW | 24,496 | 28,024 | 25,185 | 526,217 | 491,162 | 468,329 |
| CWM | 23,288 | 24,270 | 25,804 | 1,058,608 | 1,015,956 | 1,165,634 |
| EM | 51,869 | 59,500 | 65,019 | 1,311,723 | 1,441,593 | 1,614,746 |
| GIP | 21,759 | 25,292 | 25,017 | 526,883 | 534,254 | 549,407 |
| GOM | 29,062 | 30,952 | 33,685 | 697,354 | 802,591 | 843,003 |
| LCM | 32,507 | 36,629 | 35,660 | 834,037 | 995,565 | 975,937 |
| NM | 26,722 | 28,324 | 25,029 | 833,206 | 892,671 | 785,451 |
| SWP | 43,542 | 45,328 | 37,103 | 1,276,327 | 1,284,216 | 1,138,720 |
| CAE | 62,674 | 56,338 | 53,891 | 1,598,856 | 1,510,263 | 1,518,084 |
| AMES | 113,753 | 98,625 | 82,636 | 3,216,979 | 2,983,912 | 2,484,438 |
| Total | 467,715 | 472,622 | 447,075 | 12,902,109 | 13,021,649 | 12,836,058 |

Total reported adult, community and further education provision is for all funding sources, including fee-for-service activity.

Almost 90 per cent of provision at AMES is funded by other sources, including the Commonwealth Government. This funding is short-term contracted delivery.

Source: Department of Education & Training

Higher education

Student enrolments and load in higher education institutions, Victoria, 2001–03

| | 2001 | 2002 | 2003 | 2001–03 % change |
|-----------------------|----------------|----------------|----------------|---------------------|
| <i>Students*</i> | | | | |
| Postgraduate | 46,672 | 63,340 | 68,915 | +47.7 |
| Undergraduate | 146,233 | 162,624 | 164,835 | +12.7 |
| Other | 1,162 | 2,597 | 3,072 | +164.4 |
| Total | 194,067 | 228,561 | 236,822 | +22.0 |
| <i>Load (EFTSU)**</i> | | | | |
| Postgraduate | 29,382 | 33,286 | 36,311 | +23.6 |
| Undergraduate | 125,483 | 130,116 | 133,008 | +6.0 |
| Other | 1,156 | 1,298 | 1,596 | +38.1 |
| Total | 156,020 | 164,701 | 170,917 | +9.5 |

*Students are reported under their 'Major' course level.

**EFTSU: Equivalent full-time student unit

Note: The Victorian campuses of the Australian Catholic University are not included.

APPENDIX 3 WHOLE-OF-GOVERNMENT REPORTING ON TARGET GROUPS

On coming to office, the Government pledged a whole-of-government reporting approach in relation to cultural diversity, women, youth and Indigenous affairs.

This appendix provides highlights of the Department's activities that are of particular relevance to these four community areas.

Cultural diversity

The Department recognises that individuals and groups facing particular challenges to achieving in education and training because of cultural or linguistic background must be supported to participate in education and training, achieve learning success and undertake continuous learning.

Schools, including specialist language schools and centres, help build proficiency in English and other languages, and help shape student attitudes to cultural diversity through multicultural education.

TAFE institutes and ACE organisations have a central role in equipping adults from culturally and linguistically diverse backgrounds with the English proficiency and the vocational skills they need to function effectively in the workforce and in society, or to proceed to other forms of education and training.

The Department's workforce management and development practices help to ensure that its workforce is well equipped to work with the diverse Victorian community and enhance learning outcomes for all Victorians.

Highlights

- English as a second language programs were delivered in approximately 485 Government schools to over 46,000 students.
- \$1.19 million in recurrent funding was provided for accredited education and training to people from culturally and linguistically diverse backgrounds.
- \$660,000 was provided for interpreting and translation services to enable parents who do not speak English to access information in government schools.

Performance measures

The Department's key performance measures on cultural diversity relate to the provision of:

- intensive ESL support for new arrival students in English language schools and centres and regular schools
- support for other eligible ESL students in regular schools.

The number of new-arrival primary and secondary school students receiving intensive support increased from 1916 in 2002 to 2101 in 2003. In 2004, 91.2 per cent of eligible primary students in regular schools received ESL support. The percentage of eligible secondary students in regular schools receiving ESL support increased from 95.2 per cent in 2002 to 96 per cent in 2003.

These performance measures are reported annually in the State Budget Papers.

Women

The Department made major contributions to the achievement of the priorities for women, including those outlined in Valuing Victoria's Women: Forward Plan 2000–03, and in particular those related to education, work and economic independence.

The Department's services for women are provided through schools, TAFE institutes and other registered training organisations and ACE organisations. These services aim:

- to equip women with the education and training they need to have high-quality jobs, a full and creative life and opportunities to contribute to their communities
- provide a working environment responsive to the needs of women.

Highlights

- The Parents Returning to Work program provided 4017 grants to assist parents wishing to return to the workforce. The grants subsidised the costs of education and training programs or other related costs such as child-care or support materials.
- The Networking the Nation project increased access to e-learning programs and ICT-based skills for women in rural and regional Victoria. In 2003–04, the program supported the ICT infrastructure of more than 160 ACE service providers.

Performance measures

Key features of the Department's performance on women's and girls' education and training include the following:

- The Years 7–12 August 2003 apparent retention rate for girls in Victoria was 88.4 per cent compared with 80.7 per cent for girls nationally. The Years 7–12 apparent retention rate refers to the Year 12 enrolment of students in full-time education expressed as a proportion of Year 7 enrolment five years earlier.
- Women represented 48.9 per cent of the total 530,842 persons participating in vocational education and training in Victoria in 2003.

Youth

The Department provides education and training services through schools, TAFE institutes and other registered training organisations and ACE organisations. These services make a major contribution to the achievement of the priorities for young people outlined in the whole-of-government Respect Framework, particularly those related to the theme of learning and working.

Performance measures

The Department's key performance measures for youth are the Government's targets for education and training. Details of progress towards the targets are on page 4. Further information on achievements relating to youth are contained in the sections on school education (pages 18–29) and training and tertiary education (pages 30–42)

Indigenous affairs

The Department recognises the importance of working with the Indigenous community to improve Indigenous students' participation and achievement levels in education and training.

Two key strategies frame the partnership between the Department and the Indigenous community. These strategies, Yalca and Wurreker, focus on developing policy, programs and services for and by the Indigenous community.

Yalca

The Yalca strategy supports a birth-to-death philosophy of education, placing the student at the centre of education policy and decision making. Yalca acknowledges the importance of local partnerships and recognises the role of Local Aboriginal Education Consultative Groups in determining local education and training needs.

Wurreker

The Wurreker strategy was developed to consolidate the partnership between the Department and the Victorian Aboriginal Education Association Incorporated. The strategy aims to improve the participation of Indigenous students in vocational education and training. It is designed to support:

- improved completion rates for Indigenous students
- participation in courses at higher levels
- better outcomes for individuals and communities both in terms of employment and community enhancement.

The Wurreker strategy recognises the need for an equal partnership between Government, education and training organisations and Local Aboriginal Education Consultative Groups in policy development, planning and delivery to ensure quality outcomes for Indigenous students are achieved.

Highlights

Significant commitments to the principles of the Yalca and Wurreker strategies and initiatives to support the Indigenous community were maintained by the Department in 2003–04.

- Key programs such as the Koorie Literacy Links (P–4), Koorie Middle Years Literacy Links (Years 7–9) and Koorie Middle Years Numeracy Links (Years 5–6) continued. Participating students showed improvements in literacy and numeracy skills, with an increase in the number of Koorie students reaching English reading and writing benchmarks.
- Three pilot programs for a Victorian Certificate of Learning for Koorie students were completed in 2003, and supported 53 students.
- Four Koorie Open Door Education campuses continued to operate in Victoria, providing culturally inclusive curriculum and appropriate learning and teaching programs.
- Koorie Education Development Officers, Koorie Educators and Koorie Home School Liaison Officers were employed to support Koorie students.

Performance measures

The Department collects data on the enrolments of Indigenous students in schools by year level and school type in August each year. In 2003, there were 6144.6 FTE Indigenous students enrolled in government schools in Victoria, representing 1.1 per cent of the total student cohort.

APPENDIX 4 WORKFORCE STATISTICS

The following workforce data is based on Business Unit (cost centre) and charge location. It includes:

- staff on pay (including paid leave) who were employed in the Department in the last fortnight of June 2004
- ongoing and fixed-term agreement staff
- ACFE Board chairperson, Victorian Schools Innovation Commission chairperson and Merit Protection Boards chairperson.

It excludes:

- staff who have ceased from the Department prior to the last fortnight of June 2004

- staff on leave without pay (including Family Leave)
- casual employees and contractors
- ACFE regional council staff
- staff employed directly by individual school councils
- staff employed by TAFE institutes
- staff employed by Industry Training Advisory Boards
- LLENs regional staff
- VLESC regional staff
- Ministerial office staff.

Schools

FTE of teaching service staff in schools by classification and sex on pay as at June 2004

| <i>Classification</i> | <i>Males</i> | <i>Females</i> | <i>Total</i> |
|-----------------------|-----------------|-----------------|-----------------|
| Primary | | | |
| Principal Class | 974.7 | 914.7 | 1,889.4 |
| Teaching staff | 3,101.5 | 15,059.3 | 18,160.8 |
| Instructors | 5.6 | 11.1 | 16.8 |
| Total | 4,081.8 | 15,985.1 | 20,066.9 |
| Secondary | | | |
| Principal Class | 553.7 | 381.2 | 934.9 |
| Teaching staff | 7,330.5 | 10,423.2 | 17,753.7 |
| Instructors | 111.6 | 44.5 | 156.1 |
| Total | 7,995.8 | 10,848.9 | 18,844.7 |
| Total | 12,077.5 | 26,834.0 | 38,911.6 |

Source: Department of Education & Training

FTE of non-teaching staff in schools by classification and sex on pay as at June 2004

| <i>Classification</i> | <i>Level</i> | <i>Males</i> | <i>Females</i> | <i>Total</i> |
|--------------------------------|--------------|--------------|----------------|----------------|
| School Services Officer | SS01 | 428.3 | 5,543.1 | 5,971.4 |
| | SS02 | 143.9 | 1,254.4 | 1,398.3 |
| | SS03 | 85.3 | 681.4 | 766.8 |
| | SS04 | 50.0 | 458.7 | 508.7 |
| | SS05 | 33.8 | 285.4 | 319.3 |
| | SS06 | 23.0 | 105.8 | 128.8 |
| | SS07 | 23.7 | 67.5 | 91.2 |
| Subtotal | | 788.1 | 8,396.4 | 9,184.4 |
| Victorian Public Service staff | VPSG1 | 1.0 | 1.6 | 2.6 |
| | VPSG2 | – | 15.0 | 15.0 |
| | VPSG3 | 9.3 | 102.1 | 111.4 |
| | VPSG4 | 28.2 | 126.0 | 154.2 |
| | VPSG5 | 45.7 | 96.3 | 142.0 |
| | VPSG6 | 1.6 | 3.0 | 4.6 |
| Subtotal | | 85.8 | 344.0 | 429.8 |
| Other | | 0.0 | 0.6 | 0.6 |
| Total | | 873.9 | 8,741.0 | 9,614.9 |

Source: Department of Education & Training

Central office and regions

FTE of staff in non-school locations, extension services and statutory bodies by classification and sex on pay as at June 2004

| <i>Classification</i> | <i>Level</i> | <i>Males</i> | <i>Females</i> | <i>Total</i> |
|--------------------------------|--------------|--------------|----------------|----------------|
| Teaching staff | | 50.3 | 63.0 | 113.3 |
| Executive Officer | E01 | 2.0 | 1.0 | 3.0 |
| | E02 | 18.0 | 12.0 | 30.0 |
| | E03 | 19.0 | 13.0 | 32.0 |
| Subtotal | | 39.0 | 26.0 | 65.0 |
| Victorian Public Service staff | VPSG1 | 5.8 | 14.0 | 19.8 |
| | VPSG2 | 45.3 | 135.9 | 181.2 |
| | VPSG3 | 102.6 | 216.4 | 318.9 |
| | VPSG4 | 100.8 | 126.5 | 227.3 |
| | VPSG5 | 183.2 | 214.6 | 397.8 |
| | VPSG6 | 100.4 | 91.6 | 192.0 |
| Subtotal | | 538.1 | 799.0 | 1,337.0 |
| Other | | 6.0 | 11.1 | 17.1 |
| Total | | 633.4 | 899.1 | 1,532.4 |

Source: Department of Education & Training

APPENDIX 5 SENIOR OFFICERS AS AT 30 JUNE 2004

Addresses of the key business areas are provided. The telephone number for all sections of the Department is (03) 9637 2000, except where otherwise specified.

Department of Education & Training

2 Treasury Place
East Melbourne Victoria 3002
Grant Hehir, Secretary

Office of School Education

1st floor
33 St Andrews Place
East Melbourne Victoria 3002
Darrell Fraser, Deputy Secretary

School System Reform

Vacant
General Manager

Andrée Butler
Assistant General Manager, System Policy and Accountability

Lesley Foster
Assistant General Manager, Community and Stakeholder Relations

School System Development

David Brooks
General Manager

Don King
(Acting*) Assistant General Manager, School System Outcomes

Dina Guest
Assistant General Manager, Leadership and Teacher Development

School Resources

Ethel McAlpine
General Manager

Lynne Williams
Assistant General Manager, Facilities and Infrastructure

Byron Crawford
Assistant General Manager, Student Wellbeing

Regions

Regional office contact details appear on page 26 (information provided by the Office of School Education).

Barwon South Western

Glenda Strong
Regional Director

Central Highlands Wimmera

Malcolm Millar
Regional Director

Loddon Campaspe Mallee

Greg Gibbs
Regional Director

Goulburn North Eastern

Adele Pottenger
Regional Director

Gippsland

Peter Greenwell
Regional Director

Southern Metropolitan

Jan Lake
Regional Director

Eastern Metropolitan

Ross Kimber
Regional Director

Northern Metropolitan

Victoria Triggs
Regional Director

John Allman
Deputy Regional Director

Western Metropolitan

Rob Blachford
Regional Director

Office of Learning and Teaching

Level 2
33 St Andrews Place
East Melbourne Victoria 3002

Dahle Suggett
Deputy Secretary

Student Learning

Tony Cook
(Acting**) General Manager

Carol Kelly
(Acting*) Assistant General Manager, Learning Policies and Programs

Kerry Angwin
Assistant General Manager, Participation Initiatives

Post-Compulsory Division

Ian Burrage
(Acting**) General Manager

Research and Innovation

Dawn Davis
General Manager

Ron Lake
Assistant General Manager, Innovations
John McCarthy
Assistant General Manager, Research

Office of Training and Tertiary Education

3rd floor
2 Treasury Place
East Melbourne Victoria 3002
Jim Davidson, Deputy Secretary

Vocational Education and Training

Jan Trehwella
General Manager

Adult, Community and Further Education

Sandy Forbes
General Manager

Higher Education and Regulation

Terry Stokes
General Manager

Strategic Directions

Phil Clarke
General Manager
Vacant
Assistant General Manager, Planning and Industry Relations
Susan McDonald
Assistant General Manager, Policy Development

Decision Support and Performance Measurement

Toniann Stitz
General Manager

Training Operations

Patricia Neden
General Manager
Franco Greco
Assistant General Manager, Training Purchasing
Chris Stewart
Assistant General Manager, Apprenticeships

Office of Resource Management and Strategy

1st floor
2 Treasury Place
East Melbourne Victoria 3002
Jeff Rosewarne, Deputy Secretary

Corporate Services

Gail Hart
General Manager

Human Resources

Tony Bugden
General Manager
Rex Hardman
Assistant General Manager, Policy and Employee Relations

Resource Strategy

Jim Miles
General Manager

Financial Services

Vacant (***)
Chief Finance Officer
Claire Tierney
Assistant General Manager, Budget and Reporting
Nino Napoli
Assistant General Manager, Schools Resource Allocation
Ron Cooper-Thomas
Assistant General Manager, Accounting and Tax

Information Technology

Ian Paton
General Manager
Mike Pogson
Assistant General Manager, Business Systems Development

Office of Strategy and Review

1st floor
2 Treasury Place
East Melbourne Victoria 3002
Jenny Samms, Deputy Secretary

International

Sue Christophers
General Manager

External and Inter-governmental Relations

Colin Twisse
General Manager
Leona Jorgensen
Assistant General Manager, Ministerial and Executive Services
John Livi
Principal Legal Officer, Legal Services

Strategic Policy and Planning

John Sullivan
General Manager
George McLean
Assistant General Manager, Strategic Planning and Review

Julie Alliston
Assistant General Manager, Policy Development
and Coordination

Portfolio Improvement and Assurance

Lynn Glover
General Manager

Strategic Initiatives

Michael Kane
General Manager

Communications

Mary-Anne Thomas
General Manager

Merit Protection Boards

Level 9, 35 Spring Street
East Melbourne Victoria 3002
(03) 9651 0290

Ian Adams****
Senior Chair

Victorian Qualifications Authority

41a St Andrews Place
East Melbourne Victoria 3002
(03) 9637 2806

Dr Dennis Gunning, Director

Arden Joseph, Project Manager, VCAL

*Acting assignment by a non-substantive
Executive Officer

**Acting assignment by a substantive Executive
Officer

***John Hall, Chief Finance Officer until 27 June
2004

****Governor-in-Council appointee

Victorian Curriculum and Assessment Authority

41 St Andrews Place
East Melbourne Victoria 3002
(03) 9651 4300

Michael White
Chief Executive Officer

Dr Glenn Rowley
Assistant General Manager, Educational
Measurement and Research

Vincent McPhee
Assistant General Manager, Business Operations

John Firth
Assistant General Manager, Curriculum

Elaine Wenn
Assistant General Manager, Assessment

APPENDIX 6 FREEDOM OF INFORMATION

In 2003–04, 254 requests for documents were received. Full access was granted for 93 requests and partial access for a further 80. Access was denied for eight requests and documents could not be located or did not exist for 30 requests. Twenty-two requests were withdrawn. At the end of the reporting period, there were 21 requests for which no decision had been made.

Where access was not granted to a document, the major exemption categories in the *Freedom of Information Act 1982* (the Act) used in decision making were:

- section 30 (opinions, advice and recommendations that are against the public interest to release)
- section 32 (legal professional privilege)
- section 33 (to protect the privacy of the personal affairs of others)
- section 34 (documents relating to business or trade secrets)
- section 35 (communications in confidence).

Seventeen applicants sought an internal review. The original decisions of eleven were fully upheld while six original decisions were varied. There were four appeals to the Victorian Civil and Administrative Tribunal (VCAT) for review of decisions made under the Act. Two appeals were withdrawn or settled prior to a final hearing. One appeal was heard by VCAT and the Department's decision was overturned. One appeal was yet to be determined by VCAT as at 30 June 2004.

Publication requirements

The information required to be published pursuant to section 7 of the Act is either contained below or is found in other parts of this report. This information relates to the following agencies:

- Department of Education & Training
- Merit Protection Boards
- Registered Schools Board.

Queries about the availability of and charges for other material prepared under Part II of the Act should be directed to the relevant authorised officer (see table on page 118).

Categories of documents

The Department and its agencies produce a large number of documents in a decentralised record-keeping environment. Accordingly,

the Department does not maintain a single, consolidated list of detailed categories of documents. All agencies maintain collections of policy files, transaction files and records and, where necessary, personnel records. A variety of indexes and other search aids are used by agencies. In general, files and records are retrieved through subject descriptors or personal name. The following are the general categories of documents maintained by agencies.

Correspondence, administrative and policy documents

Maintenance of records is decentralised, with each agency responsible for its own records. Regional offices, schools and TAFE institutes maintain their own record-keeping systems. These are largely independent of the systems used by the central administration.

Personnel documents

Agencies maintain record-keeping systems for their employees including, where appropriate, records for members of the Teaching Service and the VPS.

Accounting records

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

Freedom of Information arrangements

Access to records

All requests for access to records held by agencies are dealt with by the authorised officer of the appropriate agency (see table on page 118). Applicants seeking access to documents held by agencies should attempt to specify the topic of interest rather than the file series in which the applicant considers the document might exist. Assistance in specifying the topic is available from the authorised officer.

Forms of request for access

Applicants are required by the Act to submit applications requesting access to documents in writing. No form of application is specified. A letter clearly describing the document(s) sought is sufficient. The letter should specify that the application is a request made under the *Freedom of Information Act 1982* and should

not form part of a letter on another subject. The applicant should provide the following information:

- name
- address
- telephone number (business hours)
- details of document(s) requested
- form of access required – copies of documents, inspection of file or other (specify).

Correction of personal information

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

Charges

An application fee of \$20.50 is required unless evidence of hardship is provided. Applicants are advised that other charges may be made in accordance with the Freedom of Information (Access Charges) Regulations 2004.

Appeals

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

Freedom of Information: authorised officers

| <i>Agency</i> | <i>Authorised officer</i> | <i>Postal address</i> | <i>Telephone</i> |
|------------------------------------|---------------------------|---|------------------|
| Department of Education & Training | Neil Morrow | GPO Box 4367 Melbourne 3001 | (03) 9637 2670 |
| Merit Protection Boards | Beverly Trease | Level 9, 35 Spring Street, Melbourne 3000 | (03) 9651 0290 |
| Registered Schools Board | Neil Morrow | GPO Box 4367 Melbourne 3001 | (03) 9637 2670 |

Further information about Freedom of Information can be found on the Department's website <www.det.vic.gov.au/det/about/foi.htm>.

APPENDIX 7 WHISTLEBLOWERS PROTECTION ACT 2001

Disclosure

The Department of Education & Training managed two matters lodged under Whistleblowers' legislation. The first of these issues was referred to the Ombudsman's Office for determination regarding whether it should be accepted as a protected disclosure. It was held not to be a protected disclosure and subsequently dealt with as a complaint through the normal complaints process. The second matter was accepted as a protected disclosure and is still being resolved.

Department of Education & Training guidelines

The Department of Education & Training appointed a Protected Disclosure Coordinator and established procedures in accordance with Part 6 of the *Whistleblowers Protection Act 2001* (the Act).

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 pages 127–28.

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.

| <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 | 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 • 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 | 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 | 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 |

9.2 Is the disclosure a protected disclosure?

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

Where the protected disclosure coordinator concludes that the disclosure amounts to a protected disclosure, he or she will:

- notify the person who made the disclosure of that conclusion
- refer the disclosure to the Ombudsman for formal determination as to whether it is indeed a protected disclosure.

Where the protected disclosure coordinator concludes that the disclosure is not a protected disclosure, he or she will:

- notify the person who made the disclosure of that conclusion

- advise that person that he or she may request DE&T to refer the disclosure to the Ombudsman for a formal determination as to whether the disclosure is a protected disclosure, and that this request must be made within 28 days of the notification.

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

10 Investigations

10.1 Introduction

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

The objectives of an investigation will be:

- to collate information relating to the allegation as quickly as possible. This may involve taking steps to protect or preserve documents, materials and equipment
- to consider the information collected and to draw conclusions objectively and impartially

- to maintain procedural fairness in the treatment of witnesses and the person who is the subject of the disclosure
- to make recommendations arising from the conclusions drawn concerning remedial or other appropriate action.

10.2 Terms of reference

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

10.3 Investigation plan

The investigator will prepare an investigation plan for approval by the protected disclosure coordinator. The plan will list the issues to be substantiated and describe the avenue of inquiry. It will address the following issues:

- What is being alleged?
- What are the possible findings or offences?
- What are the facts in issue?
- How is the inquiry to be conducted?
- What resources are required?

At the commencement of the investigation, the whistleblower should be:

- notified by the investigator that he or she has been appointed to conduct the investigation
- asked to clarify any matters and provide any additional material he or she might have.

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

10.4 Natural justice

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

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

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

10.5 Conduct of the investigation

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

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

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

10.6 Referral of an investigation to the Ombudsman

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

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

10.7 Reporting requirements

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

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

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

11 Action taken after an investigation

11.1 Investigator's final report

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

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

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

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

The report will be accompanied by:

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

11.2 Action to be taken

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

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

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

12 Managing the welfare of the whistleblower

12.1 Commitment to protecting whistleblowers

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

The protected disclosure coordinator is responsible for ensuring whistleblowers are protected from direct and indirect detrimental action, and that the culture of the workplace is supportive of protected disclosures being made.

The protected disclosure coordinator will appoint a welfare manager to all whistleblowers who have made a protected disclosure. The welfare manager will:

- examine the immediate welfare and protection needs of a whistleblower who has made a disclosure and, where the whistleblower is an employee, seek to foster a supportive work environment
- advise the whistleblower of the legislative and administrative protections available to him or her
- listen and respond to any concerns of harassment, intimidation or victimisation in reprisal for making 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
- is given the opportunity to answer the allegations before a final decision is made
- is informed as to the substance of any adverse comment that may be included in any report arising from the investigation
- is 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 (\$6000) or six months imprisonment or both.
- It is an offence for a person to obstruct the Ombudsman in performing his or her responsibilities under the Act. The Act provides a maximum penalty of 240 penalty units (\$24,000) or two years imprisonment or both.
- It is an offence for a person to knowingly provide false information under the Act with the intention that it be acted on as a disclosed matter. The Act provides a maximum penalty of 240 penalty units (\$24,000) or two years imprisonment or both.

15 Review

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

Contact details

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

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

Conduct and Ethics Branch

GPO Box 4367
Melbourne Victoria 3001
Telephone: (03) 9637 2591

Barwon South Western Regional Office

PO Box 420
North Geelong Victoria 3215
Telephone: (03) 5272 8300

Central Highlands Wimmera Region

Level 1
1220 Sturt Street
Ballarat Victoria 3350
Telephone: (03) 5337 8444

Eastern Metropolitan Region

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

Gippsland Region

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

Goulburn North Eastern Region

PO Box 403
Benalla Victoria 3672
Telephone: (03) 5761 2100

Loddon Campaspe Mallee Region

PO Box 442
Bendigo Victoria 3550
Telephone: (03) 5440 3111

Northern Metropolitan Region

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

Southern Metropolitan Region

PO Box 5
Dandenong 3175
Telephone: (03) 9794 3555

Western Metropolitan Region

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

Protected Disclosure Coordinator

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

The Ombudsman Victoria

Level 22, 459 Collins Street
Melbourne Victoria 3000
Website: www.ombudsman.vic.gov.au
Email: ombudvic@ombudsman.vic.gov.au
Telephone: (03) 9613 6222
Freecall: 1800 806 314

APPENDIX 8 OCCUPATIONAL HEALTH AND SAFETY

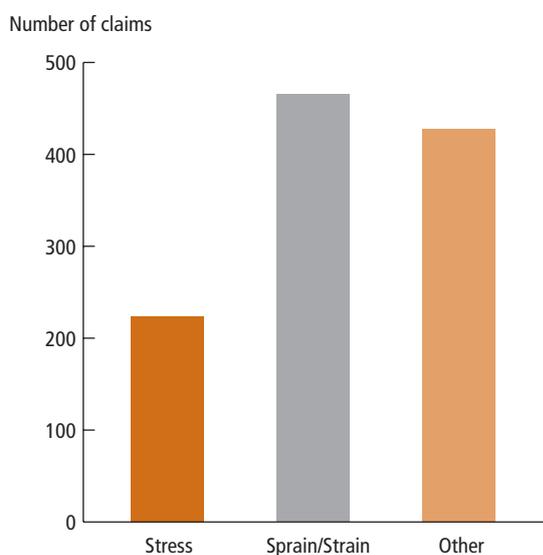
The Department's occupational health and safety performance generally achieved its targets. In 2003–04, the Victorian WorkCover Authority increased its inspection activities and issued 208 improvement and 25 prohibition notices, a 257 per cent increase per 1000 staff on the previous year's rate. All were resolved satisfactorily within timeframes.

WorkCover claims and injury management

WorkCover performance for 2003–04

- 1117 standard claims were lodged, a 0.7 per cent increase on the 1109 lodged in 2002–03 (previously reported as 1113; a reduction of four claims opened in error by Agent).
- The average cost of claims lodged was \$7917 – 1.8 per cent more than the average cost of claims in 2002–03. This small increase was largely attributable to a substantial increase in the estimated future costs of claims for the period balanced by a substantial decrease in the actual claim payment costs over the same period.

WorkCover claims by injury type 2003-04



Compliance, awareness and program implementation

| Performance indicator | Result for 2003–04 | Target for 2004–05 (% increase against 2003–04 result) |
|---|---|---|
| Achieve an increase of 10% in compliance with occupational health and safety statutory requirements and Department policy as demonstrated by annual school census results (target 82.5% compliance) | Compliance rate of 83.37% achieved | 10% increase in total school compliance to 91.7% |
| Achieve an increase of 10% in total school awareness levels of occupational health and safety program initiatives as demonstrated by annual school census results (target 89.2% awareness) | 70.95% rate achieved for awareness of occupational health and safety program initiatives | 10% increase in total school awareness to 78% |
| Achieve an increase of 10% in school implementation of occupational health and safety program initiatives as demonstrated by annual school census results (target 45% implementation) | 60.73% rate achieved for implementation of occupational health and safety program initiatives | 10% increase in implementation to 66.8% |

APPENDIX 9 CONSULTANCIES AND MAJOR CONTRACTS

Under the *Financial Management Act 1994* the following distinction is made between consultants and contractors.

Consultants:

- provide expert analysis and advice that facilitates decision making
- perform a specific, one-off task or set of tasks
- perform a task involving skills or perspectives that would not normally be expected to reside within the agency.

Contractors:

- provide goods, works or services that implement a decision
- perform all or part of a new or existing ongoing function to assist an agency to carry out its defined activities and operational functions
- perform a function involving skills or perspectives that would normally be expected to reside within the agency but at the time are unavailable.

Disclosure of major contracts

The Department has disclosed all contracts greater than \$10 million in value that it entered into in 2003–04. The disclosed contracts can be viewed on <www.tenders.vic.gov.au>.

Compliance with the Victorian Industry Participation policy

In respect of expenditure under the *Financial Management Act 1994* as distinct from expenditure under the *Project Development and Construction Management Act 1994*, the Department commenced two contracts totalling \$23,232 million in value during 2003–04 to which the Victorian Industry Participation policy applied.

The contracts can be split into one metropolitan contract with a value of \$22,000 million and one regional contract with a value of \$1232 million.

The commitments by contractors under the policy included:

- an overall level of content of 99–100 per cent of the total value of the contracts
- 304 full-time equivalent jobs (302 existing and two new)
- development of a full suite of software products – asset auditing to security audit, network utilisation audits, risk assessment audits and storage audits. The economic value of this initiative is based on potential total cost ownership savings and is conservatively estimated to be hundreds of thousands of dollars.

Consultancies in excess of \$100,000

| Consultant | Particulars | Amount paid in 2003–04 | Future commitments as at 30 June 2004 |
|-----------------------------------|---|------------------------|---------------------------------------|
| The University of Melbourne | To develop a new Resource Allocation Model that will provide the basis for allocating budgets according to the learning needs of students. | \$339,661 | \$59,942 |
| Connell Skilbeck Pty Ltd | To undertake research into the societal changes and related issues that impact upon the expectations and aspirations of the new generation of teachers. | \$73,013 | \$89,237 |
| I & J Management Services Pty Ltd | Evaluation of the Australian Flexible Learning Framework for the National Vocational Education and Training System 2000–04. | \$193,030 | 0 |

Consultancies less than \$100,000

| | |
|----------------|-------------|
| Number engaged | 28 |
| Total cost | \$1,169,367 |

The Department completed one contract totalling \$24,738,126 in value to which the Victorian Industry Participation policy applied during 2003–04. The metropolitan portion of this contract was \$12,772,294 and regional portion was \$11,965,832.

The outcomes reported under the policy included:

- an overall level of local content of 18 per cent of the total value of the contract
- 302 full-time equivalent jobs (300 existing and two new)
- at the time of contract award the following statement was made by the contractor: 'Skills and Technology Transfer' tend to be general in nature and in the main refer to ongoing commitment to deliver quality technology by continuing to invest in the skills necessary to deliver a particular contracted service.

During the 2003–04 financial year, 25 contracts totalling \$69,787,782 commenced under the *Project Development and Construction Management Act 1994* and to which the Victorian Industry Participation policy was applied. The number and value of these contracts can be split into nine metropolitan projects totalling \$32,761,471 and 16 regional projects totalling \$37,026,311. Reported commitments by contractors under the policy included an overall level of local content of 86 per cent of the total value of the contracts. This percentage is based on a sample of 13 of the projects where this information was provided.

The Department completed six contracts totalling \$19,938,060 in value to which the policy was applied. The number and value of these contracts can be split into three metropolitan projects totalling \$11,470,969 and three regional projects totalling \$8,467,091.

Reported commitments by contractors under the policy included an overall level of local content of 85 per cent of the total value of the contracts.

APPENDIX 10 ADDITIONAL INFORMATION

Consistent with the requirements of the *Financial Management Act 1994*, the Department has prepared materials on the following topics, available on request:

- declarations of pecuniary interests by all relevant officers
- shares held by senior officers as nominees or held beneficially in a statutory authority or subsidiary
- publications produced by the Department about the Department and the places where the publications can be obtained
- changes in prices, fees, charges, rates and levies charged by the Department
- major external reviews carried out on the Department
- major research and development activities undertaken by the Department
- overseas visits undertaken, including a summary of the objectives and outcomes of each visit
- major promotional, public relations and marketing activities undertaken by the Department to develop community awareness of the Department and the services it provides
- assessments and measures undertaken to improve the occupational health and safety of employees
- general statement on industrial relations within the Department and details of time lost through industrial accidents and disputes
- major committees sponsored by the Department, the purposes of each committee and the extent to which the purposes have been achieved.

Enquiries regarding this information should be directed to:

Secretary
Department of Education & Training
GPO Box 4367
Melbourne Victoria 3001

APPENDIX 11 PORTFOLIO RESPONSIBILITIES

| <i>Output</i> | <i>Responsible Minister</i> |
|--|--|
| School education | |
| Primary education | Education and Training Education Services |
| Junior secondary education | Education and Training Education Services |
| Senior secondary education | Education and Training Education Services |
| Non-government school education | Education and Training |
| Student welfare and support | Education Services |
| Students with disabilities | Education Services |
| Education Maintenance Allowance | Education Services |
| Student transport | Education Services |
| Tertiary education and training | |
| TAFE places | Education and Training |
| ACE places and community support | Education and Training |
| Higher education | Education and Training |
| Policy, strategy and information services | |
| Policy, strategy and executive services | Education and Training Education Services |
| International education | Education and Training |
| Public information and promotion | Education and Training Education Services |

The Minister for Education and Training has overall responsibility for the education and training portfolio. This includes strategic directions, budget management, service delivery and program implementation within school education, training and further education, adult and community education, and higher education, with the exception of those areas that are the specific responsibility of the Minister for Education Services.

The Minister for Education Services has responsibility for:

- teacher workforce supply and demand including recruitment and retention strategies
- implementation of agreed capital programs, including buildings, equipment and ICT
- school councils except in relation to school educational policy and funding issues
- asset maintenance and security including emergency management
- occupational health and safety issues
- student welfare services, including students with disabilities, transport and drug education
- the Merit Protection Boards.

The Acts administered by each Minister are as follows.

Minister for Education and Training

Adult, Community and Further Education Act 1991

Australian Catholic University (Victoria) Act 1991

Baxter Technical School Land Act 1982

Community Services Act 1970:

- Division 8A of Part III and section 203 where it relates to the administration of these provisions.
- The Act is otherwise administered by the Minister for Community Services and the Minister for Industrial Relations.

Deakin University (Victoria College) Act 1991

Deakin University (Warrnambool) Act 1990

Deakin University Act 1974

Education (Special Developmental Schools) Act 1976

Education Act 1958:

- except sections 13(1) – (8), (10) and (11), 14B, 15B(3), 15C, 15CA, 15D, 15E, 15G, 15H, 15N, 15Q(2), 15ZL, 20A, 30, section 82 (g), (h), (i) and (ia) and sections 82(p), (q) and (r) and 83 (to the extent that those provisions relate to the making of regulations relating to the matters referred to in sections 15H, 30 and 82(g), (h), (i) and (ia)) (which are administered by the Minister for Education Services)
- section 8(1) is jointly and severally administered with the Minister for Education Services.

Educational Grants Act 1973

La Trobe University (Bendigo and Wodonga) Act 1990

La Trobe University Act 1964

Marcus Oldham College Act 1995

Melbourne College of Advanced Education (Amalgamation) Act 1988

Melbourne College of Divinity Act 1910

Melbourne University (Hawthorn) Act 1991

Melbourne University (VCAH) Act 1992

Melbourne University (VCAH) Act 1997

Melbourne University Act 1958

Mildura College Lands Act 1916

Monash University Act 1958

Monash University (Chisholm and Gippsland) Act 1990

Monash University (Pharmacy College) Act 1992

Prahran Mechanics' Institute Act 1899

Royal Melbourne Hospital (Redevelopment) Act 1992:

- section 7.

The Act is otherwise administered by the Minister for Health.

Royal Melbourne Institute of Technology Act 1992

Serpell Joint Schools Act 1981

Swinburne University of Technology Act 1992

Teaching Service Act 1981 except:

- Part 4, Division 3
- section 76 (which is jointly and severally administered with the Minister for Education Services)
- section 78(1) in so far as it relates to the making of regulations for or in respect of Part 4, Division 3 and 78(2)(e) (which are jointly administered with the Minister for Education Services)
- section 11 (to the extent that it relates to the exercise of powers and functions for the purpose of section 15B(3) of the *Education Act 1958*).

The remaining provisions of the Act are administered by the Minister for Education and Training.

Tertiary Education Act 1993

University Acts (Amendment) Act 2003

University of Ballarat Act 1993

Victoria University of Technology Act 1990

Victorian College of Agriculture and Horticulture Act 1982

Victorian College of the Arts Act 1981

Victorian Curriculum and Assessment Authority Act 2000

Victorian Institute of Teaching Act 2001

Victorian Qualifications Authority Act 2000

Vocational Education and Training (Amendment) Act 1994

Vocational Education and Training Act 1990

Vocational Education and Training (TAFE Qualifications) Act 2003

Minister for Education Services

Education Act 1958:

- section 8(1) (which is jointly and severally administered with the Minister for Education and Training)
- sections 13(1) – (8), 13(10), 13(11), 14B, 15B(3), 15C, 15CA, 15D, 15E, 15G, 15H, 15N, 15Q(2), 15ZL, 20A, 30, 82 (g), (h), (i) and (ia)
- sections 82(p), (q) and (r) and 83 (to the extent that those provisions relate to the making of regulations relating to the matters referred to in sections 15H, 30 and 82(g), (h), (i) and (ia)).

The remaining provisions of the Act are administered by the Minister for Education and Training.

Teaching Service Act 1981:

- Part 4, Division 3
- section 76 (which is jointly and severally administered with the Minister for Education and Training)
- section 78(1) in so far as it relates to the making of regulations for or in respect of Part 4, Division 3; and section 78(2)(e) (which are jointly administered with the Minister for Education and Training)
- section 11 (to the extent that it relates to the exercise of powers and functions for the purpose of section 15B(3) of the *Education Act 1958*).

The remaining provisions of the Act are administered by the Minister for Education and Training.

APPENDIX 12 OFFICE-BASED ENVIRONMENTAL IMPACTS

This appendix discloses the Department's office-based environmental impacts on energy use, waste production, paper use, water consumption, transportation and green purchasing for its central office as required by Financial Reporting Direction 24 – Reporting of Office-based Environmental Impacts by Government Departments.

Rates per employee are based on the average number of FTE staff at end June 2003 and end June 2004 in the central office of the Department (928). This average is applied in recognition of reductions in staff numbers resulting from the Department's organisational restructure during the year.

| <i>Aspect</i> | <i>Annual quantitative measures</i> |
|-------------------|--|
| Energy use | <ul style="list-style-type: none"> • 13,208 MJ (Mega Joules) used per employee • 648 MJ used per m² of office space • 7,274 GJ (Giga Joules) total energy usage • 2,372 tonnes CO² equivalent (total greenhouse gas emissions) • 5% electricity was purchased as green power costing \$3,088 |
| Waste production | <ul style="list-style-type: none"> • 225 kg waste produced per employee • 158,615 kg of waste is recycled |
| Paper use | <ul style="list-style-type: none"> • 30 reams of paper used per employee • 27,973 reams of paper used |
| Water consumption | <ul style="list-style-type: none"> • 14,599 litres of water consumed per employee • 13,540,065 litres of water total |
| Transportation | <ul style="list-style-type: none"> • 5,921 GJ total passenger vehicle* fuel consumption • 6.38 GJ per employee passenger vehicle fuel consumption • 437 tonnes total CO² equivalent emissions from passenger vehicle use • 0.47 tonnes per employee CO² equivalent emissions from passenger vehicle use • 1,275,376 km total passenger vehicle trips associated with central office operations • 1,375 km per employee passenger vehicle trips associated with central office operations • 81.9% of employees regularly use public transport, cycle, or walk to and from work |
| Purchasing | The Department promotes the Environmental Purchasing Policy of the Victorian Government Purchasing Board in its Purchasing @ DE&T website. |

*Passenger vehicle data is based on the Department's central office fleet use.

APPENDIX 13 DISCLOSURE INDEX

The Annual Report of the Department of Education & Training is prepared in accordance with all relevant Victorian legislations. This index was prepared to facilitate identification of the Department's compliance with statutory disclosure requirements.

Report of operations

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| FRD 22 Statement of workforce data and merit and equity | 17, 49–52, 112–13 |
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| FRD 22 Significant changes in financial position during the year | 7–8 |
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| FRD 22 Major changes or factors affecting performance | 18–48 |
| FRD 22 Subsequent events | 94 |
| FRD 22 Application and operation of the <i>Freedom of Information Act 1982</i> | 117–18 |
| FRD 22 Compliance with building and maintenance provisions of the <i>Building Act 1993</i> | 11 |
| FRD 22 Statement on National Competition policy | 45 |
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| FRD 22 Details of consultancies over \$100,000 | 130 |
| FRD 22 Details of consultancies under \$100,000 | 130 |
| FRD 12 Disclosure of major contracts | 130 |
| FRD 22 Statement of availability of other information | 132 |
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| FRD 25 Victorian Industry Participation Policy disclosures | 130–131 |
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| SD 4.2(b) | Statement of financial position | 68 |
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| <i>Building Act 1983</i> | 11 |
| <i>Whistleblowers Protection Act 2001</i> | 119 |
| <i>Victorian Industry Participation Policy Act 2003</i> | 130 |

ACRONYMS AND ABBREVIATIONS

| | |
|---------|--|
| ABS | Australian Bureau of Statistics |
| ACE | Adult community education |
| ACFE | Adult, Community and Further Education |
| AIM | Achievement Improvement Monitor |
| AMES | Adult Multicultural Education Services |
| ANTA | Australian National Training Authority |
| AQTF | Australian Quality Training Framework |
| CSF | Curriculum and Standards Framework |
| DE&T | Department of Education & Training (Victoria) |
| EMA | Education Maintenance Allowance |
| ESL | English as a second language |
| ICT | Information and communications technology |
| LLEN(s) | Local Learning and Employment Network(s) |
| MIPs | Managed Individual Pathways |
| RMIT | Royal Melbourne Institute of Technology |
| SSO | School Services Officer |
| VCAA | Victorian Curriculum and Assessment Authority |
| VCAL | Victorian Certificate of Applied Learning |
| VCE | Victorian Certificate of Education (Years 11 and 12) |
| VET | Vocational education and training |
| VIT | Victorian Institute of Teaching |
| VLESC | Victorian Learning and Employment Skills Commission |
| VPS | Victorian Public Service |
| VQA | Victorian Qualifications Authority |



Department of Education & Training

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Melbourne Victoria 3001

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