

Department of Education

ANNUAL REPORT
2006–07

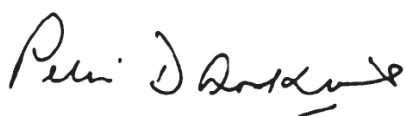
October 2007

The Hon. Bronwyn Pike, MP
Minister for Education
Maxine Morand, MP
Minister for Children and Early Childhood Development

Dear Ministers

I have pleasure in submitting the annual report of the Department of Education for the year 2006–07 in accordance with the *Education Act 1958* and the *Financial Management Act 1994*.

Yours sincerely

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

Professor Peter Dawkins

SECRETARY

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About this report

This report sets out the Department's key activities and achievements from 1 July 2006 to 30 June 2007 against the outputs and the Departmental objectives detailed in the 2006–07 Budget Papers. The report of operations is organised around the major output groups:

- compulsory years (pages 26–42)
- post-compulsory years (pages 43–46)
- services to students (pages 47–49)
- portfolio management services (pages 50–55).

Performance measures against these output groups are further detailed on pages 16–25. The financial report (pages 56–107) provides information on the financial position and performance of the Department in 2006–07.

Thirteen appendices (pages 108–164) provide supplementary financial and non-financial information. It is available on the Department's website <www.education.vic.gov.au>.

Secretary's report



The Department has a prime responsibility to fulfil the vision and meet the objectives outlined by the Government for education.

In 2006–07, the Department pursued

the six objectives and five strategies in the 2003–06 Corporate Plan to meet our mission – to provide high-quality education and training that raises achievement, reduces disparity and leads to opportunities. In doing so, the Department made progress towards its vision of an assured future for all Victorians and a prosperous society through learning.

During the course of 2006–07 significant machinery-of-government changes were implemented when the Department of Education and Training became the Department of Education (as discussed below). Further machinery-of-government changes were implemented early in 2007–08 when the Department of Education became the Department of Education and Early Childhood Development. Prior to the latest changes work was underway on developing a Department Corporate Plan for 2007–10. Further work will be undertaken during 2007–08 to develop a broader Corporate Plan for 2008–10 that reflects the Department's new responsibilities.

Key achievements in 2006–07 include:

- continued progress towards achievement of the Government's goals and targets for education
- successful implementation of the suite of Ministerial Statements that cover the education portfolio

- leading the collaboration with other States and Territories to ensure the best education outcomes for all students, in particular through the development of a new report, *The Future of Schooling in Australia*
- development of the *Education and Training Reform Act 2006*, including a process of legislative review, public consultation and implementation leading to its proclamation on 1 July 2007
- implementation of a range of corporate improvements, including the third *Your Job, Your Say* organisational health survey.

Machinery-of-government changes in 2006–07

As indicated above, the new Government term in late 2006 saw the transfer of a number of responsibilities from the Department to other departments. The changes are summarised below.

Responsibility	New responsible department
Vocational education and training and higher education	Department of Innovation, Industry and Regional Development
Adult, community and further education	Department for Victorian Communities
Adult, Community and Further Education Board	Department for Victorian Communities
Victorian Learning and Employment Skills Commission	Department of Innovation, Industry and Regional Development

In line with these new arrangements, the Department of Education and Training was renamed the Department of Education and the operations of the Department were realigned to ensure its continuing capacity to deliver on the Government's education goals, targets and priorities.

In early August 2007, policy responsibility for early childhood development was transferred to the Department, which was renamed the Department for Education and Early Childhood Development. These machinery-of-government changes will be discussed in more detail in the *Department of Education and Early Childhood Education Annual Report 2007–08*.

Blueprint for Government Schools

The Department continued to implement the reform strategies outlined in the 2003 Ministerial Statement, *Blueprint for Government Schools*. The Blueprint provides a framework for a highly effective government school system and focuses on:

- recognising and responding to the diverse needs of students by providing the tools which can spread effective practice across the system
- building the skills of the education workforce to enhance the teaching–learning relationship and the capacity of our leaders and teachers
- continuously improving schools by enhancing school accountability.

Significant progress has been made in the implementation of Blueprint initiatives during 2006–07, including:

- Victorian Essential Learning Standards (VELS)
All schools are implementing the domains of the new VELS and beginning to report on them to parents. Web resources for teachers have been created to support them in their implementation of the new standards.
- Improving literacy and numeracy standards in schools
Important new initiatives include a Literacy Improvement Team initiative, a revised Mathematics Online Interview, and the Literacy Leader Professional Learning Program.

- Plain English Report Card
The new report cards were mandated in 2007 and are being used in all government schools. They provide parents with clear, consistent and comprehensive information about their child’s learning as well as advice about how they can best support their child.
- School Compliance Checklist
The checklist was introduced in February 2007. It streamlines reporting requirements for schools and simplifies compliance with legislative and departmental policy.
- Developing leadership capacity
Additional funding led to nine new leadership development programs being designed, bringing the total number of leadership development opportunities for current and aspiring school leaders to 19 in total.

Victoria’s plan to improve literacy and numeracy outcomes

On 13 April 2007, the Government released its plan to improve literacy and numeracy skills under the Council of Australian Governments (COAG) National Reform Agenda. The plan aligns with a number of the strategies in the *Blueprint for Government Schools* and sets out a ten-year vision for the Victorian and Commonwealth governments to work together to:

- value good teaching and make sure we have the best teachers possible in all our schools
- build a culture of improvement in our schools
- direct our resources to where they can most make a difference.

The Future of Schooling in Australia

In October 2006, the Council for the Australian Federation established a Steering Committee to review the Adelaide Declaration on *National Goals for Schooling in the Twenty-First Century*, which all Australian jurisdictions jointly signed in 1999.

As chair of the Review Steering Committee, Victoria led the development of the resulting report entitled *The Future of Schooling in Australia*. The report included a new statement on the future of schooling in Australia, and a 12-point action plan to which all States and Territories agreed. The statement was a significant step in asserting the importance of collaborative federalism to promote high-quality schooling for all Australian students, regardless of jurisdiction, system or school.

Legislative reform

During 2006–07, the implementation of the *Education and Training Reform Act 2006* involved a significant public consultation process, development of new policy and the making of the associated Education and Training Regulations 2007. The Act and Regulations came into effect on 1 July 2007, replacing and updating 12 separate education and training Acts.

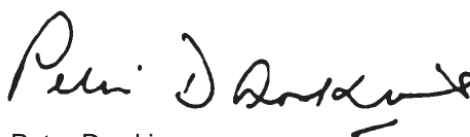
The new legislation is underpinned by a commitment to diversity, choice and access to education and training of the highest quality. The Act outlines a set of overarching principles upon which the practice of education and training will be based. This includes a requirement that all education and training providers operate in a manner consistent with Australian democratic principles.

Key features of the new Act include:

- raising the minimum school leaving age to 16 years
- guaranteeing a place in a TAFE institute or participating adult education provider to all young people who have not completed Year 12 or its equivalent up to the age of 20
- establishing a new statutory authority – the Victorian Registration and Qualifications Authority – responsible for the regulation and accreditation of government and non-government schools, training and higher education providers except universities
- enshrining parents' rights to information about their child's education, for example all schools will be required to provide information regarding the school's performance to the school community at least once a year
- affirming the principle of free instruction in government schools.

Statutory authorities

The contributions of the key statutory authorities to the achievement of the Government's goals and targets for education and training are significant. I would like to extend my thanks to the board and council members and staff of the Victorian Curriculum and Assessment Authority, the Victorian Qualifications Authority, and the Victorian Institute of Teaching.



Peter Dawkins
SECRETARY

Overview

About the Department

State education in Victoria dates from 1 January 1873. The Department plays a pivotal role in meeting the challenges and fulfilling the vision set by the Government for education. In 2006–07, the Department worked to the following vision and mission statement.

Vision

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

Mission

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

- raises achievement
- reduces disparity
- leads to opportunities.

Key responsibilities

The Department provides and ensures access to high-quality primary and secondary education for all Victorian children, including support for non-government schools, and implements government policies and delivers services to meet the educational needs of all young Victorians.

During 2006–07 the Department's primary functions included:

- 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
- regulating and administering the legislation governing the provision of higher education in Victoria
- providing leadership to a diverse and multi-dimensional education and training system.

The Department supports and advises the Minister for Education and the Minister for Education Services and helps with the management and administration of their portfolios. During 2006–07, the Minister for Education was John Lenders and the Minister for Education Services was Jacinta Allan.

More information on the Ministerial portfolios appears in Appendix 10 on pages 157–158.



Outputs

Outputs are the goods and services provided by the Department for the education community in Victoria, including the Ministers and Government. The Department is funded by the Government to provide outputs in four areas:

- compulsory years
- post-compulsory years
- services to students
- portfolio management services.

As a result of the December 2006 machinery-of-government changes, several outputs were divided between the Department of Education, the Department of Innovation, Industry and Regional Development (DIIRD) and the Department for Victorian Communities (DVC). Subsequently, various performance measures were transferred to DIIRD and DVC.

The affected outputs were training and further education, adult and community education, cross-sectoral and regulation. DIIRD and DVC will report on the performance of the transferred measures for the full reporting period. Refer to the Outputs and performance measures section on page 16 for details on these transferred measures.

Revenues and expenses associated with these transferred measures for the period up to the date of transfer are recorded in the Department's financial report for 2006–07.

Corporate governance

The Department's corporate governance framework coordinates the structures and processes within the Department that support effective direction setting and decision making, the assessment and treatment of risk, compliance and accountability requirements, and the monitoring and optimising of performance. It is underpinned by a set of Departmental values and principles of conduct as outlined in the Department's People Principles.

Portfolio Board

The Department's corporate governance arrangements include the Portfolio Board, comprising the Secretary and Deputy Secretaries of the Department, the Chief Executive Officer of the Victorian Curriculum and Assessment Authority and the Director of the Victorian Qualifications Authority. The Board meets quarterly to set the overall strategic direction of the portfolio, to assess the portfolio's performance against key indicators, and determine if changes in strategic approach are required. The Board also determines and manages key strategic risks to the achievement of the portfolio's objectives.

Departmental Management Committee

The Departmental Management Committee leads, manages and monitors the work of the Department in accordance with the strategic directions provided by the Government and the Portfolio Board.

The Committee meets weekly to review performance against business plans and to consider critical policy, program and resource matters.

The Committee takes responsibility for driving the policy agenda set by the Government, as reflected in the goals and targets for education and in Ministerial Directions and Statements. It also manages and coordinates stakeholder interaction and monitors progress against the Department's Corporate Plan 2003–06. Members have key strategic, operational and financial responsibilities and are accountable for Department outcomes.

The work of the Departmental Management Committee is supported by six committees: Portfolio Audit, Strategic and Financial Planning, Human Resources, Knowledge Management, Research, and the Accredited Purchasing Unit.

Members of the Departmental Management Committee at 30 June 2007 were as follows.

PROFESSOR PETER DAWKINS
SECRETARY

Professor Peter Dawkins joined the Department as Secretary on 10 July 2006. Prior to that he was Deputy Secretary of the Victorian Treasury, a position he held from April 2005, where he worked on Victoria's national reform initiative for COAG especially in the area of human capital reform (education, health and work incentives).

Professor Dawkins was attracted into the Victorian Public Service (VPS) from the University of Melbourne, where he was the Ronald Henderson Professor and Director of the Melbourne Institute of Applied Economic and Social Research from 1996–2005. While at Melbourne he also served for a period as Dean of the Faculty of Economics and Commerce. He is the author or editor of several books and numerous scholarly articles on a range of economic and social issues. He had been a teacher and researcher in a number of British and Australian universities since the late 1970s.

While in academia Professor Dawkins was a prominent public policy analyst and adviser. He has served on a number of Commonwealth Government committees including the reference group that produced the McClure Report on Welfare Reform, the Prime Minister's Science, Engineering and Innovation Council, and the Australian Statistics Advisory Council and State Government committees including an expert reference group on Commonwealth–State Relations chaired by Professor Glyn Davis and the Victorian Workforce Participation Taskforce chaired by John Button.

Professor Dawkins is a Fellow of the Academy of Social Sciences in Australia and a Fellow of the Institute of Public Administration (Victoria).

MR DARRELL FRASER
DEPUTY SECRETARY
OFFICE FOR GOVERNMENT SCHOOL
EDUCATION

Mr Darrell Fraser joined the Department as Deputy Secretary on 14 January 2004. Prior to joining the Department's central office, Mr Fraser was principal of Glen Waverley Secondary College. Mr Fraser has received 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 for Government School Education is responsible for management, coordination and implementation of high-quality government school education across the State of Victoria.

MS KATHERINE HENDERSON
DEPUTY SECRETARY
OFFICE FOR POLICY, PLANNING AND
EVALUATION

Ms Katherine Henderson joined the Department as Deputy Secretary on 7 February 2005. Ms Henderson returned to the VPS in early 2005 after a ten-year period working in the Northern Territory. Her most recent position was as Deputy Chief Executive, Northern Territory Department of Employment, Education and Training. Prior to joining the public service, Ms Henderson taught for ten years in the secondary and tertiary sectors.

The Office for Policy, Planning and Evaluation manages the Department's overall strategic and corporate policy agenda. It leads support for the portfolio Ministers in relation to external and internal communications, data and evaluation, good governance, risk management and decision support. It also develops policy relating to the broader social, economic and political landscape. The Office is responsible for the Department's relationship with the Commonwealth and with other State and local government agencies.

MR JEFF ROSEWARNE

DEPUTY SECRETARY
OFFICE FOR RESOURCES AND
INFRASTRUCTURE

Mr Jeff Rosewarne joined the Department as Deputy Secretary on 26 May 2003.

Mr Rosewarne returned to the Department 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 for Resources and Infrastructure is responsible for the development and implementation of resource and infrastructure policies and procedures for the Department in the areas of finance, infrastructure, information technology, human resources and corporate services. The Office provides direct services to the Department's corporate offices and to government schools.

DR DAHLE SUGGETT

DEPUTY SECRETARY
OFFICE FOR EDUCATION POLICY AND
INNOVATION

Dr Dahle Suggett joined the Department as Deputy Secretary on 17 March 2004. Prior to joining the Department, Dr Suggett previously held positions as a partner in the Allen Consulting Group and at Exxon Chemical in both Australia and the United States. Dr Suggett has also held senior public service positions in the Commonwealth Government including Assistant Commissioner of the Commonwealth Schools Commission and Executive Director of the Commonwealth Youth Bureau.

The Office for Education Policy and Innovation leads educational policy development, research and innovation for the Department and has responsibility for designing school system reform. This includes furthering connections between the government school sector and non-government schools to meet the educational needs of all young Victorians. The Office also has policy responsibility for international education, youth transition pathways and the interface with the vocational education and training (VET) and higher education sectors.

Organisation chart as at 30 June 2007



Human resources

As at June 2007, there were 52,892 full-time equivalent (FTE) staff employed by the Department. These staff were distributed across the schools, the head office and regions as indicated in the following table.

Full-time equivalent of staff on pay as at June 2007

Location	FTE
School	
Teaching	40,411
Non-teaching	10,981
Subtotal	51,392
Central office and regions	1,499
Total (a)	52,892

(a) Total may not add up due to rounding

Further workforce statistics are contained in Appendix 4 on pages 123–129.

Your Job, Your Say survey

During March 2007, the Department conducted the organisational health survey, *Your Job, Your Say*, for the third time since introducing it in 2005. The survey is designed to obtain information about the organisational and people management practices that influence employee wellbeing and organisational performance in central and regional offices.

The survey reports provide:

- Departmental results against other Australian public sector organisations' benchmarks
- historical matching that enables the Department to accurately monitor and evaluate change over time
- information on a range of indicators that reflect the key people management issues underpinning staff wellbeing and performance
- information on key strengths and areas for improvement for workgroups across the Department
- key strengths and areas for improvement for all people managers derived through the leadership section of the survey.

The response rate for 2007 at 74 per cent was particularly encouraging as it shows that staff value the opportunity to provide feedback on workplace issues.

The workgroup results provide teams across the Department with key indicators of team wellbeing and team performance. Teams then plan and implement strategies for improving the way they work and collaborate with other teams to achieve their goals and objectives in 2007–08.

The individual leadership report for managers provides information on the effectiveness of their leadership style in supporting and developing their team to achieve shared goals and objectives.

Summary of financial results

The Department's portfolio as described in the 2006–07 State Budget papers comprises four key output areas:

- compulsory years
- post-compulsory years
- services to students
- portfolio management services.

The financial statements presented in this annual report relate to the controlled operations of the Department and include corporate activities and the 1594 government schools. They also include the results for the six months to 31 December 2006 of the Office of Training and Tertiary Education, whose training and tertiary education activities have been relinquished to the Department of Innovation, Industry and Regional Development and the Department for Victorian Communities, following the machinery-of-government changes.

Other agencies within the portfolio report separately and therefore are not included within the controlled financial transactions of the Department. These entities include

the Victorian Curriculum and Assessment Authority, the Victorian Institute of Teaching and the Victorian Qualifications Authority.

The table below provides information on the Department's financial results for 2006–07 and comparisons with the previous four financial years.

Apart from the financial impact of the machinery-of-government changes discussed above, there were no significant changes in financial position during the reporting period 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.

2006–07 result

The Department's result from ordinary activities for 2006–07 was \$64.5 million, compared with \$147.6 million in 2005–06. The Department's net result has reduced primarily due to greater expenditure by schools on maintenance, the funding for which was granted to schools in the 2005–06 year, as well as higher departmental operational expenditure.

Revenue and expenses

The growth, after the adjustment of appropriation revenue and expenditure transferred under the machinery-of-government changes, in the Department's revenue and expenditure primarily reflects the high level of service delivery achieved from the efficient delivery of output initiatives on behalf of the Government, general inflation-related indexation, the continued success of schools in raising funds locally and the offset of the machinery-of-government transfer.

During the year, the Department increased funding for initiatives approved in the 2006–07 State Budget and continued implementation of funding for initiatives approved in the previous budget for programs such as Schools Start bonus, Students with Disabilities and Schools for Innovation, and Excellence and Mathematics and Science equipment grants.

Assets

The value of the Department's assets increased by \$379.8 million in 2006–07. This increase reflects the spending under the Government's commitment to improving the quality of schools' infrastructure as well as asset purchases funded by schools from their own fundraising activities. It also reflects an increase in schools' cash and investment balances due to unspent additional third party revenue generated by schools.

	2002–03 \$ million	2003–04 \$ million	2004–05* \$ million	2005–06 \$ million	2006–07 \$ million
Operating revenue					
Income from State Government	5,533.9	5,757.0	6,205.9	6,600.5	6,391.7
Other revenue	478.3	429.5	491.5	441.3	670.1
Total income	6,012.2	6,186.5	6,697.4	7,041.8	7,061.8
Total expenses	5,898.9	6,170.8	6,524.0	6,894.2	6,997.3
Net result for this reporting period	113.3	15.7	173.4	147.6	64.5
Total assets	8,205.0	9,368.1	9,217.0	10,331.8	10,711.6
Total liabilities	1,009.2	1,111.9	1,170.0	1,228.3	1,326.8
Net assets	7,195.8	8,256.1	8,047.0	9,103.5	9,384.8
Cash and cash equivalents at the end of the financial year	401.6	384.7	463.8	477.3	699.6

*Comparative change: Year 2004–05 in the above table changed due to A-IFRS accounting adjustments required in the Department's financial statements. (Refer Note 30 of notes to the financial statements in this annual report.)

Goals and targets

In 2005, the Government released an update to *Growing Victoria Together*, which set the following targets for this Department:

- the proportion of Victorian primary students achieving the national benchmark levels for reading, writing and numeracy will be at or above the national average

- by 2010, 90 per cent of young people in Victoria will successfully complete Year 12 or its educational equivalent
- the number of early school leavers who are unemployed after six months will decline.

Progress against these targets is shown in the following table.

Target	Measure	2001	2002	2003	2004	2005	2006	Comment
Percentage of Victorian primary school students achieving the national benchmark levels for reading, writing and numeracy will be at or above the national average. ^(a)	Percentage achieving national benchmark in Year 3 reading	89.0 (90.3)	92.0 (92.3)	90.4 (92.4)	90.5 (93.0)	91.7 (92.7)	Not yet available Not yet available	In 2005, Victoria's performance was at or above the national average (figure in brackets) on the range of measures. The 2005 results were released by MCEETYA ^(b) in March 2007.
	Percentage achieving national benchmark in Year 3 writing	94.7 (89.5)	95.3 (93.6)	96.1 (92.2)	97.1 (92.9)	97.5 (92.8)	Not yet available Not yet available	
	Percentage achieving national benchmark in Year 3 numeracy	94.1 (93.9)	92.0 (92.8)	95.8 (94.2)	96.0 (93.7)	95.5 (94.1)	Not yet available Not yet available	
	Percentage achieving national benchmark in Year 5 reading	90.9 (89.8)	87.3 (89.3)	89.6 (89.0)	87.6 (88.7)	88.7 (87.5)	Not yet available Not yet available	
	Percentage achieving national benchmark in Year 5 writing	92.4 (94.0)	94.9 (93.6)	95.6 (94.1)	93.4 (94.2)	97.4 (93.3)	Not yet available Not yet available	
	Percentage achieving national benchmark in Year 5 numeracy	94.7 (89.6)	93.2 (90.0)	94.7 (90.8)	94.7 (91.2)	95.4 (90.8)	Not yet available Not yet available	
By 2010, 90 per cent of young people will successfully complete Year 12 or its educational equivalent.	Percentage of 20–24-year-olds in Victoria who have completed Year 12 or equivalent ^(c)	82.8	84.1	85.8	85.2	85.0	86.6	The Victorian result for 2006 was higher than all other states, except the Australian Capital Territory.
	Percentage of 19-year-olds in Victoria who have completed Year 12 or equivalent ^(d)	75.7 ^(e)	75.8 ^(e)	78.4 ^(f)	79.5 ^(f)	79.1 ^(f)	81.0 ^(f)	The percentage of young people successfully completing Year 12 or equivalent has grown since 2001.
The number of early school leavers who are unemployed after six months will decline	Percentage of early school leavers who are unemployed ^(g)			18.5	15.0	14.3	Not yet available	The samples used for the On Track survey for young people who left school early in 2003, 2004 and 2005 were relatively small and should be interpreted with care.

^(a) Numbers are subject to measurement error of up to 1.9 percentage points. Figures in brackets show the national average for the percentage of primary students achieving the national benchmarks for reading, writing and numeracy.

^(b) Ministerial Council on Education, Employment, Training and Youth Affairs.

^(c) Sourced from the Australian Bureau of Statistics annual Survey of Education and Work (2006).

^(d) Sourced from Departmental administrative data and Australian Bureau of Statistics population estimates.

^(e) Includes an estimate of completions in the VET sector, based on the 2001 Census of Population and Housing.

^(f) Due to ongoing improvements in VET data collections, these figures include actual completions occurring in the VET sector.

^(g) As measured by the On Track early leavers sample survey.

Outputs and performance measures

This section reports on achievement against the non-financial outputs and performance measures. These are listed in the same order as published in the 2006–07 State Budget Papers (Budget Paper no. 3, chapter 3). The outputs and performance measures are listed under the categories of compulsory years, post-compulsory years, services to students and portfolio management.

The Department's outputs are one of the primary mechanisms through which the Government will achieve its key outcome of high-quality education for lifelong learning. These outputs will also make a significant contribution to the following key government outcomes:

- growing and linking all of Victoria
- sound financial management
- a fairer society that reduces disadvantage and respects diversity.

All targets and results refer to the 2006 calendar year unless otherwise explicitly stated. The results of a number of measures listed in the following tables are not available from the Department as they were transferred to the Department of Innovation, Industry and Regional Development or the Department for Victorian Communities following machinery-of-government changes.

Compulsory years

These outputs involve the provision of education and associated services designed to improve the quality of student learning of those in Prep–Year 9 in government and non-government schools. It comprises two outputs: early years and middle years.

Early years

This output involves the provision of education and associated services designed to improve the quality of student learning of those in Prep–Year 4 in government and non-government schools. In general, the measures below relate to government schools. National benchmark information refers to both government and non-government schools.

Performance measure	Unit of measure	2006–07 Target	2006–07 Result	Comments
Quantity				
Average P–2 class size	number	21.0	20.8	
Average Years 3–6 class size	number	24.8	23.7	
Eligible students in regular schools receiving ESL support: primary	per cent	91.0	91.0	
Koorie Educators employed	number	15	15	
Koorie Home School Liaison Officers employed	number	6	6	
New-arrival students receiving intensive or targeted support: primary	number	1,150	3,090	There were unexpected increases in the number of new-arrival students enrolling in schools. Increases occurred in regional areas and in the outposting program.
Principals participating in statewide, centrally funded leadership development programs	number	310	312	
Schools with an early years numeracy coordinator	per cent	100	100	
Primary school welfare officers employed	number	256	256	
Schools with a 1:5 or better computer to student ratio: primary	per cent	95.0	92.9	
Teachers and principals with a notebook computer: primary	per cent	95.0	92.1	
Teacher–student ratio: primary	ratio	1:16.3	1:15.9	
Year 1 cohort accessing one-to-one literacy intervention programs	per cent	20.0	20.0	
Quality				
Parent satisfaction with primary schooling on a 100-point scale	per cent	87	80	The Parent Opinion survey changed in 2006 to align with the School Accountability and Improvement Framework and the Effective Schools Model. The survey response scale was also changed from a six-point to a seven-point scale. The result is not comparable with those from previous years. The target was set prior to the change in survey methodology.
Percentage of Year 3 Indigenous students reaching national benchmarks in numeracy ^(a)	per cent	80	Not available	2006 national benchmark results have not been released yet.
Percentage of Year 3 Indigenous students reaching national benchmarks in reading ^(a)	per cent	72	Not available	2006 national benchmark results have not been released yet.
Percentage of Year 3 students reaching national benchmarks in numeracy	per cent	95	Not available	2006 national benchmark results have not been released yet.
Percentage of Year 3 students reaching national benchmarks in reading	per cent	92	Not available	2006 national benchmark results have not been released yet.
Primary schools identified as performing at or above expected levels	per cent	92	92	
Student attainment at text level 1 at end of Prep in reading (all students)	per cent	96.5	96.1	
Student attainment at text level 5 at end of Year 1 reading (all students)	per cent	99.5	99.2	
Students in non-metropolitan regions achieving at text level 1 at end of Prep in reading	per cent	96.3	95.9	

^(a) For Indigenous students errors can be up to 6 per cent in some domains.

Middle years

This output involves provision of education and other associated services designed to improve the quality of student learning of those in Years 5–9 in government and non-government schools. In general, the measures below relate to government schools.

National benchmark information refers to both government and non-government schools.

Refer to the compulsory years of education section on pages 26–42 for further information on the key achievements and highlights attained in this output group.

Performance measure	Unit of measure	2006–07 Target	2006–07 Result	Comments
Quantity				
Average rate of student attendance at Year 5	per cent	95	94	
Average rate of student attendance at Year 6	per cent	95	94	
Average rate of student attendance in Years 7–10	per cent	93	91	
Eligible students in regular schools receiving ESL support: secondary	per cent	89	89	
New-arrival students receiving intensive or targeted support: secondary	number	882	1,764	There have been unexpected increases in the number of new-arrival students enrolling in English language schools/centres and in regional areas.
Schools with a 1:5 or better computer to student ratio: secondary	per cent	95.0	89.7	Devolved management to schools results in schools allocating funds to their highest priority initiatives and this has meant that some schools have not prioritised the purchase of computers to achieve and maintain a computer to student ratio of 1:5.
Teachers and principals with a notebook computer: secondary	per cent	95.0	93.4	
Teacher–student ratio: secondary	ratio	1:12.1	1:11.9	
Years 7–10 English class sizes less than 26 students	per cent	86.0	87.7	
Quality				
Parent satisfaction with secondary schooling on a 100-point scale	per cent	79	72	The Parent Opinion survey was changed in 2006 to align with the School Accountability and Improvement Framework and the Effective Schools Model. The survey response scale was also changed from a six-point to a seven-point scale. The result is not comparable with those from previous years. The target was set prior to the change in survey methodology.
Percentage of Year 5 Indigenous students reaching national benchmarks in numeracy ^(a)	per cent	83	Not available	2006 national benchmark results have not been released yet.
Percentage of Year 5 Indigenous students reaching national benchmarks in reading ^(a)	per cent	74	Not available	2006 national benchmark results have not been released yet.
Percentage of Year 5 students reaching national benchmarks in numeracy	per cent	95	Not available	2006 national benchmark results have not been released yet.
Percentage of Year 5 students reaching national benchmarks in reading	per cent	92	Not available	2006 national benchmark results have not been released yet.
Secondary schools identified as performing at or above expected levels	per cent	90	91	
Years 5–6 students' opinion of their connectedness with school	number (1–5)	3.8	4.1	
Years 7–9 students' opinion of their connectedness with school	number (1–5)	3.0	3.5	

^(a) For Indigenous students errors can be up to 6 per cent in some domains.

Post-compulsory years

Post-compulsory years consists of four outputs: later years, training and further education, adult and community education, and cross-sectoral.

Later years

This output involves provision of education and other associated services designed to improve the quality of student learning of those in Years 10–12 in government and non-government schools.

Performance measure	Unit of measure	2006–07 Target	2006–07 Result	Comments
Quantity				
Annual student contact hours in VET in Schools programs	number (million)	11.0	12.8	Includes government and non-government schools. VET in Schools covers VCE and VCAL students undertaking vocational education and training as well as school-based apprenticeships.
Enrolments in VET in Schools certificate programs	number	45,000	51,576	Includes government and non-government schools. VET in Schools covers VCE and VCAL students undertaking vocational education and training as well as school-based apprenticeships.
Number of providers offering the VCAL	number	400	401	Includes government and non-government schools.
Number of student enrolments in the VCAL	number	11,000	12,326	Includes government and non-government schools.
Number of students participating in VET in Schools programs	number	31,000	38,237	Includes government and non-government schools. VET in Schools covers VCE and VCAL students undertaking vocational education and training as well as school-based apprenticeships.
Proportion of VCAL providers to total senior secondary school certificate providers	per cent	60.0	66.1	Includes government and non-government schools.
Students satisfactorily completing the VCAL	number	6,000	6,236	Includes government and non-government schools.
Quality				
Average rate of student attendance in Years 11 and 12	per cent	93	93	Government schools only.
Enrolments in VET in Schools units as a proportion of total VCE unit enrolments	per cent	7.5	8.2	Includes government and non-government schools. VET in Schools covers VCE and VCAL students undertaking vocational education and training as well as school-based apprenticeships.
Median VCE study score	number	29	29	Government schools only.
Statewide rate of transition from Year 10 to Year 11 (February Census – government sector only)	per cent	97.0	98.1	
Students satisfactorily completing the VCAL	per cent	50.0	68.7	Includes government and non-government schools. As schools become more familiar with the three VCAL levels, they enrol students in levels more appropriate for individual students. This has contributed to the increase in completions.
VCAL students progressing to further education, training or work	per cent	80	89	Includes government and non-government schools.
VET in Schools students completing a qualification	number	12,800	14,519	Includes government and non-government schools. VET in Schools covers VCE and VCAL students undertaking vocational education and training as well as school-based apprenticeships.
VET in Schools students progressing to further education, training or work	per cent	90	95	Includes government and non-government schools. VET in Schools covers VCE and VCAL students undertaking vocational education and training as well as school-based apprenticeships.
Years 10–12 apparent retention rate (August census)	per cent	78.0	75.8	The lower than expected result is due to school students choosing other pathways and options in a buoyant economy.
Years 7–12 apparent retention rate (August census)	per cent	75.0	72.6	The lower than expected result is due to school students choosing other pathways and options in a buoyant economy.

Training and further education

This output involves the 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.

Performance measure	Unit of measure	2006–07 Target	2006–07 Result	Comments
Quantity				
Annual Government-funded module enrolments	number (million)	2.31	Not available	No result was available prior to machinery-of-government changes. This measure has been transferred to the Department of Innovation, Industry and Regional Development.
Audit of contract compliance by registered training organisations and other State Training System organisations	number	350	Not available	No result was available prior to machinery-of-government changes. This measure has been transferred to the Department of Innovation, Industry and Regional Development.
Government-funded student contact hours of training and further education provided	number (million)	70.55	Not available	No result was available prior to machinery-of-government changes. This measure has been transferred to the Department of Innovation, Industry and Regional Development.
Government-funded student contact hours of training and further education provided to 15–24-year-olds.	number (million)	44.0	Not available	No result was available prior to machinery-of-government changes. This measure has been transferred to the Department of Innovation, Industry and Regional Development.
Number of apprentices/trainees completions who qualify for the completion bonus	number	12,700	Not available	No result was available prior to machinery-of-government changes. This measure has been transferred to the Department of Innovation, Industry and Regional Development.
Number of apprenticeship/traineeship commencements by new employees	number	65,100	Not available	No result was available prior to machinery-of-government changes. This measure has been transferred to the Department of Innovation, Industry and Regional Development.
Number of individuals assisted through the Skill Up program	number	1,200	Not available	No result was available prior to machinery-of-government changes. This measure has been transferred to the Department of Innovation, Industry and Regional Development.
Number of people assisted by Parents Returning to Work grants	number	1,275	Not available	No result was available prior to machinery-of-government changes. This measure has been transferred to the Department of Innovation, Industry and Regional Development.
School-based apprentices/trainees in training	number	4,000	5,554	Transitional funding provided to government schools to support them in the administration of school-based apprenticeships may have contributed to the increase. In addition, a flow-on effect of the 2002–2005 School Based Apprenticeship Support initiative can take some credit for this increase.
Quality				
Participation rate of 15–19-year-olds in training and further education in Victoria: Non-metropolitan Victoria	per cent	31.1	Not available	No result was available prior to machinery-of-government changes. This measure has been transferred to the Department of Innovation, Industry and Regional Development.
Participation rate of 15–19-year-olds in training and further education in Victoria: All Victoria	per cent	27.8	Not available	No result was available prior to machinery-of-government changes. This measure has been transferred to the Department of Innovation, Industry and Regional Development.
Percentage of TAFE graduates who rate quality of training as 4 or more out of 5	per cent	85.0	Not available	No result was available prior to machinery-of-government changes. This measure has been transferred to the Department of Innovation, Industry and Regional Development.
Persons aged 15–64 participating in TAFE programs as proportion of population	per cent	14.8	Not available	No result was available prior to machinery-of-government changes. This measure has been transferred to the Department of Innovation, Industry and Regional Development.

Performance measure	Unit of measure	2006–07 Target	2006–07 Result	Comments
Successful training completions as measured by module load pass rate	per cent	77.5	Not available	No result was available prior to machinery-of-government changes. This measure has been transferred to the Department of Innovation, Industry and Regional Development.
TAFE graduates in employment six months following graduation	per cent	80.0	Not available	No result was available prior to machinery-of-government changes. This measure has been transferred to the Department of Innovation, Industry and Regional Development.

Adult and community education

This output involves the provision of education and training places and support for education for adults in community settings and in adult education institutions (Adult Multicultural

Education Services and the CAE), in accordance with priorities established by the Government and regional demand.

Performance measure	Unit of measure	2006–07 Target	2006–07 Result	Comments
Quantity				
Government-funded annual module enrolments – ACE organisations and adult education institutions	number	129,000	Not available	No result was available prior to machinery-of-government changes. This measure has been transferred to the Department for Victorian Communities.
Government-funded student contact hours of VET activity provided through ACE organisations and adult education institutions	number (millions)	3.7	Not available	No result was available prior to machinery-of-government changes. This measure has been transferred to the Department for Victorian Communities.
Government-funded student contact hours of VET activity provided to 15–24-year-olds through ACE organisations and adult education institutions	number (millions)	2.0	Not available	No result was available prior to machinery-of-government changes. This measure has been transferred to the Department for Victorian Communities.
Student contact hours delivered in ACE to persons 15 and over who have no qualification at all or a qualification less than Year 12 or Certificate II	number (millions)	3.4	Not available	No result was available prior to machinery-of-government changes. This measure has been transferred to the Department for Victorian Communities.
Quality				
Student satisfaction with ACE courses meeting overall needs	per cent	80.0	Not available	No result was available prior to machinery-of-government changes. This measure has been transferred to the Department for Victorian Communities.
Successful completions as measured by module load completion rate – ACE organisations and adult education institutions	per cent	77	Not available	No result was available prior to machinery-of-government changes. This measure has been transferred to the Department for Victorian Communities.

Cross-sectoral

This output involves provision of integrated support across sectors (schools, TAFE, and ACE) through organisational networks and linkages, as well as through pathway plans and monitoring of individual accounts.

Refer to the post-compulsory schooling section on pages 43–46 for further information on the key achievements and highlights attained in this output group.

Performance measure	Unit of measure	2006–07 Target	2006–07 Result	Comments
Quality				
ACE and adult education institution students funded through Youth Pathways program with a MIPs plan	per cent	100	Not available	No result was available prior to machinery-of-government changes. This measure has been transferred to the Department for Victorian Communities.
Percentage of Year 10–12 school students provided with detailed (mail and phone) follow-up in the year after exit	per cent	70	71	Includes government and non-government schools.
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	62	
TAFE students funded through Youth Pathways program with a MIPs plan	per cent	100	Not available	No result was available prior to machinery-of-government changes. This measure has been transferred to the Department of Innovation, Industry and Regional Development.

Services to students

Refer to the Services to students section on pages 47–49 for further information on the key achievements and highlights attained in this output group.

This output covers student welfare and support, services to students with disabilities, the provision of the Education Maintenance Allowance, Schools Start Bonus and student transport.

Performance measure	Unit of measure	2006–07 Target	2006–07 Result	Comments
Quantity				
Eligible special school students provided with appropriate travel	number	5,800	6,400	The 2006–07 result reflects increases experienced in special school enrolments.
Percentage of Victorian government schools meeting minimum requirements of the Framework for Student Support Services in Victorian government schools	per cent	98.0	98.3	
Students receiving school start-up payment	number	130,000	129,059	Financial year target and result.
Regular schools with students with disabilities	per cent	88.0	88.3	From 2006 and onwards, the target and result cover only schools that receive funding under the Program for Students with Disabilities (including those funded for Severe Language Disorder categories 3 and above). From 2006, all government schools receive funding for the Language Support program.
School students (government) supported by conveyance allowance	number	10,450	13,087	
School students (non-government) supported by conveyance allowance	number	31,000	32,821	
School students receiving the Education Maintenance Allowance	number	205,000	213,478	Financial year target and result. The number of students receiving the Education Maintenance Allowance is dependent on the number of eligible applications received and cannot be directly influenced by the Department.
Students funded under the disabilities program in government schools as a proportion of the total student population	per cent	3.0	3.2	
Quality				
Parent satisfaction with special education on a 100-point scale	per cent	92	85	The Parent Opinion survey was changed in 2006 to align with the School Accountability and Improvement Framework and the Effective Schools Model. The survey response scale was also changed from a six-point to a seven-point scale. The result is not comparable with those from previous years. The target was set prior to the change in survey methodology.
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 available	The program is being reviewed and revised and results are currently not available.
School satisfaction with student support services	per cent	82.0	87.9	
Student Drug Education Learning Outcomes Index	number (1–100)	77.00	77.71	
Timeliness				
Student transport payments made according to published schedule	per cent	100	100	

Portfolio management services

Portfolio management services consists of two outputs: services to Ministers and policy, and regulation.

Services to Ministers and policy

This output involves provision of policy, administrative support and strategy advice to the Ministers in relation to their parliamentary and legislative responsibilities.

Performance measure	Unit of measure	2006-07 Target	2006-07 Result	Comments
Quantity				
Number of briefings provided following requests from the Ministers	number	1,000	845	Financial year measure and result. The target was set prior to changes to machinery-of-government. The result is lower than the target as it reflects the transfer of functions out of the Department from January 2007. The result is dependent on requests for briefings.
Number of responses to items of correspondence provided for the Ministers' signature	number	1,100	722	Financial year measure and result. The target was set prior to changes to machinery-of-government. The result is lower than the target as it reflects the transfer of functions out of the Department from January 2007. The result is dependent on the level of incoming correspondence requiring a response with the Ministers' signature.
Quality				
Reader satisfaction with news publications	per cent	100	Not available	Financial year measure and result. The Department has one news publication which is currently being reviewed and the survey was not conducted this year.
Timeliness				
Percentage of responses to items of Ministerial correspondence that are provided within 14 days	per cent	100	96	Financial year measure and result. The target of 100 per cent is difficult to achieve and has been lowered to 95 per cent for 2007-08 and onwards to take into account correspondence that requires more extensive research, consultation and investigation. The result for 2006-07 is an improvement on the result for 2005-06 and a big improvement on the result of 76 per cent for 2004-05.

Regulation

This output involves provision of administrative support services for the various statutory authorities including the Victorian Curriculum and Assessment Authority, the Victorian Learning and Employment Skills Commission and the Victorian Qualifications Authority,

regulation and advisory bodies, and for higher education and international education.

Refer to the Portfolio management services section on pages 50–55 for further information on the key achievements and highlights attained in this output group.

Performance measure	Unit of measure	2006–07 Target	2006–07 Result	Comments
Quantity				
Overseas students recruited to study in Victorian government schools in the year	number	1,000	1,380	Over-performance may be attributed to higher-than-predicted levels of demand and more effective marketing through selected off-shore agents.
Teacher scholarships taken up	number	180	182	Financial year measure and result. Includes scholarships provided for those involved in a career change.
Universities participating in cooperative arrangements in regional areas	number	9	Not available	No result was available prior to machinery-of-government changes. This measure has been transferred to the Department of Innovation, Industry and Regional Development.
Quality				
Direct costs of accrediting private providers recovered through fees	per cent	100	Not available	No result was available prior to machinery-of-government changes. This measure has been transferred to the Department of Innovation, Industry and Regional Development.
Private providers complying with quality standards	per cent	100	Not available	No result was available prior to machinery-of-government changes. This measure has been transferred to the Department of Innovation, Industry and Regional Development.
Recommendations of non-government school registration reviews approved by Registered Schools Board	per cent	99	99	
Timeliness				
Private provider applications assessed within six months	per cent	75	Not available	No result was available prior to machinery-of-government changes. This measure has been transferred to the Department of Innovation, Industry and Regional Development.

Compulsory years of education

Education in Victoria is compulsory for children aged from six to 15 years. This section discusses the provision of education and associated services for these students.

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

During the middle years of schooling (Years 5–9), students grow from childhood to adolescence and consolidate competency in literacy and numeracy while developing physically, socially, emotionally and intellectually. They attain a greater breadth of knowledge and learning, including extending their capacity for creative and critical thinking.

Blueprint for Government Schools

The *Blueprint for Government Schools* provides the framework for an effective Victorian government school system. Its objective is that all government school students, irrespective of the school they attend, where they live or their social or economic status, have access 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 priority areas for reform – recognising and responding to diverse student needs, building the skills of the education workforce to enhance the teaching–learning relationship, and continuously improving schools. The Blueprint identifies seven Flagship strategies that provide a basis for continuous improvement in schools, with students as the central focus.

Recognising and responding to diverse student needs

- 1 Student learning
- 2 Developing a new resource allocation model

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

- 3 Building leadership capacity
- 4 Creating and supporting a performance and development culture
- 5 Teacher professional development

Continuously improving schools

- 6 School improvement
- 7 Leading Schools Fund

These Flagship strategies provide a shared vision, focus on teaching and learning and professional leadership, set high expectations and accountabilities, and provide for robust, stimulating and secure learning environments. Effective teachers, leaders, schools, regions and the central office value and contribute to a culture of learning and improvement at all levels of the system.

Progress made during 2006–07 in implementing the initiatives of each strategy is detailed below.

Recognising and responding to diverse student needs

Student learning

The Department continued to develop curriculum advice and resources to support whole-school planning and build teacher capacity to implement student learning initiatives. The advice and resources support schools to implement the Victorian Essential Learning Standards progressively and to make decisions about appropriate curriculum, pedagogy, assessment and reporting.

Highlights

- Over 65 per cent of schools participated in the training program associated with the rollout of the Student Learning Professional Learning Package. The program focused on building understanding of the Student Learning initiatives through the use of a suite of online resources. Participants were supported to develop professional learning plans to suit their school.
- One hundred and fifty schools participated in the Principles of Learning and Teaching professional learning program in 2007, bringing the total number of schools involved over the past three years to 850 (approximately 53 per cent of government schools).
- Professional learning forums for secondary school leadership teams focusing on effective whole-school curriculum planning were implemented across all regions in Term 3, 2006. Similar forums for secondary and primary school leadership teams were held in 2007 in a number of regions.
- In 2006, all schools planned and implemented programs consistent with the English and Mathematics domains of the Victorian Essential Learning Standards and reported student progress against them. In 2007, all schools are implementing and reporting on the domains of English, Mathematics, Health and Physical Education, Personal Learning, Civics and Citizenship, Humanities (Economics, Geography, History), Communication, and ICT.
- From 2007, all Victorian government schools are using the new plain English report cards to report to parents. These report cards provide consistency in reporting across the State, and information on student progress against common statewide standards. More than 90 per cent of schools are using the Department-provided software to produce reports. To assist with implementation of the new plain English report cards, advice, support materials and case studies were made available for schools, parents and software vendors on the Student Reports website. Brochures were also sent to parents.
- Web pages for each domain of the Victorian Essential Learning Standards were published. There are links to the standards, progression points, assessment maps and domain-related learning and teaching support materials.
- A survey administered in November 2006 asked principals to indicate the value to schools of the online student learning resources. The survey was completed by approximately 71 per cent of schools. The results indicate that there has been a notable increase in the perceived value of these resources by schools since the 2005 survey.
- The P–10 Mathematics and English Developmental Continua were published online in Term 3, 2006. They provide teaching strategies to help students achieve the Victorian Essential Learning Standards in Mathematics and English.
- The Mathematics Online Interview, previously known as the Early Numeracy Interview, was published online at the beginning of the 2007 school year. This resource enables teachers to monitor student learning in Mathematics in Years P–4.
- The Literacy Professional Learning Resource, published during Term 1, 2007, supports all teachers to deepen their understanding of literacy to inform their planning for literacy learning and assessment for all domains of the Victorian Essential Learning Standards. It also supports literacy leaders in schools to plan opportunities for professional learning for the whole staff, professional learning teams and/or individual teachers.

- The Literacy Leader Professional Learning program was implemented in Term 2, 2007. This three-day program assists school-based literacy leaders to build knowledge about literacy learning and the Online Literacy Professional Learning Resource. It also supports participants to develop a professional learning program that best meets the needs of their own school.
- The Literacy Improvement Team initiative was implemented in Term 4, 2006. From 2007, literacy specialists in identified schools work to bring about the changes in classroom practice and organisational culture that are necessary to accelerate the literacy performance of all students to at least the expected level. The initiative is funding the training and employment of 45 literacy specialists and the training of another 24 specialists funded by schools and regions. To date, 162 schools have been involved.
- Literacy and Numeracy Week was celebrated in regions and schools in September 2006. Web-based literacy and numeracy materials were provided to Victorian schools.
- The Victorian Premier's Reading Challenge targets students in Prep to Year 9 in all schools. In 2006, more than 190,000 students participated and more than 106,000 completed the Challenge. In 2007, registrations exceeded 195,000 by mid-June.
- The Science Continuum P–10, an online resource for teachers, was published in June 2007. It refers to the critical understandings necessary for students to progress in their knowledge of science concepts.

Developing a new resource allocation model

The Student Resource Package was launched in January 2005 and replaced the School Global Budget. The funding allocation is now student focused rather than expenditure-input focused.

Highlights

- In the Student Resource Package 2007, funding for the Victorian Certificate of Applied Learning (VCAL) coordinators was refined and distributed on a per student basis with an increase to the maximum level of funding. Additionally, capacity was provided for funding to be delivered to schools where students enrolled after census day and were part of an approved re-engagement program.

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

Building leadership capacity

The Government allocated additional funding of \$11.6 million over four years to develop leadership capacity across the system. As a result of this funding, nine new leadership development programs were designed, bringing the total number of leadership development opportunities for current and aspiring school leaders to 19.

Highlights

- In 2007, 158 high-potential leaders are undertaking a Masters in School Leadership course which aims to improve succession planning and promote mobility and learning across the government school system. An external evaluation shows that almost 60 per cent of participants applied for a promotion and 67.5 per cent of these applicants were successful.
- One hundred and seventy-five aspiring leaders participated in Preparing for Leadership and Leading for Student Learning programs. These programs focus on building participants' capacity as curriculum leaders and change agents within their schools.
- One hundred and forty-four first-time principals received mentoring support from highly skilled principals to assist them to become more effective managers.

- Ninety experienced principals were provided with 10–15 hours of one-to-one coaching to enable them to strengthen their leadership capabilities through reflective learning.
- Sixty principals joined the Development Program for High Performing Principals. Participants are encouraged to look beyond their own school and to view themselves as system leaders who value the collective responsibility for improving all schools within the system.
- Two hundred and fifty-seven teachers and leaders participated in programs for school leadership teams focused on building their capacity to reform curriculum practices.
- Three hundred and nine assistant principals and leading teachers participated in new programs focused on the development of specific leadership capabilities to drive school improvement. The programs involved workshops, coaching, shadowing and mentoring.
- Thirty aspiring leaders, assistant principals and principals received scholarships to participate in postgraduate courses to increase their capacity as school leaders and their expertise in a particular learning area.
- Eighteen networks are supporting 260 aspirants in the Leaders in the Making program, designed to strengthen leadership capacity within school networks and support the development of succession planning models.
- In March 2007, *The Developmental Learning Framework for School Leaders* was published. The framework describes the capabilities required to lead effective Victorian government schools and will assist leaders to identify their development needs. The framework provides the basis for statewide leadership development programs.
- The *Guidelines for Principal Class Performance and Development 2007* were updated and distributed. The guidelines and proformas were updated to be consistent with *The Developmental Learning Framework for School Leaders* and changes to school annual implementation plans.

Creating and supporting a performance and development culture

The accreditation scheme for Performance and Development Culture in Schools is in its third year. The accreditation process is based on a Self-Assessment Framework, which is verified by an external body. The objective is for all schools to be accredited by the end of 2008.

Highlights

- As of June 2007, a total of 368 schools have been accredited.
- In 2007, 50 accredited schools are supporting non-accredited schools on a needs basis to work towards accreditation through involvement in activities such as workshops, school visits and the provision of supporting resources.
- Over 550 schools have registered their intention to be accredited during 2007. The remaining schools will be externally verified in 2008.
- Support materials, including a DVD, were developed to assist small schools to work towards accreditation.

Teacher professional development

Programs were funded to provide teachers with opportunities to build their capacity and consolidate their practice. Underpinning the programs is the belief that high-quality professional learning is one of the cornerstones of an effective school and is central to improving student learning.

Major professional development initiatives included Induction and Mentoring for Beginning Teachers and Teacher Professional Leave. Refresher courses for teachers returning to government schools were also delivered as part of the Teacher Supply and Demand strategy.

Highlights

- Over 2353 teachers participated in the two-day statewide Teacher Mentor Support program in 2006.
- Day 1 of the 2007 program was completed with 1718 teachers participating.
- Participants in the program were provided with a comprehensive learning guide exploring the practice of mentoring.
- The publication *Induction in Effective Schools* was distributed to all principals participating in the statewide meeting of principals in September 2006.
- To further develop their skills and expertise, between four and ten weeks of Teacher Professional Leave was undertaken by over 600 teachers in 2006–07.
- The publication *Teachers as Researchers – Reading Guide* was provided to all 2006–07 Teacher Professional Leave participants.
- Ten refresher courses were delivered in metropolitan and regional locations in 2006, with 245 teachers participating.
- Four refresher courses were delivered in metropolitan and regional locations by June 2007, with 102 teachers taking part.

Continuously improving schools

School improvement

During 2006–07, the School Accountability and Improvement Framework was used by school communities to:

- plan for improvement via a four-year school strategic plan and annual implementation plan, in collaboration with regional offices
- evaluate progress towards the achievement of the school's goals and targets, using an internal school self-evaluation and an external school review process
- report on progress in core performance indicators via a school-level annual report
- manage risk and compliance with legislation and Departmental policies via an online school compliance checklist.

Anecdotal feedback and formal evaluations indicated that there is strong support from principals, school councils and stakeholder organisations for the framework, which is in its third year of implementation.

The Department draws on a range of resources and strategies to further support school improvement, including the Targeted School Improvement initiative. Regional offices provide support to schools where student performance is below expected levels.

Highlights

- In 2006, over 300 primary and secondary schools undertook a year of self-evaluation, review and planning. A further 300 schools are undertaking this process in 2007.
- The framework was introduced successfully into special schools, English language schools and outdoor education schools.
- The School Compliance Checklist, the final element of the framework, was successfully piloted in 37 schools and subsequently implemented across the State from February 2007.
- Following the first rollout of the new school-level annual reporting process in early 2006, the guidelines and templates for annual reporting to the school community were revised as a result of stakeholder feedback.
- At 30 June 2007, 165 schools were receiving additional regional support through Targeted School Improvement funding.

Leading Schools Fund

The Leading Schools Fund continued to support whole-school transformation of government schools in the secondary sector through:

- the implementation of innovative organisational models to improve student outcomes
- innovation in infrastructure design to improve teaching and learning, including ICT facilities
- system-wide sharing of school improvement models

- the development of local solutions to education provision issues.

The fund has provided \$162 million to employ 450 additional teachers, to redevelop or build new facilities and to support ICT infrastructure. The fund was rolled out in three phases with Phase 1 schools funded to June 2007, Phase 2 schools funded to December 2007 and Phase 3 schools funded to December 2008.

The focus of the Leading Schools Fund is now on sustaining whole-school transformation and increasing understanding of how teaching and learning practices can influence school design.

Highlights

- One hundred and sixty-two schools with a secondary component received funding through the three Leading Schools Fund phases with an average allocation of 2.6 additional teachers per school (for three years) and an average allocation of \$348,000 per school for capital works.
- Case studies were undertaken for all 91 Phase 1 and 2 schools during the second half of 2006 under the auspices of the University of Melbourne. Feedback was provided to these schools on the evaluation of case study findings.
- Eight key variables were identified by the University of Melbourne as impacting on school transformation. A transformation matrix has been developed mapping the eight key variables to support and guide schools in identifying the next steps towards transformation.
- To promote system-wide sharing, over 70 Phase 1 and 2 schools participated in a showcase strategy during Term 3, 2006. This gave principals and teachers the opportunity to visit Leading Schools and observe the new teaching and learning approaches. Many Leading Schools have now established long-term sharing arrangements with other schools.

- The first annual statewide Innovations Showcase was held in Melbourne on 17 May 2007 and involved 165 schools and 510 participants showcasing successful strategies.

Student programs

In addition to initiatives introduced as part of the Blueprint, the Department continued to implement programs for students in the early and middle years.

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, which was met in February 2003, has been exceeded each year since then. In February 2007, the average P–2 class size was 20.7 students.
- Funding was allocated to all primary schools to support early years literacy and numeracy coordination.
- Reading Recovery programs were delivered in approximately 80 per cent of schools with Year 1 enrolments.

Middle years

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

Highlights

- An extension of funding to 245 clusters of primary and secondary schools in 2007 was made to enable every school with middle years students to continue to participate in the Schools for Innovation and Excellence program. This program encourages and supports innovation in curriculum that leads

to improvements in literacy, numeracy, attendance, and transition from primary to secondary schooling. During 2006–07, clusters have had a strong focus on other reforms, including the Student Learning initiatives.

- In 2007, 95 cluster educators participated in the Building the Capacity of Professional Learning Leaders program, taking to 205 the total number of educators who have completed this ten-day activity funded by the Australian Government Quality Teacher Programme.
- A review of middle years initiatives conducted in 2006 found that there has been a substantial increase in most teachers' knowledge about the way adolescents learn and how teachers can best support that learning. There have also been improvements in literacy and numeracy, participation and engagement across all year levels, particularly the literacy achievement of Year 7 and Year 8 students, the numeracy achievement of Year 7 students and parents' satisfaction with their children's schools.
- In 2007, Middle Years Equity and Secondary Equity funding was allocated to identified schools to enable them to support improved student learning outcomes, with a focus on literacy and numeracy.

Key initiatives

Several initiatives continued to be implemented to support the learning needs of students, including targeted groups, to allow them to participate effectively in a diverse and changing world.

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. In addition

to funding provided through the core and equity components of the Student Resource Package, Koorie students are supported by a range of targeted measures including the Koorie Student Allocation.

Highlights

- Literacy Improvement Teams were introduced into schools in 2007 with high numbers of Koorie students being assisted. The teams focus on strengthening the literacy skills of teachers in schools identified as having significant numbers of students not achieving expected literacy outcomes. The initiative provides intensive assistance and professional development to build the capacity of teachers in identified schools to support improved literacy in students in Years 3 to 8. Professional learning programs are available to assist Koorie education staff to work with teachers and students to improve literacy outcomes.
- The Department worked with regions on action research projects which will contribute to the Forward Strategy for Indigenous Education. The strategy includes the development and implementation of Regional Koorie Education Action plans, which are negotiated in consultation with, and approved by, Regional Koorie Education Committees. Regional Koorie Education Action plans outline targeted local and regional initiatives to progress the improvement of Koorie student education outcomes.
- The Department trialled the implementation of Individual Learning plans for all Koorie students in one region. The development of the Individual Learning plans involved a partnership arrangement between the school, the family/carer and the Koorie student. The Department will evaluate the trial of these plans to determine their broader application and inclusion into the Forward Strategy for Indigenous Education.

- The Koorie Student Allocation was provided to schools with 20 or more Koorie enrolments and/or 10 per cent population density to implement initiatives to improve Koorie student attendance. Schools are encouraged to work in partnership with the Local Aboriginal Education Consultative Group to develop the programs and/or activities to reduce absenteeism.
- The Department, as part of its Reconciliation event in 2006, hosted a workshop for teaching staff on Indigenous Studies and Perspectives. As it is recognised that Indigenous Studies cannot be undertaken in isolation from other subjects, the workshop provided opportunities for teachers to explore the inclusion of Indigenous Studies into all aspects of the curriculum.
- Work commenced on the Koorie Inclusive Resource Guide, a joint project of the Victorian Aboriginal Education Association Incorporated and the Department, which will guide teachers on appropriate and culturally inclusive curriculum.
- The Koorie Attendance, Engagement and Re-engagement project surveyed more than 80 schools in Victoria during 2006 in order to identify issues in relation to Koorie student attendance and engagement and to share good practice strategies. The findings are currently being reviewed and will be incorporated into the Forward Strategy for Indigenous Education.
- Work commenced on the curriculum resource, *Making History in Victorian Classrooms*, which includes protocols for consultation with the Victorian Aboriginal Education Association Incorporated.
- The Department supported an accelerated literacy and numeracy program in Shepparton schools. Shepparton High School, Gowrie Street Primary School and Mooropna Primary School remained actively involved in the project in 2006.

English as a second language

English as a second language (ESL) initiatives focus on improving support for ESL students, including the increasing numbers settling in rural and regional settings. In 2006, one-third of new arrivals were on humanitarian and refugee visas. These students require high levels of new-arrival and ongoing support. Partnerships with key government and non-government stakeholders continued to be strengthened to coordinate support for refugee students and their families.

Highlights

- A total of 4854 new arrivals received intensive and targeted ESL support in 2006.
- Intensive ESL programs were provided for 2049 newly arrived students in English language schools, centres and outposting programs in mainstream schools. An additional 217 students were supported by the visiting outposting program.
- A further 326 students were supported through new arrival programs in Geelong and Shepparton, and the Isolated ESL Students program in regional Victoria.
- Fifty schools received Transition Initiatives funding for programs that provide support to students with little or no previous schooling, mostly from refugee backgrounds. This funding provided additional English language tuition to assist their transition to mainstream schooling.
- Funding was allocated to 351 primary schools, 99 secondary schools and ten primary–secondary schools to support the specific learning needs of ESL students.
- A handbook was distributed to all schools with ESL programs to assist them in planning appropriate programs for their ESL students.
- Funding continued to be provided to schools for 210 FTE multicultural education aides.

- A total of 7799 on-site and telephone interpreting assignments were provided in 71 languages, and 244 documents were translated into 32 languages for government schools.
- Twenty-two ESL tutors were trained in eight regions to present an ESL teacher development course: Teaching ESL Students in Mainstream Classrooms. The course is being run statewide in 2007.
- To assist teachers to make accurate and consistent assessments about the progress of their ESL students in learning English, the *English as a Second Language Companion to the Victorian Essential Learning Standards* was developed by the Department and published by the Victorian Curriculum and Assessment Authority.

Languages other than English

The following initiatives supported the provision of languages other than English (LOTE) programs for students in Years P–10.

Highlights

- Twenty-two languages were taught in government primary and secondary schools, and 40 languages were provided through the Victorian School of Languages.
- Several initiatives were introduced to extend and improve the teaching of Chinese in government schools, including inaugural study tours to China for principals and teachers, and a series of professional development programs presented by Professor Zhang PengPeng from the Beijing Language and Culture University.
- The development of *Languages Online*, a free, interactive web-based resource for students of French, German, Indonesian and Italian, was completed. It is accessed by about 4000 users per week who visit approximately 100,000 pages of the site.
- Grants were provided to 13 language teacher associations to support teachers in the implementation of the Victorian Essential Learning Standards, the Principles of Learning and Teaching P–12 and the Department's Assessment Advice.
- More than 30 government schools were assisted to introduce new languages, or expand their languages programs, by the provision of seeding grants for teaching resources.
- Regional Project Officers for Languages supported the establishment of language networks to facilitate the sharing of expertise and resources.
- Funding was allocated for the provision of appropriate teacher training and professional learning programs, including an inaugural language refresher program for teachers of Indonesian.
- Funding was provided for approximately 33,000 students learning a total of 50 languages in after-hours community languages schools.

Strategic partnerships

The Strategic Partnerships program provides \$4.92 million annually to 93 community, cultural and scientific organisations and professional teaching associations to deliver 145 programs for students and teachers across the State. The wide-ranging programs cover environmental sustainability, humanities, performing arts and media, science and technology, the visual arts and design, as well as specialist programs for rural and regional areas. The program forges partnerships between schools and their wider communities by connecting learning and teaching with practice beyond the classroom. All programs are directly linked to Department priorities and initiatives. They promote transformative learning, empower students to become lifelong learners and support a greater emphasis on student learning outcomes.

ICT and e-learning in schools

Work on ICT and e-learning supports teachers to improve teaching and learning for students.

Highlights

- The ePotential ICT capability resource went live in May 2007. ePotential is an innovative tool designed primarily to identify and support the professional learning needs of teachers and principals. It provides teachers with a confidential survey to identify their level of ICT capability. It links directly to a bank of resources showing models and videos of best classroom practice related to teachers' professional learning needs.
- Digilearn, a new portal designed to provide teachers with ready access to 4500 innovative digital learning resources, was launched as part of a national initiative.
- Victorian government schools now have a site licence for Kahootz – 3D animation software.
- A suite of resources to support schools to implement digital portfolios was developed and distributed in Term 4, 2006. It includes professional readings, movies, sample portfolios, and planning and support documentation.
- The Victorian Education Channel continued to provide quality online resources for schools. They are connected through blogs, and a protected space has been created to explore Web 2.0 technologies.
- A Website Tool Kit was provided to support schools in developing and maintaining websites to meet current government guidelines, and to minimise the risks associated with using the Internet.
- Twenty-eight schools formed the Creating eLearning Leaders initiative, supported by the Microsoft Partners in Learning program, which provided mentoring and professional learning for 14,000 teachers.
- The first Victorian Kids Congress, part of the Creating eLearning Leaders initiative, was attended by 220 students, 100 teachers and 350 parents. This was an ICT congress run by students for students during which they developed technology, creative thinking, problem solving and collaborative skills.
- The Intel Teach professional learning program supported the integration of ICT across all areas of the curriculum. Since 2003, 15 per cent of Victorian government teachers have trained in the Intel Teach program. Two courses are currently offered through this program – Intel Teach 'Essentials' and Intel Teach 'Thinking with Technology'.
- Twenty-five schools participated in school-based, action learning research to investigate the use of emerging technologies – iPods, tablets and personal digital assistants – to support teaching and learning.
- Through Multimedia Victoria's Broadband Innovation Fund, schools in the Yarra Valley eLearning Community investigated round-the-clock learning in a technology-rich environment.
- An ICT Peer Coaching pilot involving 30 schools was trialled to support teachers integrating ICT into the curriculum. Victoria received the Asia Pacific Partners in Learning Honour Roll Award for its outstanding work with peer coaching.

The Ultranet

In November 2006, the Premier Steve Bracks announced an election commitment to develop and deploy a statewide online teaching and learning system, called the Ultranet, to all government schools. The Ultranet is a student-centred electronic learning environment that supports high-quality learning and teaching, connects students, teachers and parents and enables efficient knowledge transfer.

The Ultranet will be rolled out progressively to all government primary, secondary, language and special schools from 2008.

Infrastructure

In 2006, the Victorian Government continued the \$89.3 million VicSmart broadband rollout to provide every Victorian government school with access to high speed fibre-optic broadband.

The goal of the VicSmart broadband initiative is to upgrade every Victorian government school to four megabits per second (Mbps) fibre-optic broadband over a four-year period. This will enable communication between schools throughout the entire State and give students easy access to the rapidly increasing range of online learning resources.

The first phase of this initiative – to connect every school to VicSmart and provide a minimum Mbps broadband connection – has been completed. The second phase of VicSmart was officially launched on 5 February 2007. This phase will ensure that all Victorian government schools will be provided with a four Mbps optical fibre connection by the end of 2008.

Multicultural education

Multicultural education initiatives support schools to provide culturally inclusive programs, promote an appreciation of Victoria's diverse cultural heritage, and foster mutual respect and intercultural understanding.

Highlights

- The Cultural Diversity Quest offered students the opportunity to explore and celebrate Victoria's rich cultural diversity through a variety of media. Entries on the theme 'Different but the same – All Victorian' were received from government, Catholic and independent schools and 33 awards were given. In addition, 76 primary and secondary schools received grants to conduct Cultural Diversity Week community activities.
- Over 4000 students from more than 40 schools participated in Courage to Care exhibitions and workshops. Senior secondary students participated in facilitated discussions with Holocaust survivors on the importance of tolerance and understanding of others. The visits had a powerful impact on students and teachers, as well as being relevant to the curriculum in English and the Humanities.

- The Languages and Multicultural Education Resource Centre expanded its services, providing professional development, teaching resources and professional advice to teachers from all sectors. The Centre was used by over 1100 teachers, 350 new borrowers and lent over 23,000 items.

School Innovation in Teaching: Science, Mathematics and Technology

The School Innovation in Teaching (SIT) program operated within a policy environment guided by the whole-of-government Science, Technology and Innovation Initiative – Second Generation. The four-year program received \$5 million funding from the Department of Innovation, Industry and Regional Development, and concluded on 30 June 2007.

Highlights

- More than 200 schools have participated in SIT since 2003. Its main elements included research and development, leading change, professional development, curriculum resources and community partnerships.
- An independent evaluation of SIT commenced and will be completed by the end of 2007. The evaluation will provide a view on teacher and student perceptions and recommendations for achieving improvements in Science education in Victorian government schools.

Health, sport and physical education

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

Highlights

- Healthy Canteen Guidelines were provided to all government schools.
- Professional learning opportunities continued to be offered to support primary and secondary teachers to implement effective health, sport and physical education programs.
- Traffic safety education materials were produced in collaboration with all key road safety agencies.

Gifted and high-potential students

The Department meets the educational and social development needs of gifted and high-potential students across all aspects of schooling.

Highlights

- Seven additional Select Entry Accelerated Learning program schools commenced operation in 2007. They are strategically located to improve equity of access for gifted students.
- Select Entry Accelerated Learning coordinators and regional coordinators for gifted student programs continued to meet quarterly for networking and professional learning.

School councils

School councils play a key role in influencing the effectiveness of government schools in Victoria. Informed and empowered school councils have significant potential to build community capacity and influence student outcomes. School governance arrangements are a critical factor.

During 2006–07, a dedicated website and training materials were developed in response to the recommendations from the *Review of School Governance in Victorian Government Schools*. The website and materials provide

school councillors with ongoing support for the work they do in school communities. Specific training modules on induction of school councillors and financial responsibilities were delivered in regional areas.

Facilities and infrastructure

Emergency and security management

The Department coordinated the installation of 82 new and replacement alarm systems in schools during 2006–07.

The Department introduced a new Incident Reporting Information System (IRIS) during the period. IRIS has improved the accurate recording and maintenance of data associated with incident reporting in schools and has also improved the communication, control and management of incidents.

The Department continues to run workshops in emergency management and emergency planning for senior school staff with representatives from more than 250 schools attending these workshops in the past 12 months. Training was also provided for over 500 staff including regional personnel, psychologists, social workers, primary welfare officers and school personnel in a variety of response and recovery activities related to crisis response training.

There were 12 significant school fires during 2006–07 with structural and replacement costs estimated at approximately \$3.2 million.

Asset projects

The 2006–07 State Budget committed \$347 million in new capital funding for school education. This funding directed:

- \$9.3 million to Leading Schools Fund projects, including funds for investing in excellence

- \$41.1 million to seven new schools or stages thereof
- \$19.63 million to replacing six schools
- \$178.29 million for modernising and improving existing school sites, including the provision of funds for the Leading Schools Fund (\$12.12 million), the Rural Learning Centre (\$1 million) and planning for future projects (\$4.12 million)
- \$58 million for land acquisition
- \$9 million for computers for schools
- \$6.58 million for the Rural Replacement Schools program
- \$5.1 million for the software development program Victorian School Number
- \$20 million for Planning for Transformation (Regeneration) projects.

School regions

The nine regional directors are responsible for supporting and building the capacity of regions and schools to deliver high-quality educational services and improved student outcomes through continuous school improvement. The transformation of the government school system is being achieved through effective and dynamic relationships between schools, regions and the central office.

Effective regions value and contribute to a culture of learning and improvement at all levels of the system. They are characterised by the behaviours shown in the Effective Regions model.

The key functions of regions include:

- meeting corporate responsibilities
- improving the performance of every government school
- strengthening strategic partnerships to provide multiple pathways and opportunities for students
- deploying their resources effectively to improve student learning outcomes.

Regions, in partnership with the central office, play an important part in the implementation of the Government's school education reform agenda. They do this by:

- providing leadership to translate the system's aspirations into reality for students in schools
- managing and supporting schools to provide a high-quality education for all students
- developing the capacity of leaders to plan strategically for school improvement
- developing the capacity of regional and school-based staff as facilitators of continuous learning communities and creating the strategies that sustain them
- monitoring the achievement of clearly articulated, high-quality outcomes and using data to inform and refine improvement strategies
- providing finance, facilities, personnel and workforce planning support services to facilitate the achievement of effective learning environments

Effective Regions model



- supporting schools to implement innovative approaches to increase levels of student achievement, retention, engagement and wellbeing
- promoting learning communities and collaboration, and fostering supportive networks within and across local government areas to improve education and employment outcomes
- engaging with the wider community to develop strategic relationships and partnerships to build capacity and bring the resources of the community to the work of schools.

Metropolitan regions

Western Metropolitan Region

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PO Box 57
Carlton South Victoria 3053
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Facsimile: (03) 9291 6555
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Northern Metropolitan Region

Mr Wayne Craig
Regional Director
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Coburg Victoria 3058
Telephone (03) 9488 9488
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Eastern Metropolitan Region

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Southern Metropolitan Region

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Non-metropolitan regions

Barwon South Western Region

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Grampians Region

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Loddon Mallee Region

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Hume Region

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Gippsland Region

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Non-government schools

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

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.

As of March 2007, a total of 702 registered non-government schools – 484 Catholic and 218 independent – were educating over 298,086 students statewide or 35.6 per cent

of all Victorian school students. Of these students, 61.7 per cent attended Catholic schools and 38.3 per cent attended independent schools.

In 2006–07, the Department provided over \$352 million in financial assistance to non-government schools in untied recurrent funding allocated through the Financial Assistance Model for Non-Government Schools, which was introduced in consultation with sector authorities in January 2006. A further \$11.6 million is provided to non-government sector authorities for specific purpose grants for targeted programs such as for students with special needs, suicide prevention and Internet access.

In addition, non-government schools are able to access a range of resources and opportunities available to government schools, including teacher professional development and curriculum materials, government-negotiated pricing for broadband access and a range of taxation concessions or exemptions.

Eligible non-government school students in outer and non-metropolitan areas can access the Government's conveyance allowance and school bus service. Non-government school students are also able to access public transport travel concessions.

Thirty million dollars over four years has been committed to support capital works in needy non-government schools. Land will also be set aside in growth areas for new, not-for-profit non-government schools.

The Department liaises with the non-government sector authorities on funding, and collaborates on a range of program initiatives to improve learning outcomes across all sectors.

Highlights

- In late 2006, ten Catholic schools were accredited as Performance and Development Culture schools and a further 13 Catholic schools are undertaking external verification for Performance and Development Culture accreditation in 2007.

- Collaboration with the non-government sector occurred across a range of curriculum initiatives, including assessment and reporting, and for cross-sectoral initiatives such as drug education and values education.
- Non-government school student participation in the Premier's Reading Challenge increased from 41,000 in 2005 to 52,000 in 2006.
- \$21.1 million was provided for student transport, mainly in outlying areas, and \$4.6 million in public transport subsidies through the Department of Infrastructure.

Registered Schools Board

The Registered Schools Board is the statutory authority responsible for the registration of Victorian non-government schools. The *Education Act 1958* requires the Registered Schools Board to:

- register and, where appropriate, revise the registration of schools
- monitor a school's compliance with the requirements for registration.

Non-government schools are reviewed at least every six years.

Registration of non-government schools

During 2006–07, the Registered Schools Board approved the registration, or revision of registration, of schools in the following categories.

New primary schools	2
New secondary schools	5
New primary and secondary schools	1
New special schools	1
Additional secondary year levels	19
Additional campuses	7
School amalgamations (two schools to form one school)	1
Relocations	8
School closures	2
Campus closures	0

All schools complete an 'approval to open' application at least six months prior to opening. Before being granted approval to open, schools must be able to demonstrate that the 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. A school must apply to the Registered Schools Board for registration within 14 days of opening.

Monitoring 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 each year. 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. Between July and December 2006, 44 schools undertook registration reviews.

No registration reviews were undertaken in the first half of 2007 due to impending legislative changes and the incorporation of the Registered Schools Board into the Victorian Registration and Qualifications Authority.

Membership

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

Membership of the Registered Schools Board as at 30 June 2007 was as follows:

Department of Education

Mr John McCarthy (Chair)

Ms Maria Kelly

Mr Don King

Vacancy

Catholic Education Commission of Victoria

Mr Tony O'Meara

Mr Christopher Lennon

Association of Independent Schools of Victoria

Ms Michelle Green

Mr Neville Lyngcoln

Centenary function

A function to mark the centenary of a registration body for non-government schools was held in October 2006. In 1906, the Teachers and Schools Registration Board was established, followed by the Council of Public Education in 1911 and the Registered Schools Board in 1982.

On 1 July 2007, the role of the Registered Schools Board will be incorporated into the Victorian Registration and Qualifications Authority. This is a new statutory authority and will be the regulator of schools, education and training providers and qualifications.

Post-compulsory schooling

Education in Victoria is compulsory until the age of 15. The post-compulsory years of schooling consist of Years 10–12. Post-compulsory education is focused on providing young people with effective and varied pathways. These pathways are designed to support students in securing their first formal qualification and in making a successful transition from school to further education, training, employment or a combination of these.

In Victoria, students have a choice between three senior secondary certificates – the Victorian Certificate of Education (VCE), the Victorian Certificate of Applied Learning (VCAL) or the International Baccalaureate (Diploma). Most young people complete Year 12 while at school, but a smaller number undertake senior secondary study in the TAFE and ACE sectors.

In 2006, in government and non-government schools:

- 146,828 students were enrolled in at least one unit of the VCE
- 48,451 students were eligible to complete their VCE and, of these, 97.4 per cent successfully completed
- there were 10,608 VCAL certificate enrolments

Expanding pathways in post-compulsory schooling

To encourage young people to stay in school and to enable them to complete a senior secondary certificate, post-compulsory pathways have been expanded and include a strong focus on vocational curriculum options.

Victorian Certificate of Applied Learning

The VCAL is a hands-on option for Years 11 and 12 students offering practical work-related experience and learning. It is available in both government and non-government schools and also through TAFE and ACE providers. In the 2006–07 State Budget \$47.2 million was provided to assist schools and other providers to coordinate the provision of this program. This investment has underpinned further growth in enrolments and the positive study and employment outcomes the program provides.

VET in Schools

VET in Schools programs (including school-based apprenticeships and traineeships) comprise nationally recognised VET certificates which can be undertaken by senior secondary students as part of the VCE or the VCAL. VET in Schools programs are designed to expand opportunities and pathways for senior secondary students and improve post-compulsory educational outcomes in line with the Government's goals and targets for education. They also contribute to addressing industry skill needs.

VET in Schools programs are typically delivered through partnerships between schools, industry and training providers, and increasingly provide opportunities for students to participate in workplace learning.

The number of students undertaking VET in Schools in government and non-government schools has increased from 34,477 in 2005 to 36,504 in 2006. Approximately 25 per cent of all VCE students as well as all VCAL intermediate and senior students in Victorian schools participate in VET in Schools programs.

School-based apprenticeships and traineeships

Apprenticeship and traineeship pathways for senior school students continued to expand. In 2006, there were 5502 students in government and non-government schools in apprenticeships or traineeships undertaken as part of a program of studies that combined the VCE or the VCAL with a nationally accredited training certificate and employment.

Re-engagement programs

In 2007, new funding arrangements for late enrolments were introduced for government schools running approved programs designed to re-engage students who had left school. Eligible students were able to enrol and be funded in these programs until early May 2007, an extension on the standard February cut-off date. This provided schools with an extended time period for engaging students and attracting Student Resource Package funding to support these programs.

Fifty-three programs involving over 40 schools across all regions in Victoria were approved as eligible programs for 2007. More than 100 students qualified for the late enrolment funding.

Student support initiatives

In addition to expanding the pathways on offer to students in the post-compulsory years of schooling, the Department improved the support available to students as they navigate those pathways.

Managed Individual Pathways

The Managed Individual Pathways (MIPs) program requires that all students 15 years and over in government schools have up-to-date individual pathway plans and associated support to enable a successful transition through the post-compulsory years of schooling to further education, training or full-time employment.

In 2006, as part of the implementation of the Good Practice Framework for MIPs, the Students at Risk Mapping Tool was developed to assist schools in identifying those students in need of support to complete schooling.

In 2007, the Mapping Tool was made available to all government schools. Regional briefings were delivered to explain the operation and implications of using the tool to better identify students at risk of leaving school early, and to plan more effective school intervention strategies. An Electronic Resource Kit and Statewide Good Practice Case Studies were made available to teachers to further support the MIPs program.

Careers and transition resources

To support the work of careers coordinators and teachers in the area of careers and transition, the Department has developed careers and transition resources. These resources provide information and advice for teachers, careers coordinators, students, parents/carers, employers and community organisations.

An accompanying hardcopy resource kit with lesson plans for careers coordinators and teachers was developed and forwarded to all schools and key stakeholders.

Professional learning for teachers

In order to enhance the delivery of career education in schools through the provision of quality, accurate and up-to-date career education and information, the Department implemented a number of professional development initiatives for careers coordinators and teachers in government schools.

Career education scholarships

The Department provided 20 scholarships to careers coordinators in government schools to undertake the Graduate Certificate in Career Education. A further 20 scholarships will also be awarded in 2008. Scholarship recipients participate in a VET familiarisation program

and a mentoring component as part of the program. The Department covers total course fees as well as funding for schools to replace participants when they are required to attend face-to-face sessions.

Industry placements program

In addition to the scholarships, the Department also provided funding for up to 20 careers coordinators or teachers per year over two years to undertake a three-week industry placement and develop a project to better inform young people of industry pathways.

Cross-sectoral initiatives

In Victoria, young people 15 and over are able to study and complete their initial qualification in either a school, a TAFE institute (or other registered training organisation) or an ACE provider. However, for most young people the school sector provider is the most suitable environment for the completion of Year 12 or its equivalent.

For this reason the Department plays the lead role in youth transitions, providing cross-sectoral policy leadership and managing key cross-sectoral programs.

Youth Transition Support initiative

The Youth Transition Support initiative commenced in January 2007 and provides funding for 24 youth transition workers across 12 Local Learning and Employment Networks (LLENs) areas. These areas were selected on the basis of relatively low Year 12 completion rates, high rates of youth unemployment and high numbers of young people not in education, training or full-time employment.

Transition support workers provide personalised assistance to young people aged 15–19 who are not in education or training, not working full-time and do not have Year 12 or an equivalent qualification. The objective behind the assistance is to

help disengaged young people achieve a sustainable education, training or employment outcome.

The 12 LLENs areas to receive funding for the Youth Transition Support Initiative are Baw Baw Latrobe, Brimbank Melton, Frankston Mornington Peninsula, Goldfields, Goulburn Murray, Highlands, Hume Whittlesea, Inner Northern, Maribyrnong and Moonee Valley, Smart Geelong, South Eastern and WynBay.

On Track

The On Track survey tracks the destination of Year 12 or equivalent completers and early leavers from all providers six months after they leave. The On Track data publication helps parents, students and schools to better understand the destinations of young people after their final year and celebrates the broad range of outcomes that providers create for students. At the time of the survey, assistance and advice is offered to those students who are not in education, training or full-time employment.

For the first time, the published 2007 survey data included the destinations of students who completed Year 12 or its educational equivalent in a number of TAFE institutes, in addition to those completing in government and non-government schools.

The 2007 On Track survey found that of the young people who completed Year 12 in 2006, 74.5 per cent were in education or training. Of those not in education or training in 2007, 13.7 per cent were employed on a full- or part-time basis, and 2.9 per cent were looking for work. Other key findings from the survey were:

- an increase in the percentage of Year 12 or equivalent completers who were enrolled in university at the time of the survey from 46.1 per cent in 2006 to 47.4 per cent in 2007
- a continued increase in the percentage of students from all schools deferring university places from 8 per cent in 2006 to 8.9 per cent in 2007

-
- 88 per cent of VCAL students cited the VCAL as an important reason for staying on to complete Year 12.

Local Learning and Employment Networks

The statewide network of LLENs has a crucial role to play in continuing progress towards the Government's Year 12 or equivalent completion target.

The LLENs initiative supports cooperation between different providers and agencies and acts to strengthen the capacity of stakeholders to support young people's transition through school to further education, training or full-time employment.

The core role of the LLENs is the creation and further development of sustainable relationships and partnerships between local education providers, industry and the community to develop initiatives that improve the education, training and employment outcomes of young people. A particular focus is placed on those students considered most at risk of leaving school early.

A number of strategies were implemented during the year as part of the framework for the continued development of the LLENs initiative.

These strategies included:

- a new three-year contract (2006–08) with each LLENs incorporating targets and performance measures agreed annually
- the development by the LLENs and the Victorian Learning and Employment Skills Commission, and supported by the Department, of a good practice framework for LLENs initiatives to guide the future work of the LLENs – the implementation of the framework was supported by a symposium attended by LLENs Board members and executive officers from all LLENs areas
- the development of a standardised stakeholder satisfaction survey and its adoption by all LLENs
- the development and implementation of a communication strategy to improve communications between the Department, the Victorian Learning and Employment Skills Commission and the LLENs.

Over the course of the 2006 calendar year, the statewide network of 31 LLENs brokered 290 new partnerships between 2150 organisational stakeholders, comprising schools, TAFE, ACE providers, industry and community organisations. LLENs positively impacted on the outcomes of 28,000 young people by working with stakeholders to develop broader education and training programs and pathways, including 2639 young people who were re-engaged with education or training.

Services to students

The diverse learning needs of students are supported through a coordinated approach to student wellbeing that encompasses school and classroom-based approaches, student welfare support structures and links to community agencies.

Student wellbeing

The Victorian government school system supports all students with additional learning needs by ensuring that the appropriate supports, initiatives and educational adjustments are in place to enable every student to succeed.

Highlights

- *Anaphylaxis Guidelines: A Resource for Managing Severe Allergies in Victorian Government Schools*, the Department's anaphylaxis training, education and management strategy, was published in February 2007. The guidelines assist schools to plan for and support students with severe allergies.
- Training in anaphylaxis management for Victorian government schools was delivered to over 5000 teachers in more than 400 government schools.
- The Primary Welfare Officer initiative operated successfully in 450 primary schools with the highest needs.

Drug education

A unified framework has been implemented across all Victorian government, Catholic and independent schools, offering effective, preventative drug education programs and resources. The Department provides support

to schools in the development of individual drug education plans, policies to address drug-related issues, and support materials to facilitate program evaluation and improvement.

Highlights

- The Memorandum of Understanding between the Department, the Catholic Education Commission of Victoria and the Association of Independent Schools of Victoria was renewed. This ensures young people from all school sectors have equity of access to drug education initiatives, including those that are part of the National School Drug Education Strategy.
- In 2006, 233 schools completed a four-year review and prepared new action plans to enhance drug education delivery. (In 2007, 347 schools are completing new action plans.)
- Forty-nine per cent of government schools reported at least one member of staff participating in drug education professional development.
- Fifty-six per cent of all Victorian schools reported involvement of parents in drug education programs.
- Staff and student surveys developed under the Drug Education Evaluation and Monitoring Project were implemented in a further 400 schools. The surveys assisted these schools to evaluate the effectiveness of drug education programs.
- Service agreements in relation to drug education delivery were implemented with each region at the start of 2007. Funds provided under these agreements come from both State and Commonwealth sources.

- The Indigenous, Rural and Remote Drug Education initiative was completed. Five school communities were funded to develop, implement and document local community initiatives with Indigenous students and families. These activities involved 22 schools from Mildura to Bairnsdale, as well as 435 students, 14 community elders, and parents.
- Twenty-one schools began to implement innovative drug education approaches using media such as drama, arts and information technology under the Year 7 and 8 Drug Education project.

Students with disabilities

The Program for Students with Disabilities provides schools with additional resources to meet the needs of students with disabilities attending a special school or a regular school. A systematic approach is being used to design and develop programs and strategies to support students with special needs. Targeted programs strengthen the capacity of schools, families and regions to improve educational outcomes for all students.

A strengthened approach to meeting the needs of students with a language disorder continues to be implemented successfully. This approach acknowledges that all schools have students requiring support. It aims to build the capacity of schools and teachers to provide appropriate program and learning experiences that will improve the oral language skills of students with a language disorder.

Number of students individually supported through the Program for Students with Disabilities in government schools, February 2007

	FTE students	Per cent
Regular schools	9,640	55.7
Special schools	7,658	44.3
Total	17,298	100.0

Support for families

Education Maintenance Allowance

Low-income families continued to receive support through the Education Maintenance Allowance. The allowance is paid in two instalments each year. To be eligible for the allowance, a parent or guardian must be eligible to receive a Centrelink pension, allowance or benefit under the *State Concessions Act 1986*, or be a Veterans Affairs pensioner or a foster parent on the first day of Term 1 and Term 3 respectively.

Eligible parents of primary students received \$205 per year. Eligible parents of secondary students received \$410 per year. During 2006–07, the parents and guardians of approximately 213,400 students received the allowance. The Education Maintenance Allowance will be indexed annually to the local consumer price index to ensure that future increases in the payment reflect the increase in the cost of living.

School Start Bonus

The School Start Bonus was introduced by the Victorian Government in 2006 to assist parents and guardians of Prep and Year 7 students in meeting the start-up costs of sending their child to school. The initiative provides financial assistance to families for expenditure on school and sporting uniforms, school bags, books and related expenses. The bonus is \$300 per annum and will be paid at the commencement of the school year.

For the 2006–07 year, the School Start Bonus was paid to over 129,000 students at a total cost of approximately \$38.7 million.

Student transport

The free school bus service, administered by the Department of Infrastructure on behalf of the Department, conveys approximately 72,000 students daily, predominantly throughout rural Victoria.

Conveyance 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 2006–07, approximately 6400 students were transported by bus and taxi to these schools at a cost of approximately \$36.7 million.

Portfolio management services

The Department supports and advises the Minister for Education and the Minister for Education Services, and helps with the management and administration of their portfolios. In particular, the Department provides support to the Ministers in the areas of international education, information and promotions, external and intergovernmental relations and the implementation of legislation.

International education

The International Division has responsibility for the international activities of the Department. It promotes and manages participation by Victorian government schools and educators in the international education marketplace, and promotes international engagement more generally.

The Division maintained responsibility for international education in schools, vocational education and training, and higher education for the full financial year.

The International Division manages a number of specific, high-quality international education programs and services. The Division promotes and administers the overseas fee-paying student program in Victorian government schools and conducts and facilitates student and staff exchanges, study tours and official delegations.

Increasingly the Division is engaging in offshore capacity-building initiatives that highlight the strength of Victoria's curriculum and innovative approaches to school education.

The underlying policy framework for the work of the Division continued to be the 2004 Ministerial Statement *Global Pathways: International Education for Victoria*, with its three strands of global learning, positioning Victoria and quality assurance.

Highlights

- Under a Service Level Agreement with the State of Victoria, the Government of the Emirate of Sharjah is establishing the Victoria International School of Sharjah to a design by a Victorian architect. The model for the operation of the school, including curriculum, pedagogy, assessment and reporting, is based on Victorian government schools. The school will cater for 2600 students from kindergarten to Year 12 and is due to open on 2 September 2007.
- The Department, in collaboration with the Holmesglen Institute of TAFE, successfully tendered to assist the Kingdom of Bahrain to implement a new apprenticeship-based VET system in senior secondary schools in the Kingdom. This three-year initiative, worth \$6.5 million to Victoria, commenced in June 2007.
- The Department continued to coordinate the delivery of Victorian Government support for the reconstruction of the education and training system in Timor-Leste (East Timor).
- The Department successfully concluded new Memoranda of Cooperation with the Italian Ministry of Foreign Affairs and the Minister of Education and Science of Spain.
- The International Division hosted 91 delegations comprising 717 participants. Delegations came from Bahrain, Bulgaria, the People's Republic of China, Colombia, Denmark, Hong Kong, Indonesia, Italy, Japan, Malaysia, the Middle East, New Zealand, Pakistan, Saudi Arabia, Singapore, South Africa, South Korea, the United Kingdom, the United States of America and Vietnam.

International students

International students make a significant educational, cultural, social and economic contribution to Victoria. In 2006, there were over 107,000 international students from 162 countries enrolled with education and training providers in Victoria, compared to 94,000 in 2005. This was the first time that enrolments have passed the 100,000 mark in Victoria.

Sector	Number of enrolments	%
Higher education	53,801	50
Vocational education and training	23,644	22
English language courses	16,527	15
Schools	7,216	7
Non-award/Foundation	5,954	6
Total	107,142	100

Highlights

- Victorian education and training providers delivered programs offshore to an estimated 34,000 students in their home countries.
- During 2006, there were more than 2720 international students from more than 50 countries enrolled in Victorian government schools.
- As part of its commitment to meeting legislative and quality obligations, in 2006–07 the International Division introduced a Quality Assurance Framework for its International Student program to guide the program in Victorian government schools.

Cross-government activity

The International Division continues to strengthen linkages with other Victorian Government agencies and to develop whole-of-government strategies that effectively utilise government infrastructure overseas.

Highlights

- In cooperation with the Department of Innovation, Industry and Regional Development, Education Service Managers

were employed in the Bangalore, Dubai, Shanghai and Tokyo Victorian Government Business Offices for a two-year period.

These officers promote Victoria as a preferred study destination and Victoria's capacity to deliver quality education provision offshore, support Victorian education institutions offshore and provide market intelligence to the Department.

- The International Division supported the Department of Premier and Cabinet's review of Victoria's international connections.
- The Division published:
 - the *Essential Services Guide* for international students, produced with the Department of Victorian Communities
 - the *Discover Melbourne Guide*, produced with the City of Melbourne.

Programs

The Department implemented a number of programs to support international education in Victoria, including student, teacher and professional exchange programs.

Highlights

- The fourth International Education Week was held in March 2007 to celebrate the contribution that international education makes to Victoria's cultural diversity, and social and economic development. The Minister for Skills, Education Services and Employment hosted a welcoming function at the Melbourne Cricket Ground for approximately 600 students, teachers and key officials. Regional functions were held in Bendigo, Gippsland and Warrnambool.
- Over 500 overseas students studied at Victorian schools through the Overseas Student Exchange program and an equivalent number of Victorian students undertook exchanges to countries in Europe, the United States, South America, Canada and Asia.

- Approximately 270 government schools have formal and informal sister school arrangements with schools in overseas countries.
- The Department conducted student study tours for overseas students on a fee-for-service basis, placing them in Victorian government schools for periods of up to eight weeks.
- The Division hosted 148 participants from Hong Kong, South Korea and Thailand in six professional development programs for secondary and elementary teachers of English from overseas to support foreign governments' policies to improve teaching, learning and use of English.
- Eighteen Victorian teachers exchanged schools and homes for the school year with teachers from Canada, the United States of America, the United Kingdom and the Netherlands.
- Eighty teacher assistants participated in programs that bring from overseas native speakers of French, German, Italian and Japanese to assist in government schools with teaching and learning of language and culture. Negotiations with various governments are proceeding to expand these programs to include support for Indonesian and Chinese languages.
- The Visiting Journalist program was instigated in 2006. This program continues to bring journalists from various countries to Melbourne to witness firsthand how the international student program works and what Victorian education has to offer.

Marketing and communications

The Study Melbourne brand was developed in 2005 as part of the Brand Victoria initiative linking international education with the marketing of Victoria's investment, tourism and skilled migration. In 2006–07, the International Division began rolling out the brand on all marketing, advertising and information material in India, China, Japan and the Middle East.

Highlights

- 'Friends of Victoria' functions were held in Hong Kong, Shanghai and Tokyo as part of a communication strategy to leverage off the networks of Victorian alumni.
- The <studymelbourne.com.au> website was launched in December 2006.
- High-quality Study Melbourne marketing collateral was developed.
- A Study Melbourne DVD was translated into seven additional languages: Cantonese, Japanese, Korean, Portuguese, Thai, Spanish, and Vietnamese.

Information and promotion

During 2006–07, the Department promoted school education, vocational education and training, and adult community education throughout Victoria in a variety of ways.

The Department continued to promote vocational education and training in conjunction with the Department of Innovation, Industry and Regional Development throughout the rest of the year.

Victorian government schools promotion

The Department produced a number of publications for external audiences in 2006–07. Significant work undertaken in 2006–07 aligned all Departmental online communications into a single entry public website <www.education.vic.gov.au>. This resulted in improved access to information for the Victorian public and school communities. The Department's website averages over half a million visits every month.

Education Times continued to be a major communication link with government schools and all teachers. The newspaper is published fortnightly during each school term. It provides

information about government education policies, news, innovations in education and training opportunities.

DoE Mail Bulletin to Schools continued to be a key communication tool between schools and the Department. Distributed weekly via email, the bulletin provides latest Department information on policy and staff issues, school management, professional learning, events and school activities.

A *Schools Communications Toolkit* was distributed to all government schools to help them to communicate better with their key stakeholders. The toolkit was produced in hardcopy and online at <www.education.vic.gov.au/management/schooloperations/commstoolkit.htm>.

The *Victorian Government Secondary Schools Guide* is designed to assist parents in choosing a secondary school for their child. It was distributed to parents of Year 5 students in government schools, newsagencies, local members of parliament, public libraries and Information Victoria.

The *Welcome to School* handbook was distributed to all parents of Prep students in government schools at the beginning of the school year. It was also distributed to the broader community through child-care centres, public libraries and Information Victoria and made available online in English, Chinese, Vietnamese and Arabic at <www.education.vic.gov.au/about/publications/newsinfo/welcomeschool.htm>. The English version is also in audio format.

The Department's electronic newsletter for parents, *Parent Update*, provided information to parents and the broader education community about initiatives in Victorian government school education. In June 2007, the newsletter had 5686 subscribers.

A comprehensive events and promotions program in 2006–07 included Back to School week, the Victorian School Sports Awards, the Premier's VCE Awards, Education Week,

Victorian Education Excellence Awards, Victorian School Design Awards, the Premier's Reading Challenge, Rubbish Free Lunch Challenge and Literacy and Numeracy Week.

The Department's Information and Referral Service provided 24-hour access to recorded information about common queries such as school term dates for Victoria and other states, contact details for the Department's regional offices, and special education and training dates and events. In addition, the service responded to telephone and email enquiries about a broad range of education matters. The service was used by parents, students, other community members and school staff.

Services to Ministers and policy

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 and Freedom of Information. These areas provide the interface between the Department and the Ministers on day-to-day matters and ensure that 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 the Minister for Skills, Education Services and Employment as members of the Ministerial Council on Education, Employment, Training, and Youth Affairs, and the Secretary as a member of the Australian Education Systems Officials Committee. It also coordinates the provision of advice to Commonwealth and State parliamentary enquiries and reviews on education and training policy.

Yearly management cycle

The Department also provides corporate and business planning services. In 2006–07, major activities in the coordination of the Department's yearly management cycle included:

- developing Office strategic plans as well as Divisional and Regional business plans
- implementing a strategic framework to improve business planning across the Department
- developing the Department's budget submissions, culminating in the 2007–08 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 half-yearly performance reports for the Expenditure Review Committee for the purpose of revenue certification
- managing the preparation of the portfolio annual reports for 2006–07
- supporting the operation of the statutory authorities.

Legislation implementation

The *Education and Training Reform Act 2006*, which passed both Houses of Parliament and received Royal Assent in May 2006, updates and replaces 12 separate Acts and represents

an undertaking by the Victorian Government to ensure that Victoria has a robust and modern legislative framework for education and training.

In 2006, the Department created a Legislation Implementation Unit within the Office for Policy, Planning and Evaluation to manage the implementation of the new Act. In 2006–07, the major component of work arising from the Act related to the establishment of the Victorian Registration and Qualifications Authority. The Authority has responsibility for ensuring that all schools, training providers and higher education providers (except established universities) meet minimum standards. It is also responsible for implementing a non-intrusive process for registering students being home schooled.

The Authority's Board was appointed in October 2006, in accordance with the *Interpretation of Legislation Act 1984*, to work with the Department in undertaking the work necessary to ensure that the new regulatory regime was operational in time for the Act to come into effect. This included the development of associated regulations.

Three sets of regulations were developed relating to the responsibilities of the Authority – the registration of schools, the registration of home schooling and the registration of education and training organisations. The Education Regulations 2000 were also remade and cover:

- government schools – admission of students, times of school operation, discipline, school councils, parent clubs and fundraising
- all schools – Education Maintenance Allowance, the transport of students and travelling allowances.

These regulations were subject to public consultation through a Regulatory Impact Statement process in early 2007 and they underwent a formal approval process involving

a number of government bodies. The resultant consolidated Education and Training Reform Regulations 2007, which include regulations relating to teaching service appeals and the Victorian Institute of Teaching's elections, were made by Governor-in-Council on 26 June 2007. They came into effect on 1 July 2007 – the day the Act was proclaimed and came into operation.

The other main areas of the legislation which were addressed during 2006–07 included extension of the school leaving age to 16 years, streamlining of school council powers, school fees and charges policies, religious instruction in schools, and the right to free instruction to Year 12 in a school or to a guaranteed place in a TAFE institute or other public training provider to Year 12 or equivalent for students up to 20 years of age.

Financial report

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Operating statement for the financial year ended 30 June 2007

	Notes	2007 \$'000	2006 \$'000
Income			
Revenue from Government	3(a)	6,391,699	6,600,519
Other Revenue	3(b)	667,929	437,272
Resources received free of charge		2,214	4,000
		7,061,842	7,041,791
Expenses			
Employee benefits	3(d)	(3,823,760)	(3,612,497)
Grants and other payments	3(c)	(942,751)	(1,232,710)
Supplies and services	3(f)	(1,224,119)	(1,003,376)
Capital asset charge		(762,036)	(799,414)
Depreciation and amortisation	3(e)	(211,338)	(239,910)
Resources provided free of charge or for nominal consideration	3(g)	(1,907)	(1,937)
Finance costs	3(h)	(378)	(307)
Other expenses	3(i)	(31,072)	(4,039)
		(6,997,361)	(6,894,190)
Net result from continuing operations		64,481	147,601
Net result for period		64,481	147,601

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

Balance Sheet

as at 30 June 2007

	Notes	2007 \$'000	2006 \$'000
Current assets			
Cash and cash equivalents	7	699,607	477,294
Receivables	8	674,476	504,835
Other	9	4,336	6,087
		1,378,419	988,216
Non-current assets classified as held for sale	10	23,873	19,035
Total current assets		1,402,292	1,007,251
Non-current assets			
Receivables	8	37,221	155,509
Other financial assets		14,266	8,912
Intangible assets	11	2,907	2,515
Property, plant and equipment	12	9,254,941	9,157,643
Total non-current assets		9,309,335	9,324,579
Total assets		10,711,627	10,331,830
Current liabilities			
Payables	13	332,185	288,537
Interest bearing liabilities	14	3,034	2,700
Provisions	15	876,367	869,578
Other	16	45,202	11,335
Total current liabilities		1,256,788	1,172,150
Non-current liabilities			
Interest bearing liabilities	14	3,094	3,316
Provisions	15	66,905	52,808
Total non-current liabilities		69,999	56,124
Total liabilities		1,326,787	1,228,274
Net assets		9,384,840	9,103,556
Equity			
Contributed capital	17(a)	5,046,130	4,823,251
Reserves	17(b)	3,016,699	3,049,800
Accumulated surplus	17(c)	1,322,011	1,230,505
Total equity		9,384,840	9,103,556
Contingent liabilities and contingent assets	22	12,555	18,128
Commitments for expenditure	23	278,483	251,684

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

Statement of recognised income and expenses for the financial year ended 30 June 2007

	Notes	2007 \$'000	2006 \$'000
Gain/(loss) on property revaluation	17(b)	87	821,281
Impairment adjustment to building values		(33,188)	(29,313)
Net income recognised directly in equity		(33,101)	791,968
Net result for the period	17(c)	64,481	147,601
Total recognised income and expense for the period		31,380	939,569
Effects of changes in accounting policy		27,025	–
Effects of correction or errors		–	–
		58,405	–

The above statement of recognised income and expenses should be read in conjunction with the accompanying notes.

Cash flow statement for the financial year ending 30 June 2007

	Notes	2007 \$'000	2006 \$'000
Cash flows from operating activities			
Receipts from Government		6,374,213	6,457,927
Receipts from other entities		647,234	411,050
Payments of grants and transfer payments		(942,751)	(1,232,710)
Payments to suppliers and employees		(5,139,442)	(4,650,631)
Goods and Services Tax recovered from the ATO		130,194	96,648
Goods and Services Tax paid to the ATO		(16,855)	(454)
Finance costs		(378)	(307)
Interest received		37,550	26,676
Capital asset charge		(762,036)	(799,414)
Net cash flows from operating activities	27	327,729	308,785
Cash flows from investing activities			
Payments for property, plant and equipment		(346,526)	(414,201)
Payment for intangible assets		(5,241)	(5,342)
Movements of investments		(5,353)	2,388
Proceeds from sale of property, plant and equipment		1,689	2,453
Finance lease receipts (Proceeds from finance leases)		3,596	3,440
Net cash flows used in investing activities		(351,835)	(411,262)
Cash flows from financing activities			
Proceeds from capital contributions by State Government		222,879	116,961
Finance lease repayments		(3,484)	(967)
Net cash flow from financing activities		219,395	115,993
Net increase / (decrease) in cash and cash equivalents		195,288	13,517
Cash and cash equivalents at the beginning of the financial year		477,294	463,777
Adjustment to opening balance as a result of change in accounting policies		27,025	–
Cash and cash equivalents at the end of the financial year	7	699,607	477,294

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

NOTE 1 Summary of significant accounting policies

(a) Statement of compliance

The financial report is a general purpose financial report which has been prepared on an accrual basis in accordance with the *Financial Management Act 1994*, applicable Australian Accounting Standards, in particular AAS29 Financial Reporting by Government Departments, interpretations and other mandatory professional requirements. Accounting Standards include Australian equivalents to International Financial Reporting Standards ('A-IFRS').

The financial statements were authorised for issue by Claire Britchford, Chief Finance Officer on 5 September 2007.

(b) Basis of preparation

The financial report has been prepared in accordance with the historical cost convention except for the revaluation of certain non-current assets and financial instruments. Cost is based on the fair values of the consideration given in exchange for assets.

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

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

period of the revision, and future periods if the revision affects both current and future periods.

Judgments made by management in the application of A-IFRS that have significant effects on the financial statements and estimates with a significant risk of material adjustments in the next year are disclosed throughout the notes in the financial statements.

Accounting policies are selected and applied in a manner which ensures that the resulting financial information satisfies the concepts of relevance and reliability, thereby ensuring that the substance of the underlying transactions or other events is reported.

The accounting policies set out below have been applied in preparing the financial statements for the year ended 30 June 2007 and the comparative information presented in these financial statements for the year ended 30 June 2006.

The accrual basis of accounting has been applied. In the previous year, some schools operated on a cash basis.

(c) Reporting entity

The Department is an administrative agency acting on behalf of the Crown.

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

The financial report includes all transactions of the Department and the State's 1594 primary and secondary schools. All transactions between the Department and schools have been eliminated as required by Australian Accounting Standards.

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 'Administered Items' (see Note 25). Except as otherwise disclosed, administered items are accounted for on the same basis and using the same accounting policies as for departmental items.

Other trust 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 Operating Statement and Balance sheet of the Department. The transaction balances are reported in Note 30.

(d) Objectives and funding

The objectives of the Department of Education are to increase participation, engagement and achievement in education and training, expand options and pathways for learners, strengthen the quality of service delivery and our responsiveness to the community and industry, strengthen a culture of working together and maintain sound financial management.

The Department provides support and advisory services to the Minister for Education and the Minister for Skills, Education Services and Employment, as well as a number of statutory bodies.

The Department is predominantly funded by accrual-based parliamentary appropriations for the provision of outputs.

(e) Outputs of the Department

Information about the Department's output activities and the expenses, revenues, other income, 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 25).

As a consequence of machinery-of-government changes announced in December 2006, output details reflect the actual period of responsibility for Department of Education, being for the period to 31 December 2006 for the old outputs and from 1 January 2007 to 30 June 2007 for the new output structure. Comparative amounts for the prior year have not been adjusted.

Details of assets and liabilities transferred out of the Department of Education and other information relating to machinery-of-government changes are reflected in Note 6.

(f) Events after reporting date

Assets, liabilities, income or expenses arise from past transactions or other past events. Where the transactions result from an agreement between the department and other parties, the transactions are only recognised when the agreement is irrevocable at or before balance date. Adjustments are made to amounts recognised in the financial statements for events which occur after the reporting date and before the date the statements are authorised for issue, where those events provide information about conditions which

existed at the reporting date. Note disclosure is made about events between the balance date and the date the statements are authorised for issue where the events relate to condition which arose after the reporting date and which may have a material impact on the results of subsequent years.

(g) Goods and Services Tax (GST)

Income, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the taxation authority. In this case it is recognised as part of the cost of acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the taxation authority is included with other receivables or payables in the balance sheet.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the taxation authority, are presented as operating cash flow.

h) Income recognition

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

Income becomes controlled and is recognised 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 revenue, which form part of a Section 29 agreement, is recognised by the Department and the receipts paid into the Consolidated Fund as

an administered item (Note 25). At the point of revenue recognition, Section 29 provides for an equivalent amount to be added to the annual appropriation. In respect to revenue from the 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 25.

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

Output appropriations

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

Resources received free of charge or for nominal consideration

Contributions of resources received free of charge or for nominal consideration are recognised at their fair value when the contributed asset qualifies for recognition, unless received from another government department or agency as a consequence of a restructuring of administrative arrangements. In which case, such transfer will be recognised at carrying value. Contributions in the form of services are only recognised when a fair value can be reliably determined and the services would have been purchased if not donated.

Other revenue

Amounts disclosed as revenue are, where applicable, net of returns, allowances and duties and taxes. All amounts of revenue over which the Department does not have control are disclosed as administered income

in the schedule of administered income and expenses (see Note 25). Revenue is recognised for each of the Department's major activities as follows:

Revenue from the provision of services

Revenue from the provision of services is recognised by reference to the stage of completion of the contract. The revenue is recognised when:

- the amount of the revenue, stage of completion and transaction costs incurred can be reliably measured; and
- it is probable that the economic benefits associated with the transaction will flow to the entity or department.

The stage of completion is measured by reference to labour hours incurred to date as a percentage of estimated total labour hours for each contract.

Revenue from sale of goods

Revenue from the sale of goods is recognised by the Department when:

- the significant risks and rewards of ownership of the goods have transferred to the buyer;
- the Department retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be reliably measured;
- it is probable that the economic benefits associated with the transaction will flow to the Department; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Rental revenue

Rental income from the leasing of investment properties is recognised on a straight-line basis over the lease term.

Interest revenue

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

Dividend revenue

Dividend revenue is recognised when the right to receive payment is established.

Other income

Other income consists of gains/losses on disposal of property, plant and equipment, disposal of investments and disposal of business. Any gain or loss on disposal is recognised at the date control of the asset is passed to the buyer and is determined after deducting from the proceeds the carrying value of the asset at that time.

Administered income

Taxes, fines and regulatory fees

The Department does not gain control over assets arising from taxes, fines and regulatory fees, therefore no income is recognised in the Department's financial statements.

The Department collects these amounts on behalf of the Crown. Accordingly, the amounts are disclosed as income in the schedule of Administered Items (see Note 25).

Commonwealth grants

Grants payable by the Commonwealth Government are recognised as income when the Department gains control of the underlying assets. Where such grants are payable into the Consolidated Fund, they are reported as administered income. For reciprocal grants, the Department is deemed to have assumed control when the performance has occurred under the grant. For non-reciprocal grants, the Department is deemed to have assumed control when the grant is received or receivable. Conditional grants may be reciprocal or non-reciprocal depending on the terms of the grant. Commonwealth grants are disclosed as income in the schedule of Administered Items (see Note 25).

(i) Expenses

Grants and other payments

Grants and other payments to third parties are recognised as an expense in the reporting period in which they are paid or payable. They include transactions such as grants, subsidies and other transfer payments.

Employee benefits

Employee benefits expenses include all costs related to employment including wages and salaries, leave entitlements, redundancy payments and superannuation contributions. These are recognised when incurred, except for contributions in respect of defined benefit plans.

Superannuation

Defined contribution plans

Contributions to defined contribution superannuation plans are expensed when incurred.

Defined benefit plans

The amount charged to the operating statement in respect of defined benefit plan superannuation represents the contributions made by the Department to the superannuation plan in respect to the current services of current Department staff. Superannuation contributions are made to the plans based on the relevant rules of each plan.

The Department of Treasury and Finance centrally recognises the defined benefit liability or surplus of most Victorian government employees in such funds.

Depreciation

Depreciation is provided on property, plant and equipment, including freehold buildings but excluding land. Depreciation is generally calculated on a straight-line basis so as to write off the net cost or other revalued amount of each asset over its expected useful life to its estimated residual value. Leasehold improvements are depreciated over the period

of the lease or estimated useful life, whichever is the shorter, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each annual reporting period.

The expected useful lives for the financial years ended 30 June 2007 and 30 June 2006 and depreciation rates are as follows:

	Useful life Years	2007 %	2006 %
Buildings – permanent	60	1.7	1.7
Buildings – relocatable and other improvements	40	2.5	2.5
Plant and equipment	3 to 33	3–33	3–33

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.

Leasehold improvements held at the reporting date are being amortised over 10 years at a rate of 10 per cent.

Amortisation

Intangible assets with finite useful lives are amortised on a systematic (typically straight-line) basis over the asset's useful life. Amortisation begins when the asset is available for use, that is, when it is in the location and condition necessary for it to be capable of operating in the manner intended by management. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each annual reporting period. In addition, an assessment is made at each reporting date to determine whether there are indicators that the intangible asset concerned is impaired. If so, the assets concerned are tested as to whether their carrying value exceeds their recoverable amount.

Intangible assets with indefinite useful lives are not amortised, but are tested for impairment annually or whenever there is an indication

that the asset may be impaired. The useful lives of intangible assets that are not being amortised are reviewed each period to determine whether events and circumstances continue to support an indefinite useful life assessment for that asset.

Resources provided free of charge or for nominal consideration

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

Capital asset charge

The capital asset charge represents the opportunity cost of capital invested in the non-current physical assets used in the provision of outputs. The charge is calculated on the budgeted carrying amount of non-current physical assets.

Finance costs

Finance costs are recognised as expenses in the period in which they are incurred and include finance lease charges.

Impairment of assets

Goodwill and intangible assets with indefinite useful lives (and intangible assets not yet available for use) are tested annually for impairment (i.e. as to whether their carrying value exceeds their recoverable amount, and so require writedowns) and whenever there is an indication that the asset may be impaired. All other assets are assessed annually for indications of impairment, except for financial assets divided by non current assets available for sale.

If there is an indication of impairment, the assets concerned are tested as to whether their carrying value exceeds their possible recoverable amount. Where an asset's carrying value exceeds its recoverable amount, the difference is written off by a charge to the operating statement except to the extent that the write-down can be debited

to an asset revaluation reserve amount applicable to that class of asset.

It is deemed that, in the event of the loss of an asset, the future economic benefits arising from the use of the asset will be replaced unless a specific decision to the contrary has been made. The recoverable amount for most assets is measured at the higher of depreciated replacement cost and fair value less costs to sell. Recoverable amount for assets held primarily to generate net cash inflows is measured at the higher of the present value of future cash flows expected to be obtained from the asset and fair value less costs to sell.

Supplies and services

Supplies and services generally represent cost of goods sold and the day-to-day running costs, including maintenance costs, incurred in the normal operations of the Department. These items are recognised as an expense in the reporting period in which they are incurred. The carrying amount of any inventories held for distribution is expensed when distributed.

(j) Assets

All non current assets, including Crown Land, controlled by the Department are reported in the balance sheet.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and cash at bank, deposits at call and highly liquid investments with an original maturity of 3 months or less, which are readily convertible to known amounts of cash and are subject to insignificant risk of changes in value (Note 7).

Receivables

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

Receivables are recognised initially at fair value and subsequently measured at amortised cost, using the effective interest rate method, less any accumulated impairment.

A provision for doubtful receivables is made when there is objective evidence that the debts will not be collected. Bad debts are written off when identified.

Non-current receivables have been recognised at nominal cost due to low materiality levels.

Other financial assets

Investments are recognised and derecognised on trade date where purchase or sale of an investment is under a contract whose terms require delivery of the investment within the timeframe established by the market concerned, and are initially measured at fair value, net of transaction costs.

The Department classifies its other investments in the following categories: financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments, and available-for-sale financial assets. The classification depends on the purpose for which the investments were acquired. Management determines the classification of its investments at initial recognition.

Financial assets at fair value through profit or loss

Investments held for trading purposes are classified as current assets and are stated at fair value, with any resultant gain or loss recognised in profit or loss.

Loans and receivables

Trade receivables, loans and other receivables are recorded at amortised cost, using the effective interest method, less impairment.

The effective interest method is a method of calculating the amortised cost of a financial asset and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated

future cash receipts through the expected life of the financial asset, or, where appropriate, a shorter period.

Held-to-maturity investments

Where the Department has the positive intent and ability to hold investments to maturity, they are stated at amortised cost less impairment losses.

Available-for-sale financial assets

Other investments held by the Department are classified as being available-for-sale and are stated at fair value. Gains and losses arising from changes in fair value are recognised directly in equity until the investment is disposed of or is determined to be impaired, at which time the cumulative gain or loss previously recognised in equity is included in profit or loss for the period.

Intangible assets

Intangible assets represent identifiable non-monetary assets without physical substance.

Intangible assets are initially recognised at cost. Subsequently, intangible assets with finite useful lives are carried at cost less accumulated amortisation and accumulated impairment losses. Costs incurred subsequent to initial acquisition are capitalised when it is expected that additional future economic benefits will flow to the Department.

Research and development costs

Expenditure on research activities is recognised as an expense in the period in which it is incurred. An internally-generated intangible asset arising from development (or from the development phase of an internal project) is recognised if, and only if, all of the following are demonstrated:

- (a) the technical feasibility of completing the intangible asset so that it will be available for use or sale;
- (b) an intention to complete the intangible asset and use or sell it;
- (c) the ability to use or sell the intangible asset;

- (d) the intangible asset will generate probable future economic benefits;
- (e) the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset; and
- (f) the ability to measure reliably the expenditure attributable to the intangible asset during its development.

Where no internally generated intangible asset can be recognised, development expenditure is recognised as an expense in the period as incurred.

Intangible assets are measured at cost less accumulated amortisation and impairment, and are amortised on a straight-line basis over their useful lives as follows:

Capitalised software development costs	3–5 years
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Property, plant and equipment

Land and buildings are measured initially at cost, then subsequently at fair value.

Plant, equipment and vehicles are measured at cost less accumulated depreciation and impairment.

Crown land is measured at fair value with regard to the property's highest and best use after due consideration is made for any legal or constructive restrictions imposed on the asset, public announcements or commitments made in relation to the intended use of the asset. Theoretical opportunities that may be available in relation to the asset are not taken into account until it is virtually certain that the restrictions will no longer apply.

Cultural depreciated assets and collections, heritage assets and other non-current physical assets that the State intends to preserve because of their unique historical, cultural or environmental attributes are measured at the cost of replacing the asset less, where applicable, accumulated depreciation

calculated on the basis of such cost to reflect the already consumed or expired future economic benefits of the asset.

Restrictive nature of cultural and heritage assets, Crown land and infrastructures

During the reporting period, the Department may hold cultural assets, heritage assets, Crown land and infrastructures.

Such assets 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.

Revaluations of non-current assets

Non-current physical assets measured at fair value are revalued in accordance with FRD 103B. This revaluation process normally occurs every five years, based upon the asset's Government Purpose Classification. Revaluation increments or decrements arise from difference between carrying value and fair value.

Revaluation increments are credited directly to equity in 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 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.

In accordance with FRD 103B no schools sites were subject to a detailed valuation in the current financial year (2005–06: 462 school sites) as the Department has reviewed the land price index movement in relation to its properties and believes that there has been no material movement in those valuations. (refer Note 12).

Non-current assets classified as held for sale

Non-current assets (and disposal group) classified as held for sale are measured at the lower of carrying amount and fair value less costs to sell, and are not subject to depreciation.

Non-current assets and disposal groups are classified as held for sale if their carrying amount will be recovered through a sale transaction rather than through continuing use. The condition is regarded as met only when the sale is highly probable and the assets sale (or disposal group sale) is expected to be completed within one year from the date of classification.

Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

Department as lessee

Finance leases are recognised as assets and liabilities at amounts equal to the fair value of the lease property or, if lower, the present value of the minimum lease payment, each determined at the inception of the lease. The lease asset is depreciated over the shorter of the estimated useful life of the asset or the term of the lease. Minimum lease payments are allocated between the principal component of the lease liability, and the interest expense calculated using the interest rate implicit

in the lease, and charged directly to the operating statement. Contingent rentals associated with finance leases are recognised as an expense in the period in which they are incurred.

Operating lease payments, including any contingent rentals, are recognised as an expense in the operating statement on a straight-line basis over the lease term, except where another systematic basis is more representative of the time pattern of the benefits derived from the use of the leased asset.

The cost of leasehold improvements is capitalised as an asset and depreciated over the remaining term of the lease or the estimated useful life of the improvements, whichever is the shorter.

(k) Liabilities

Payables

Payables consist predominantly of creditors and other sundry liabilities.

Payables are carried at amortised cost and represent liabilities for goods and services provided to the Department prior to the end of financial year that are unpaid, and arise when the Department becomes obliged to make future payments in respect of the purchase of these goods and services.

Interest bearing liabilities

Interest bearing liabilities are recorded initially at fair value, net of transaction costs.

Subsequent to initial recognition, interest bearing liabilities are measured at amortised cost with any difference between the initial recognised amount and the redemption value being recognised in profit and loss over the period of the interest bearing liability using the effective interest rate method.

Provisions

Provisions are recognised when the Department has a present obligation, the future sacrifice of economic benefits is probable, and the amount of the provision can be measured reliably.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at reporting date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

When some or all of the economic benefits required to settle a provision are expected to be recognised from a third party, the receivable is recognised as an asset if it is virtually certain that recovery will be received and the amount of the receivable can be measured reliably.

Employee benefits

(i) Wages and salaries, annual leave and sick leave

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

Those liabilities that are not expected to be settled within 12 months are recognised in the provision for employee benefits as current liabilities, measured at present value of the amounts expected to be paid when the liabilities are settled using the remuneration rate expected to apply at the time of settlement.

(ii) Long service leave

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

- **Current liability – unconditional LSL** (representing 7 or more years of continuous service for VPS staff and 10 and more years of continuous service for executives) is disclosed as a current liability even where the department does not expect to settle the liability within 12 months because it will not have the unconditional right to defer the settlement of the entitlement should an employee take leave within 12 months: The components of this current LSL liability are measured at:
 - present value – component that the department does not expect to settle within 12 months; and
 - nominal value – component that the department expects to settle within 12 months
- **Non-current liability – conditional LSL** (representing less than 7 years of continuous service for VPS staff and less than 10 years of continuous service for executives) is disclosed as a non-current liability. There is an unconditional right to defer the settlement of the entitlement until the employee has completed the requisite years of service.

This non-current LSL liability, on costs and termination payments is measured at present value.

(l) Commitments

Commitments include those operating, capital and other outsourcing commitments arising from non-cancellable contractual or statutory sources and are disclosed at their nominal value.

(m) Contingent assets and contingent liabilities

Contingent assets and contingent liabilities are not recognised in the balance sheet, but are disclosed by way of a note and, if quantifiable, are measured at nominal value.

(n) Equity

Contributions by owners

Additions to net assets, which have been designated as contributions by owners are recognised as contributed capital. Other transfers that are in the nature of contributions or distributions have also been designated as contributions by owners.

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

(o) Cash flow statement

For the purposes of the cash flow statement, cash comprises cash on hand, cash at bank, bank overdrafts and deposits at call, and highly liquid investments with short periods to maturity that are readily convertible to cash on hand and are subject to an insignificant risk of changes in value.

(p) Functional and presentation currency

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

(q) Rounding of amounts

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

(r) New accounting standards and interpretations

Certain new accounting standards and interpretations have been published that are not mandatory for 30 June 2007 reporting period. The Department of Treasury and Finance assesses the impact of these new standards and advises departments and other entities of their applicability and early adoption where applicable.

As at 30 June 2007, the following standards and interpretations (applicable to departments) had been issued but were not mandatory for financial years ending 30 June 2007. The Department has not, and does not intend to, adopt these standards early.

Standard / Interpretation	Summary	Applicable for annual Reporting periods beginning or ending on	Impact on departmental Financial statements
AASB7 <i>Financial Instruments: Disclosures</i>	New standard replacing disclosure requirements of AASB132.	Beginning 1 Jan 2007	AASB7 is a disclosure standard so will have no direct impact on the amounts included in the departmental financial statements. However, the amendments will result in changes to the financial instrument disclosures included in the departmental financial report.
AASB2005-10 <i>Amendments to Australian Accounting Standards</i> [AASB132, AASB101, AASB114, AASB117, AASB133, AASB139, AASB1, AASB4, AASB1023 & AASB1038]	Amendments arise from the release in August 2005 of AASB7 <i>Financial Instruments: Disclosures</i>	Beginning 1 Jan 2007	As above.
AASB101 <i>Presentation of Financial Statements</i> (revised)	Removes Australian specific requirements from AASB101, including the Australian illustrative formats of the income statement, balance sheet and statement of changes in equity which entities were previously 'encouraged' to adopt in preparing their financial statements.	Beginning 1 Jan 2007	Impact on presentation not expected to be significant.
Interpretation 10 <i>Interim Financial Reporting and Impairment</i>	Equivalent to IFRIC10 of the same name. Concludes that where entity has recognised an impairment loss in an interim period in respect of goodwill or an investment in either an equity instrument or a financial asset carried at cost, that impairment should not be reversed in subsequent interim financial statements nor in annual financial statements	Beginning 1 Nov 2006	The Department does not publish interim financial results, so there is no impact.
Interpretation 12 <i>Service Concession Arrangements</i>	AASB approved an Australian Interpretation 12, equivalent to IFRIC 12, applying to private sector operators, but is silent on accounting by public sector grantors. The AASB intends to consider how public sector grantors should account for service concession arrangements, and will appoint an advisory panel to make recommendations.	Beginning 1 Jul 2008	The impact of any changes that may be required cannot be reliably estimated and is not disclosed in the financial statements.
AASB 2007-2 <i>Amendments to Australian Accounting Standards arising from AASB Interpretation 12</i>	Amendments arise from the release in February 2007 of Interpretation 12 <i>Service Concession Arrangements</i>	Beginning 1 Jul 2008	As above.
AASB 8 <i>Operating Segments</i>	Supersedes AASB 114 <i>Segment Reporting</i> .	Beginning 1 Jan 2009	Not applicable.
AASB 2007-3 <i>Amendments to Australian Accounting Standards arising from AASB 8</i> [AASB 5, AASB 6, AASB 102, AASB 107, AASB 119, AASB 127, AASB 134, AASB 136, AASB 1023 & AASB 1038]	An accompanying amending standard, also introduced consequential amendments into other Standards.	Beginning 1 Jan 2009	Impact expected to be not significant.
Interpretation 4 <i>Determining whether an Arrangement contains a Lease</i> [revised]	Where arrangements might fall both within this Interpretation and Interpretation 12, Interpretation 12 will take precedence. As advised above, Interpretation 12 only applies to the private sector operation and the AASB is still considering public sector accounting for these arrangements.	Beginning 1 Jan 2008	May or may not lead to certain arrangements being reclassified. At this stage, the financial impact is unknown as it depends on whether there are arrangements being reclassified.
Interpretation 129 <i>Service Concession Arrangements: Disclosures</i> [revised]	Operator to disclose revenue and profit.	Beginning 1 Jan 2008	The Department is not an operator of service concession, so there will be no impact on disclosures.

NOTE 2 Departmental outputs

Compulsory Years

These outputs involve the provision of education and associated services designed to improve the quality of student learning of those in Prep–Year 9 in government and non-government schools. It comprises two outputs.

The ‘early years’ is concerned with developing the essential skills necessary for ongoing progress in education and providing learning experiences to engage young minds. Literacy and numeracy are foremost among the skills learnt during these foundation years.

The ‘middle years’ of schooling is a fundamental stage of learning where students growing from childhood to adolescence consolidate competency in literacy and numeracy, and their physical, social, emotional and intellectual development of early adolescence. It is also a stage when they attain a greater breadth of knowledge and learning, including extending their capacity for creative and critical thinking.

These outputs include development and management of education programs and curriculum.

The Compulsory Years outputs, along with other education and training outputs, are the primary mechanism through which the Government will achieve its key outcome: valuing and investing in lifelong education. These outputs will also make a significant contribution to the following key Government outcomes:

- growing and linking all of Victoria;
- building cohesive communities and reducing inequalities; and
- promoting rights and respecting diversity.

Post-Compulsory Years

Post-Compulsory Years consists of four outputs. The Later Years output involves provision of education, training and other associated services designed to improve the quality of student learning of those in Years 10–12 in government and non-government schools. The priority during the later years of schooling is to provide young people with effective and varied pathways and support to secure their first formal qualification and to make a successful transition to further study, employment or a combination of both.

The Training and Further Education output involves provision of training programs and support for students in TAFE Institutes and other registered training organisations in accordance with Government priorities and in response to industry and community demands.

The Adult and Community Education output involves provision of education and training in community settings and adult education institutions (including Adult Multicultural Education Services and the Centre for Adult Education) in accordance with priorities set by Government and in response to local community demand.

The Cross-Sectoral output involves provision of integrated support across education and training sectors through organisational networks and linkages. It also involves support for students to make successful transitions between education and training sectors, for example through transition support such as pathway plans and monitoring of destination data.

The Post-Compulsory Years outputs, along with other education and training outputs, are the primary mechanism through which the Government will achieve its key outcome: valuing and investing in lifelong education.

These outputs will also make a significant contribution to the following key Government outcomes:

- growing and linking all of Victoria;
- building cohesive communities and reducing inequalities; and
- promoting rights and respecting diversity.

Services to Students

This consists of one output which covers student welfare and support, services to students with disabilities, Education Maintenance Allowance and student transport. It involves provision of:

- education services relating to student welfare, including drug education and mental health issues;
- 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;
- education services to students with disabilities in regular and specialist schools;
- payment of the Education Maintenance Allowance to eligible parents of school students up to the age of 16 years in government and non-government schools; and
- administration of student conveyance allowances and the transport of government and non-government school students, including those attending specialist schools.

The Services to Students output, along with other education and training outputs, is a primary mechanism through which the Government will achieve its key outcome: valuing and investing in lifelong education. These output classifications will also make a significant contribution to the following key Government outcomes:

- growing and linking all of Victoria;
- building cohesive communities and reducing inequalities; and
- promoting rights and respecting diversity.

Portfolio Management Services

Portfolio Management consists of two outputs. The Services to Ministers and Policy output involves provision of policy, administrative support and strategy advice to the Ministers in relation to their parliamentary and legislative responsibilities. It includes provision of information services about education and training to the community, including dissemination of information through public promotions, telephone services, publications, and advertising services.

The Regulation output involves the provision of administrative support services for the statutory authorities in the education and training portfolio including the Victorian Curriculum and Assessment Authority, the Victorian Learning and Employment Skills Commission and the Victorian Qualifications Authority, regulatory and advisory bodies and for higher education and international education. It includes:

- regulatory activities such as school registration by the Registered Schools Board;
- the registration of providers to deliver accredited vocational education and training courses;
- services to universities and higher education private providers such as endorsement and approval to deliver higher education courses; and
- services for international education including recruitment, assessment, student placement, registration, marketing, organisation of study tours, international teacher and principal exchange programs.

The Portfolio Management outputs, along with other education and training outputs, are the primary mechanism through which the Government will achieve its key outcome: valuing and investing in lifelong education. These outputs will also make a significant contribution to the following key Government outcomes:

- growing and linking all of Victoria;
- building cohesive communities and reducing inequalities; and
- promoting rights and respecting diversity.

Departmental outputs schedule – controlled revenue and expenses for the year ended 30 June 2007

	Compulsory years	Post-compulsory years	Services to students	Portfolio management services	Departmental total
	2007	2007	2007	2007	2007
	\$'000	\$'000	\$'000	\$'000	\$'000
Income					
Revenue	386,308	269,670	1,837	10,114	667,929
Appropriations	3,909,534	1,773,666	681,908	26,591	6,391,699
Resources received free of charge	–	2,214	–	–	2,214
Other income	–	–	–	–	–
Total income	4,295,842	2,045,550	683,745	36,705	7,061,842
Expenses					
Grants and other payments	(243,114)	(578,201)	(108,374)	(13,062)	(942,751)
Employee benefits expense	(2,665,800)	(770,927)	(376,060)	(10,973)	(3,823,760)
Depreciation and amortisation expense	(156,022)	(41,547)	(13,678)	(91)	(211,338)
Finance costs	(297)	(77)	–	(4)	(378)
Capital asset charge	(396,164)	(331,502)	(34,187)	(183)	(762,036)
Supplies and services	(761,980)	(299,644)	(150,424)	(12,071)	(1,224,119)
Resources provided free of charge or for nominal consideration	(1,400)	(154)	(342)	(11)	(1,907)
Other expenses	(29,629)	(579)	(681)	(183)	(31,072)
Total expenses	(4,254,406)	(2,022,631)	(683,745)	(36,578)	(6,997,361)
Net result for period	41,436	22,919	–	127	64,481

Departmental outputs schedule – items of controlled income and expense recognised directly in equity for the year ended 30 June 2007

	Compulsory years	Post-compulsory years	Services to students	Portfolio management services	Departmental total
	2007	2007	2007	2007	2007
	\$'000	\$'000	\$'000	\$'000	\$'000
Gain / loss on property valuation	61	19	7	–	87
Total	61	19	7	–	87

Departmental outputs schedule – controlled assets and liabilities as at 30 June 2007

	Compulsory years	Post-compulsory years	Services to students	Portfolio management services	Departmental total
	2007 \$'000	2007 \$'000	2007 \$'000	2007 \$'000	2007 \$'000
Assets					
Current Assets	982,446	301,773	115,268	2,805	1,402,292
Current Liabilities	6,437,405	2,126,252	745,678	–	9,309,335
Total Assets	7,419,851	2,428,025	860,946	2,805	10,711,627
Liabilities					
Current Liabilities	878,746	269,958	103,182	4,901	1,256,788
Non-Current Liabilities	48,936	15,036	5,747	280	69,999
Total Liabilities	927,682	284,994	108,929	5,181	1,326,786
Net Assets/(Liabilities)	6,492,169	2,143,031	752,017	(2,376)	9,384,841

Departmental outputs schedule – controlled revenue and expenses for the year ended 30 June 2006

	Compulsory years	Post-compulsory years	Services to students	Portfolio management services	Departmental total
	2006 \$'000	2006 \$'000	2006 \$'000	2006 \$'000	2006 \$'000
Income					
Revenue	276,793	131,400	20,115	8,964	437,272
Appropriations	3,862,623	2,155,730	551,803	30,362	6,600,519
Resources received free of charge	–	4,000	–	–	4,000
Other income	4,139,418	2,291,130	571,918	39,326	7,041,791
Total revenue					
Expenses					
Grants and other payments	(295,111)	(806,315)	(115,258)	(16,025)	(1,232,710)
Employee benefits expense	(2,525,858)	(775,603)	(296,586)	(14,450)	(3,612,497)
Depreciation and amortisation expense	(172,279)	(54,460)	(13,051)	(120)	(239,910)
Finance costs	(203)	(75)	(27)	(2)	(307)
Capital asset charge	(455,506)	(309,373)	(34,375)	(160)	(799,414)
Supplies and services	(591,891)	(241,814)	(156,226)	(13,445)	(1,003,376)
Resources provided free of charge or for nominal consideration	(1,279)	(477)	(168)	(13)	(1,937)
Other expenses	(2,376)	(998)	(433)	(232)	(4,039)
Total expenses	(4,044,503)	(2,189,115)	(616,124)	(44,448)	(6,894,190)
Net result for the reporting period	94,915	102,015	(44,206)	(5,122)	147,601

Departmental outputs schedule – assets and liabilities as at 30 June 2006

	Compulsory years	Post-compulsory years	Services to students	Portfolio management services	Departmental total
	2006 \$'000	2006 \$'000	2006 \$'000	2006 \$'000	2006 \$'000
Assets and Liabilities					
Assets					
Current Assets	705,680	216,760	82,796	2,015	1,007,251
Non-Current Assets	6,447,946	2,129,734	746,899	–	9,324,579
Total Assets	7,153,626	2,346,494	829,695	2,015	10,331,830
Liabilities					
Current Liabilities	819,567	251,778	96,233	4,571	1,172,150
Non-Current Liabilities	39,236	12,055	4,608	224	56,124
Total Liabilities	858,803	263,833	100,841	4,795	1,228,274
Net Assets/(Liabilities)	6,294,823	2,082,661	728,853	(2,780)	9,103,556

NOTE 3 Net result from operations

	2007 \$'000	2006 \$'000
Income		
(a) Revenue from Government		
Output appropriations	6,391,449	6,600,269
Special appropriations	250	250
Total revenue received from Government	6,391,699	6,600,519
(b) Other Revenue		
Schools revenue	572,024	347,026
Provision of services	1,135	1,485
Interest	37,550	26,676
Other revenue	57,220	62,085
Total other revenue	667,929	437,272
Expenses		
(c) Grants and other payments		
Grants to Victorian Curriculum and Assessment Authority	34,764	35,607
Grants to Victorian Learning and Employment Skills Commission	337,255	668,211
Grants to Victorian Qualifications Authority	3,082	3,490
Grants to Victorian Institute of Teaching	1,226	1,196
Grants to Adult Community and Further Education Board	16,236	33,979
Grants to non-government schools		
– Primary	137,632	130,754
– Secondary	214,367	191,539
– Other	11,758	12,927
Grants to external organisations	131,120	103,586
Conveyance and Education Maintenance Allowance payments	55,311	51,421
Total grants and other payments	942,751	1,232,710
(d) Employee benefits		
Salary and Wages – Departmental employees	2,896,173	2,745,994
Salary and Wages – Staff employed by school councils	187,358	173,641
Superannuation	330,882	307,269
Annual leave and long service leave expense	187,927	171,596
Other on-costs (fringe benefits tax, payroll tax and workcover levy)	221,420	213,997
Total employee benefits	3,823,760	3,612,497
(e) Depreciation and amortisation		
Depreciation		
Buildings	109,145	120,138
Plant and equipment	98,329	112,975
	207,474	233,113
Amortisation		
Plant and leasehold improvements	1,137	1,221
Software	2,727	5,576
	3,864	6,797
Total depreciation and amortisation	211,338	239,910

	2007 \$'000	2006 \$'000
(f) Supplies and services		
Administration	140,615	109,912
Maintenance	446,157	307,094
School requisites, TAFEs & Victorian Curriculum & Assessment Authority	566,465	529,242
Other	34,407	17,168
	1,187,644	963,416
Rental expense relating to operating leases		
Minimum Lease Payments	36,475	39,960
Total supplies and services	1,224,119	1,003,376
(g) Resources provided free of charge or for nominal consideration		
Victorian Curriculum and Assessment Authority		
Rent provided free of charge at 1 Railway Parade, Camberwell and 41 St Andrews Place, East Melbourne.	1,827	1,846
Victorian Qualifications Authority		
Rent provided free of charge at level 2, 33 St Andrews Place, East Melbourne.	80	91
Total resources provided free of charge or for nominal consideration	1,907	1,937
(h) Finance costs		
Finance lease costs	378	307
(i) Other expenses		
(Gain) / loss on disposal of property, plant and equipment		
Consideration from disposals	(1,689)	(2,453)
Carrying amount of assets disposed	5,498	5,297
	3,809	2,844
Other		
Bad and doubtful debts – debtors	220	(662)
Write-off of purchase cost of assets under \$5,000	25,913	–
Other expenses	1,130	1,857
Total other expenses	31,072	4,039

NOTE 4 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 for 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

	Financial Management Act 1994										Variance \$'000								
	Appropriation Act					Section 35 Advances													
	Annual Appropriation \$'000		Advance from Treasurer \$'000		Section 3(2) \$'000		Section 29 \$'000		Section 30 \$'000			Section 32 \$'000		Section 33 \$'000		Total Parliamentary Authority \$'000		Appropriations Applied \$'000	
2007	2006	2007	2006	2007	2006	2007	2006	2007	2006	2007	2006	2007	2006	2007	2006	2007	2006	2007	
Controlled																			
Provision for outputs	6,836,695	6,417,384	-	61,520	-	-	99,109	93,988	-	7,866	41,546	-	-	-	6,614,438	6,391,449	6,600,269	552,221	14,169
Additions to net assets	100,207	105,025	-	-	-	-	220,826	113,965	-	-	4,001	-	-	-	222,991	254,014	117,966	67,018	105,025
Administered																			
Payments made on behalf of the State	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total	6,936,902	6,522,409	-	61,520	-	-	319,935	207,953	-	7,866	45,547	-	-	-	7,264,702	6,645,463	6,718,235	619,239	119,194

The provision for outputs variance of \$552.221m represents the machinery-of-government transfer of the Office of Training and Tertiary Education to the Department of Innovation, Industry and Regional Development of \$465.152m and the machinery-of-government transfer of Adult Community and Further Education to the Department for Victorian Communities of \$18.201m. It also includes carryover for the provision of outputs of \$35.400m, the net effect of whole-of-government savings of \$0.280m, and \$33.188m returned to the Consolidated Fund due to a transfer of appropriation between output and asset funding.

The additions to net assets variance of \$67.018m represents carryover for additions to net asset base of \$58.53m and \$8.488m returned to the Consolidated Fund as there was sufficient depreciation equivalent funding in the Department's Statement Administration Unit.

(b) Summary of compliance with special appropriations

Authority	Purpose	Appropriations applied	
		2007 \$'000	2006 \$'000
Controlled			
Section 34 of the <i>Education Act 1958</i>	Volunteers workers compensation	250	250
Total		250	250

NOTE 5 Revision of accounting policies

Reassessment of capitalisation threshold for schools assets

During the financial year the Department reassessed the threshold for capitalisation of certain items of plant and equipment used in schools. To be consistent with the treatment of other plant and equipment assets held by the Department, the threshold for capitalisation was raised from \$1000 to \$5000. The net financial effect of this reassessment was an expense for the Department of Education of \$90 million. \$25.9 million of this had been recorded in the Operating statement for assets purchased in the current financial year and \$64.1 million in the Statement of recognised income and expense for assets purchased prior to 1 July 2006. Due to the number of

assets involved it was deemed impracticable to apply this adjustment retrospectively.

Revision of methodology of reporting schools cash and investment balances

During the financial year the Department changed the date at which schools cash and investment balances were recorded in the financial statements. Previously the cash and investment balances held by schools were reported in the Financial Statements as at the preceding 31 December. For the current year the balances are recorded as at 30 June. The adjustment to record the impact on the reported result was an increase in accumulated surplus of \$91 million.

NOTE 6 Restructuring of administrative arrangements

In December 2006 the Government issued an administrative order restructuring certain of its activities via machinery-of-government changes. This machinery-of-government restructure has affected the Department of Education. The Department relinquished its training and tertiary education activities to the Department of Innovation, Industry and Regional Development (DIIRD) and the Department for Victorian Communities (DVC).

The Department of Education has recognised appropriation expenses of \$353.4 million and income of \$353.4 million during the reporting

period in respect of the training and tertiary education services.

The net liabilities relinquished by the Department of Education as a result of this transfer were treated as a Resource Given Free of Charge in compliance with the accounting requirements of Urgent Issues Group Interpretation 1038 Contributions by Owners Made to Wholly-Owned Public Sector Entities and Financial Reporting Direction 2A Contributions by Owners.

In respect of the activities relinquished, the following assets and liabilities were transferred:

	DIIRD \$'000	DVC \$'000	Total \$'000
Output			
Assets			
Cash	1,606	335	1,941
Motor vehicles under Vic Fleet	277	189	466
Liabilities			
Employee provisions	(3,438)	(662)	(4,100)
Interest bearing liabilities	(279)	(191)	(470)
Net assets transferred	(1,834)	(329)	(2,163)

NOTE 7 Cash and cash equivalents

	2007 \$'000	2006 \$'000
Amounts held by schools*	641,984	408,507
Departmental operating bank accounts	63,887	64,521
Other bank accounts	(6,264)	4,266
Total cash	699,607	477,294
The above figures are reconciled to cash at the end of the financial year as shown in the statement of cashflows as follows:		
Balances as above	699,607	477,294
Balances per statement of cash flows	699,607	477,294

* The schools cash and investments balances for 2006–07 are held by the Department's schools across Victoria and are reported as at 30 June 2007. The balances for 2005–06 were balances held by schools as at 31 December 2005.

Amounts held by schools include term investments one year or less of \$109,035,183 in 2007 (\$82,667,905 in 2006)

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.

NOTE 8 Receivables

	2007 \$'000	2006 \$'000
Current:		
Amounts owing from Victorian Government	579,867	436,647
GST Receivables	22,361	16,495
Schools' Receivables	64,238	46,969
Other debtors	15,433	8,213
	681,899	508,326
Allowance for doubtful debts	(7,423)	(3,490)
Total current receivables	674,476	504,835
Non-current:		
Amounts owing from Victorian Government	36,905	155,250
Other debtors	423	319
	37,328	155,569
Allowance for doubtful debts	(107)	(60)
Total non-current receivables	37,221	155,509
Aggregate carrying amount of receivables		
Current	674,476	504,835
Non-current	37,221	155,509
Total aggregate carrying amount of receivables	711,697	660,344

NOTE 9 Other assets

	2007 \$'000	2006 \$'000
Prepayments		
Operating expenses	4,336	6,087
Total Prepayments	4,336	6,087

NOTE 10 Non-current assets classified as held for sale

	2007 \$'000	2006 \$'000
Buildings	7,516	6,067
Land	16,157	12,835
Plant and equipment	200	133
Total non-current assets classified as held for sale	23,873	19,035

NOTE 11 Intangible assets

	2007 \$'000	2006 \$'000
Software (at cost)	12,891	13,777
Less: Accumulated amortisation	(9,984)	(11,262)
Total Intangible Assets	2,907	2,515

Movement in reconciliation

	\$'000
Carrying amount at 1 July 2005	2,749
Additions	5,342
Amortisation expense (i)	(5,576)
Disposals	–
Carrying amount at 1 July 2006	2,515
Additions	5,241
Amortisation expense (i)	(2,727)
Disposals	(2,122)
Carrying amount at 30 June 2007	2,907

(i) Amortisation expense is included in the line item 'depreciation and amortisation' in the operating statement.

NOTE 12 Property, plant and equipment

	2007 \$'000	2006 \$'000
Land		
Crown Land		
At cost	127,454	58,982
At Secretary's valuation	4,417,462	4,427,525
Total land	4,544,916	4,486,507
Buildings		
At cost	408,344	276,471
Less: accumulated depreciation	(10,142)	(5,077)
	398,202	271,394
At valuation 2002–03	–	–
Less: accumulated depreciation	–	–
	–	–
At valuation 2003–04	1,328,956	1,369,904
Less: accumulated depreciation	(124,857)	(91,768)
	1,204,099	1,278,136
At valuation 2004–05	1,295,645	1,282,540
Less: accumulated depreciation	(83,329)	(50,769)
	1,212,316	1,231,771
At Secretary's valuation 2005–06	1,226,843	1,269,329
Less: accumulated depreciation	(27,235)	–
	1,199,608	1,269,329
At valuation 2006–07	230	–
Less: accumulated depreciation	(39)	–
	191	–
Total buildings	4,260,018	4,198,244
Less total accumulated depreciation	(245,602)	(147,613)
Total written down value of buildings	4,014,416	4,050,631
Leasehold improvements – at cost	842	12,945
Less: Accumulated amortisation	–	(5,705)
	842	7,240
Total land and buildings	8,560,174	8,544,378
Plant and equipment		
At cost	611,294	923,234
Less: accumulated depreciation	(450,073)	(688,881)
	161,221	234,353
Plant and equipment under finance lease	7,397	6,931
Less: accumulated amortisation	(1,617)	(1,079)
	5,780	5,852
Total plant and equipment	167,001	240,205
Work in progress		
Buildings	498,854	347,779
Plant and equipment	28,912	25,281
	527,766	373,060
Total property, plant and equipment	9,254,941	9,157,643

Valuations of land and buildings

The basis of valuation of land and buildings adopted for those assets revalued as at 30 June 2007 is fair value, being the depreciated current replacement cost of the assets' remaining future economic benefits. The latest revaluations as at 30 June 2006 is a secretary's valuation based on an independent assessment of current rates and market conditions.

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 financial year are set out below:

2007	Land	Buildings	Leasehold improvements	Plant and equipment	WIP	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Opening balance	4,486,507	4,050,631	7,240	240,205	373,060	9,157,643
Additions	68,472	132,102	34	95,591	286,578	582,777
Impairment adjustment	–	(33,188)	–	–	–	(33,188)
Transfers to completed assets	–	–	–	–	(131,872)	(131,872)
Disposals	(6,743)	(24,621)	(5,295)	(5,498)	–	(42,157)
Assets written off as a result of the change in accounting policy	–	–	–	(64,768)	–	(64,768)
Revaluation increments	–	87	–	–	–	87
Classified as held for sale	(3,320)	(1,450)	–	(200)	–	(4,970)
Depreciation/amortisation	–	(109,145)	(1,137)	(98,329)	–	(208,611)
Closing balance	4,544,916	4,014,416	842	167,001	527,766	9,254,941

2006	Land	Buildings	Leasehold improvements	Plant and equipment	WIP	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Opening balance	4,109,432	3,627,012	8,164	231,156	232,546	8,208,310
Additions	37,803	126,540	402	124,783	260,000	549,528
Impairment adjustment	–	(29,313)	–	–	–	(29,313)
Transfers to completed assets	–	–	–	–	(119,374)	(119,374)
Disposals	(2,663)	(13,912)	(105)	(2,626)	(112)	(19,418)
Revaluation increments	354,772	466,509	–	–	–	821,281
Classified as held for sale	(12,837)	(6,067)	–	(133)	–	(19,037)
Depreciation/amortisation	–	(120,138)	(1,221)	(112,975)	–	(234,334)
Closing balance	4,486,507	4,050,631	7,240	240,205	373,060	9,157,643

NOTE 13 Payables

	2007 \$'000	2006 \$'000
Salaries, wages and oncosts	99,541	84,016
Accrued payments to non-government schools	90,911	83,901
Accrued grants and transfer payments	6,035	5,927
Schools' creditors	10,493	9,572
Capital expenditure	62,028	38,315
Operating expenditure	50,152	60,905
Advance from public account	13,025	5,901
	332,185	288,537

NOTE 14 Interest bearing liabilities

	2007 \$'000	2006 \$'000
Secured		
Aggregate carrying amount of interest bearing liabilities		
Current	3,034	2,700
Non-current	3,094	3,316
Total aggregate carrying amount of provisions	6,128	6,016

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

Finance lease		
Motor vehicles under finance lease	5,780	5,852
Total non-current assets pledged as security	5,780	5,852

NOTE 15 Provisions

	2007 \$'000	2006 \$'000
Current		
Employee benefits	874,716	867,927
Legal expenses	221	221
Sabbatical leave	1,430	1,430
Total current	876,367	869,578
Non-current		
Employee benefits	66,905	52,808
Total non-current	66,905	52,808
Aggregate carrying amount of provisions		
Current	876,367	869,578
Non-current	66,905	52,808
Total aggregate carrying amount of provisions	943,272	922,386
Employee benefits	941,621	920,735
Legal expenses	221	221
Sabbatical leave	1,430	1,430
	943,272	922,386
(a) Employee benefits		
Current employee benefits:		
Annual leave entitlements	64,326	62,139
Unconditional long service leave entitlements	803,872	799,149
Others	6,518	6,639
	874,716	867,927
Current employee benefits that:		
Are expected to be utilised within 12 months after the end of the reporting period	170,345	139,057
Are expected to be utilised more than 12 months after the end of the reporting period	704,371	728,870
	874,716	867,927
Non-current		
Conditional long service leave entitlements	66,905	52,808
	66,905	52,808
Total employee benefits	941,621	920,735
(b) Long Service Leave		
Weighted average rates of increase in annual employee entitlements to settlement of the liabilities	*	4.75%
Weighted average discount rates	5.79%	5.78%
Weighted average terms to settlement of the liabilities	7 years	8 years

* The Department is in discussion with unions on a new EBA agreement. The disclosure of the weighted average inflation rate would prejudice the negotiations.

(c) Movements in provisions

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

	Legal expenses	Sabbatical leave	Total
Carrying amount at start of year	221	1,430	1,651
Additional provisions recognised	-	-	-
Payments and other sacrifices of economic benefits	-	-	-
Carrying amount at end of year	221	1,430	1,651

NOTE 16 Other current liabilities

	2007 \$'000	2006 \$'000
Unearned revenue	45,202	11,335
Total other current liabilities	45,202	11,335

NOTE 17 Equity and movements in equity

	2007 \$'000	2006 \$'000
(a) Contributed capital		
Balance as at beginning of financial year period	4,823,251	4,706,289
Capital contribution by Victorian State Government	254,013	117,966
Capital contribution by other entities	230	15,022
Equity transfers to administered entity	(31,364)	(16,026)
Balance at end of financial year	5,046,130	4,823,251
(b) Reserves		
Asset revaluation	3,016,699	3,049,800
	3,016,699	3,049,800
Movements		
Asset revaluation reserve		
Balance at beginning of financial year	3,049,800	2,257,832
Revaluation increment of land during the year	–	354,772
Revaluation increment of buildings during the year	87	466,509
Impairment adjustment to building values	(33,188)	(29,313)
Amount transferred to accumulated surplus	–	–
Balance at end of financial year	3,016,699	3,049,800
The asset revaluation reserves is used to record increments and decrements on the revaluation of non-current assets, as described in accounting policy Note 1(j).		
(c) Accumulated surplus		
Accumulated surplus as at beginning of reporting period	1,230,505	1,082,904
Amount transferred from asset revaluation reserve	–	–
A-IFRS adjustments	–	–
Changes in accounting policies	27,025	–
Net result for the reporting period	64,481	147,601
Balance at end of financial year	1,322,011	1,230,505

NOTE 18 Financial Instruments

a) Financial risk management objectives

The Department does not enter into derivative financial instruments to manage its exposure to interest rate and foreign currency risk; or for speculative purposes. The policies for managing these risks are discussed in more detail below.

b) Significant accounting policies

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

(c) Credit risk

The credit risk on financial assets of the Department, which have been recognised on the balance sheet, other than investments in shares, is generally the carrying amount, net of any provisions for doubtful debts.

(d) Interest rate risk

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. For interest rates applicable to each class of asset or liability refer to individual notes to the financial statements.

Exposure arises predominantly from assets bearing variable interest rates as the Department intends to hold fixed rate assets to maturity.

The following table details the Department's exposure to interest rate risk as at 30 June 2007.

2007	Notes	Weighted average interest rate	Fixed interest maturing in:							Non-interest bearing	Total
			Variable interest rate	1 year or less	1-2 years	2-3 years	3-4 years	4-5 years	5+ years		
			\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	
Financial assets											
	7		–	–	–	–	–	–	57,623	57,623	
	7	5.33%	532,949	109,035	–	–	–	–	–	641,984	
	8		–	–	–	–	–	–	711,697	711,697	
		4.49%	1,880	–	7,374	949	352	532	2,816	14,263	
			534,829	109,035	7,374	949	352	532	2,816	1,425,567	
Financial liabilities											
	13		–	–	–	–	–	–	332,184	332,184	
	14	6.59%	–	3,034	2,508	587	–	–	–	6,129	
			–	3,034	2,508	587	–	–	332,184	338,313	
Net financial assets (liabilities)											
			534,829	106,001	4,866	362	352	532	2,816	1,087,254	

The following table details the Department's exposure to interest rate risk as at 30 June 2006.

2006	Notes	Weighted average interest rate	Fixed interest maturing in:							Non-interest bearing	Total
			Variable interest rate	1 year or less	1-2 years	2-3 years	3-4 years	4-5 years	5+ years		
			\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	
Financial assets											
	7		–	–	–	–	–	–	68,786	68,786	
	7	4.74%	325,840	82,668	–	–	–	–	–	408,507	
	8		–	–	–	–	–	–	660,344	660,344	
		4.78%	867	–	4,763	856	337	474	1,032	8,912	
			326,706	82,668	4,763	856	337	474	1,032	1,146,549	
Financial liabilities											
	13		–	–	–	–	–	–	288,537	288,537	
	14	6.4%	–	2,700	2,385	931	–	–	–	6,016	
			–	2,700	2,385	931	–	–	288,537	294,553	
Net financial assets (liabilities)											
			326,706	79,968	2,378	(75)	337	474	1,032	441,176	851,996

(e) 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:

	2007		2006	
	Carrying amount \$'000	Net fair value \$'000	Carrying amount \$'000	Net fair value \$'000
On-balance sheet financial instruments				
Financial assets				
Cash and cash equivalents– Department	57,623	57,623	68,786	68,786
Cash and cash equivalents– Schools	641,984	641,984	408,507	408,507
Receivables	711,697	711,697	660,344	660,344
Other financial assets	14,263	14,263	8,912	8,912
Non-traded financial assets	1,425,567	1,425,567	1,146,549	1,146,549
Financial liabilities				
Payables	332,184	332,184	288,537	288,537
Lease liabilities	6,129	6,129	6,016	6,016
Non-traded financial liabilities	338,313	338,313	294,553	294,553

(ii) Off-balance sheet

The Department has potential financial liabilities, which may arise from certain contingencies disclosed in note 22.

As explained in that note, no material losses are anticipated in respect of any of the contingencies and the net fair value disclosed below.

	2007		2006	
	Carrying amount \$'000	Net fair value \$'000	Carrying amount \$'000	Net fair value \$'000
Off balance sheet financial instruments				
Financial assets	–	–	–	–
Contingencies	–	–	–	–
	–	–	–	–
Financial liabilities (see note 22)				
Contingencies	12,555	12,555	18,128	18,128
	12,555	12,555	18,128	18,128

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 19 Ministers and accountable officers (Responsible Persons)

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 the positions of Ministers and Accountable Officers in the Department are as follows:

Minister for Education and Training	Lynne Kosky, MP	1 July 2006 to 4 December 2006
Acting Minister for Education and Training	Jacinta Allan, MP Jacinta Allan, MP	3 July to 4 July 2006 13 July to 16 July 2006
Minister for Education	John Lenders, MP	5 December 2006 to 30 June 2007
Acting Minister for Education	Jacinta Allan, MP Peter Batchelor, MP Jacinta Allan, MP	24 March to 5 April 2007 6 April to 9 April 2007 10 April to 15 April 2007
Minister for Education Services	Jacinta Allan, MP	1 July 2006 to 4 December 2006
Minister for Skills, Education Services and Employment	Jacinta Allan, MP	5 December 2006 to 30 June 2007
Acting Minister for Skills, Education Services and Employment	John Lenders, MP John Lenders, MP Peter Batchelor, MP John Lenders, MP	27 December to 31 December 2006 17 January to 21 January 2007 6 April to 9 April 2007 28 June to 30 June 2007
Secretary	Grant Hehir Peter Dawkins	1 to 8 July 2006 9 July 2006 to 30 June 2007
Acting Secretary	Katherine Henderson Jeff Rosewarne Jeff Rosewarne Katherine Henderson Jeff Rosewarne Jeff Rosewarne	8 September to 13 September 2006 14 September to 29 September 2006 27 December 2006 to 5 January 2007 16 January 2007 9 February 2007 12 May to 23 May 2007

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:

	2007	2006
\$40,000 – \$49,999	1	–
\$340,000 – \$359,999	1	–
\$390,000 – \$399,999	–	1

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

Other transactions

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

NOTE 20 Remuneration of executives

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 in addition to the Department's also includes the Adult Community and Further Education Board plus the Victorian Learning and Employment Skills Commission until the machinery-of-government restructure in December 2006.

Income Band	Total Remuneration		Base Remuneration	
	2007 Number	2006 Number	2007 Number	2006 Number
\$0,000–\$9,999	–	1	2	–
\$10,000–\$19,999	4	1	4	–
\$20,000–\$29,999	2	–	1	–
\$30,000–\$39,999	1	–	2	1
\$40,000–\$49,999	2	–	1	1
\$50,000–\$59,999	1	1	1	–
\$60,000–\$69,999	2	3	4	3
\$70,000–\$79,999	3	–	2	–
\$80,000–\$89,999	3	–	1	–
\$90,000–\$99,999	3	1	4	2
\$100,000–\$109,999	1	1	2	1
\$110,000–\$119,999	1	1	2	2
\$120,000–\$129,999	3	2	1	1
\$130,000–\$139,999	2	6	6	12
\$140,000–\$149,999	3	7	9	6
\$150,000–\$159,999	6	5	3	9
\$160,000–\$169,999	5	10	15	14
\$170,000–\$179,999	10	12	5	8
\$180,000–\$189,999	8	6	2	–
\$190,000–\$199,999	3	6	–	1
\$200,000–\$209,999	1	–	–	–
\$210,000–\$219,999	2	1	–	1
\$220,000–\$229,999	–	1	–	1
\$230,000–\$239,999	–	–	1	1
\$240,000–\$249,999	1	–	–	1
\$250,000–\$259,999	–	–	2	–
\$260,000–\$269,999	–	2	1	1
\$270,000–\$279,999	–	–	–	–
\$280,000–\$289,999	1	–	–	–
\$290,000–\$299,999	2	1	–	–
\$300,000–\$309,999	–	–	–	–
\$310,000–\$319,999	1	–	–	–
Total number	71	68	71	66
Total amount (\$'000)	\$10,138	\$10,685	\$9,060	\$9,852

NOTE 21 Remuneration of auditors

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

	2007 \$'000	2006 \$'000
Paid as at 30 June	7	164
Payable as at 30 June	297	144
Total audit fees	304	308

NOTE 22 Contingent liabilities and contingent assets

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

Quantifiable contingent liabilities

	2007 \$'000	2006 \$'000
Claims for damages	12,555	18,128
Total quantifiable contingent liabilities	12,555	18,128

Unquantifiable contingent liabilities

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

- Indemnities provided by Department of Education 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.
- Indemnities provided by Department of Education 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 drunk, not engaged in a criminal offence, was not engaged in outrageous conduct, and was in the course of the teachers employment.

- Indemnities provided by Department of Education to members of schools councils. The Education Act provides a comprehensive indemnity to members of school councils for any legal liability, whether in contract, negligence, defamation etc.
- 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 23 Commitments for expenditure

	2007 \$'000	2006 \$'000
(a) 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	117,965	107,614
Later than one year but not later than 5 years	15,400	25,968
Later than 5 years	–	–
Total capital commitments	133,365	133,582
(b) Operating leases		
Commitments for minimum lease payments in relation to non-cancellable operating leases are payable as follows:		
Within one year	62,161	38,205
Later than one year but not later than 5 years	67,099	61,575
Later than 5 years	15,858	18,322
Total operating leases	145,118	118,102
Total commitments	278,483	251,684
The Department leases equipment including photocopiers, computers, motor vehicles and property with varying lease terms.		
(c) Finance leases		
Commitments in relation to finance leases are payable as follows:		
Within one year	3,312	3,002
Later than one year but not later than 5 years	3,213	3,481
Later than 5 years	–	–
Minimum lease payments	6,525	6,483
Less: Future finance charges	(397)	(467)
Present value of minimum lease payments	6,128	6,016
Add: Lease incentives on non-cancellable operating leases included in lease liabilities	–	–
Total lease liabilities	6,128	6,016
Representing lease liabilities:		
Current (note 14)	3,034	2,700
Non-current (note 14)	3,094	3,316
	6,128	6,016

The weighted average interest rate implicit in the leases is 6.59%.

NOTE 24 Superannuation

	2007 \$'000	2006 \$'000
Superannuation		
Name of scheme		
State Superannuation Scheme – Revised Scheme	17.0%	17.0%
State Superannuation Scheme – New Scheme – 0% contributor	7.5%	7.5%
State Superannuation Scheme – New Scheme – 3% contributor	8.8%	8.8%
State Superannuation Scheme – New Scheme – 5% contributor	9.7%	9.7%
State Superannuation Scheme – New Scheme – 7% contributor	10.5%	10.5%
VicSuper*	9.0%	9.0%
State Employees Retirement Benefit Scheme	12.8%	12.8%

* 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 Funds

No liability is recognised in the balance sheet 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 operating statement 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 for the Year	Contribution Outstanding at Year End	Contributions Outstanding at Year End
	2007 \$'000	2006 \$'000	2007 \$'000	2006 \$'000
State Superannuation Schemes (defined benefit scheme)	166,559	187,824	5,938	–
Vic Super (accumulation scheme)	131,600	119,049	4,692	–
State Employees Retirement Benefits Scheme (defined benefit scheme)	3,406	3,531	866	–
Other private schemes	6,571	4,056	234	–
Total	308,136	314,460	11,730	–

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 above super schemes.

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 25 Administered items

In addition to the specific departmental operations which are included in the balance sheets, operating statement and cash flow statement, 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 income, 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 incomes earned but yet to be collected.

	School education		Training and tertiary education		Policy, strategy and information services		Departmental total	
	2007 \$'000	2006 \$'000	2007 \$'000	2006 \$'000	2007 \$'000	2006 \$'000	2007 \$'000	2006 \$'000
Administered Income								
Commonwealth on-passing to non-government schools								
General recurrent grant	1,412,816	1,319,011	–	–	–	–	1,412,816	1,319,011
Other	137,709	122,540	–	–	–	–	137,709	122,540
Prizes and scholarships	236	207	–	–	–	–	236	207
Proceeds from sale of assets	23,127	11,435	–	–	–	–	23,127	11,435
Commonwealth general recurrent grants government schools	417,502	396,398	–	–	–	–	417,502	396,398
Other	305,843	196,714	–	–	–	–	305,843	196,714
Total	2,297,233	2,046,305	–	–	–	–	2,297,233	2,046,305
Administered Expenses								
Commonwealth on-passing to non-government schools								
General recurrent grant	1,413,586	1,318,240	–	–	–	–	1,413,586	1,318,240
Other	138,502	122,618	–	–	–	–	138,502	122,618
Prizes and scholarships	370	144	–	–	–	–	370	144
Written down value of assets sold *	42,629	16,026	–	–	–	–	42,629	16,026
Amounts paid to Consolidated Fund **	725,729	531,122	–	–	–	–	725,729	531,122
Total	2,320,816	1,988,152	–	–	–	–	2,320,816	1,988,152
Revenue less Expenses	(23,583)	58,153	–	–	–	–	(23,583)	58,153

* 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		Departmental total	
	2007 \$'000	2006 \$'000	2007 \$'000	2006 \$'000	2007 \$'000	2006 \$'000	2007 \$'000	2006 \$'000
Administered Assets								
Receivables	883	8,046	–	–	–	–	883	8,046
Investments	5,778	12,038	–	–	–	–	5,778	12,038
Prepayments	3,301	3,301	–	–	–	–	3,301	3,301
Property, plant and equipment	–	11,265	–	–	–	–	–	11,265
Total	9,962	34,650	–	–	–	–	9,962	34,650
Administered Liabilities								
Creditors and Accruals	3,309	4,413	–	–	–	–	3,309	4,413
Total	3,309	4,413	–	–	–	–	3,309	4,413

NOTE 26 Ex-gratia payments

The Department made the following ex-gratia payments. Included in the total amount are the following ex-gratia payments in bands of \$10,000 arising as a result of personal injury

claims involving students and third parties and settlement of legal action taken under the Equal Opportunity Act and Workplace Relations Act.

	2007 Number	2006 Number
\$0–\$9,999	41	62
\$10,000–\$19,999	6	14
\$20,000–\$29,999	5	8
\$30,000–\$39,999	6	10
\$40,000–\$49,999	8	–
\$50,000–\$59,999	3	4
\$60,000–\$69,999	1	2
\$70,000–\$79,999	–	–
\$80,000–\$89,999	2	1
\$90,000–\$99,999	1	1
\$100,000–\$109,999	1	–
\$110,000–\$119,999	2	–
\$120,000–\$129,999	–	1
\$130,000–\$139,999	–	–
\$140,000–\$149,999	–	–
\$150,000–\$159,999	–	–
\$160,000–\$169,999	1	–
\$170,000–\$179,999	–	–
\$180,000–\$189,999	–	–
\$190,000–\$199,999	–	–
\$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	1	–
\$270,000–\$279,999	–	–
\$280,000–\$289,999	–	–
\$290,000–\$299,999	1	–
Total number of payments	79	103
Total amount of payments	\$2,289,598	\$1,445,068

NOTE 27 Reconciliation of net result for the reporting period to net cash inflow from operating activities

	2007 \$'000	2006 \$'000
Net result for the reporting period	64,481	147,601
Depreciation and amortisation	211,338	239,910
Net (gain)/loss on sale of non-current assets	3,809	2,844
Net transfers free of charge	(307)	(2,063)
Change in operating assets and liabilities		
Decrease (increase) in receivables	(51,353)	(137,556)
Decrease (increase) in other operating assets	1,360	2,242
Increase (decrease) in payables	43,648	51,657
Increase (decrease) in other current liabilities	33,867	(5,035)
Increase (decrease) in employee entitlements	20,886	9,185
Net cash inflow from operating activities	327,729	308,785

NOTE 28 Subsequent events

The Department of Education has no material or significant events occurring after the reporting date to the date of this report that would affect significantly the figures included in this reports.

An Administrative Arrangements Order (No 196) 2007 dated 14 August 2007 transferred functions from the Office for Children within the Department of Human Services to the Department of Education. The new department is named the Department of Education and Early Childhood Development.

NOTE 29 Annotated receipts

The following is a listing of Section 29 Annotated Receipt Agreements approved by the Treasurer.

	2007 \$'000	2006 \$'000
Sales of goods and Services		
Alarm monitoring	145	152
Schools Hostels – Food & Other Taxable Supplies	–	–
Schools Hostels – Accommodation	–	–
Housing Rent (Input Taxed)	911	923
Registered Schools Board	3	1
Unwanted Alarms	152	93
Copyright	219	80
	1,430	1,249
Asset sales		
Sale of land	23,127	11,435
	23,127	11,435
Commonwealth Specific Purpose Payments		
Indigenous education strategic initiatives	3,602	5,699
Literacy and numeracy special learning needs	67,306	64,266
Capital school buildings	71,376	69,299
Investing in our Schools	126,324	33,231
ESL New Arrivals	19,688	15,805
Language other than English (LOTE)	4,269	4,269
Country Areas Programme (CAP)	2,605	2,493
Literacy & Numeracy Week	208	207
	295,378	195,269
Total annotated receipts (note 4)	319,935	207,953

NOTE 30 Trust account balances

The following is a listing of Trust Account Balances relating to Trust Accounts controlled or administered by the Department

	2007 \$'000	2006 \$'000
Controlled Trusts		
Suspense	96	1
State Treasury Trust	58,656	60,094
Vehicle lease trust account	–	509
Commonwealth Treasury Trust	5,135	3,916
Total Controlled Trusts	63,887	64,520
Administered Trusts		
Prizes & Scholarships	1,600	1,735
Commuter Club	(65)	36
Onpassing from the Commonwealth	7	853
Total Administered Trusts	1,542	2,624

The following is a list of Trust Accounts opened and closed by the Department during 2006–07.

Trust Accounts opened	Nil
Trust Accounts closed	Nil

Accountable officer's and chief finance and accounting officer's declaration

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

We further state that, in our opinion, the information set out in the Operating Statement, Balance Sheet, Statement of Changes in Equity, Cash Flow Statement and notes to and forming part of the financial statements, presents fairly the financial transactions during the year ended 30 June 2007 and financial position of the Department at 30 June 2007.

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



C Britchford
Chief Finance and Accounting Officer
Department of Education and Early Childhood
Development

Melbourne
5 September 2007



P Dawkins
Secretary
Department of Education and Early Childhood
Development

Melbourne
5 September 2007

Department of Education
(formerly Department of Education and Training)

VAGO

Victorian Auditor-General's Office

INDEPENDENT AUDIT REPORT

Department of Education (Formerly Department of Education and Training)

To the Members of the Parliament of Victoria and the Secretary of the Department

Matters Relating to the Electronic Presentation of the Audited Financial Report

This auditor's report for the financial year ended 30 June 2007 relates to the financial report of the Department of Education included on its web site. The Secretary of the Department of Education is responsible for the integrity of the web site. I have not been engaged to report on the integrity of the web site. The auditor's report refers only to the statements named 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.

The Financial Report

The accompanying financial report for the year ended 30 June 2007 of the Department of Education *which comprises* operating statement, balance sheet, statement of recognised income and expense, cash flow statement, explanatory notes to and forming part of the financial report, and the accountable officer's and chief finance and accounting officer's declaration has been audited.

The Responsibility of the Secretary for the Financial Report

The Secretary of the Department of Education is responsible for the preparation and the fair presentation of the financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the financial reporting requirements of the *Financial Management Act 1994*. This responsibility includes:

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

Auditor's Responsibility

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

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Auditing in the Public Interest

VAGO

Victorian Auditor-General's Office

Independent Audit Report (continued)

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The audit procedures selected depend on judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, consideration is given to internal control relevant to the Secretary's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Department's internal control. An audit also includes evaluating the appropriateness of the accounting policies used, and the reasonableness of accounting estimates made by the Secretary, as well as evaluating the overall presentation of the financial report.

I believe that the audit evidence obtained is sufficient and appropriate to provide a basis for my audit opinion.

Independence

The Auditor-General's independence is established by the *Constitution Act 1975*. The Auditor-General is not subject to direction by any person about the way in which his powers and responsibilities are to be exercised. The Auditor-General, his staff and delegates comply with all applicable independence requirements of the Australian accounting profession.

Audit Opinion

In my opinion, the financial report presents fairly, in all material respects, the financial position of the Department of Education as at 30 June 2007 and its financial performance and cash flows for the year then ended in accordance with applicable Australian Accounting Standards (including the Australian Accounting Interpretations), and the financial reporting requirements of the *Financial Management Act 1994*.

MELBOURNE
7 September 2007



D.D.R. Pearson
Auditor-General

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Auditing in the Public Interest

Appendices

APPENDIX 1

Consistency of budget and financial reporting

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 2006–07 Budget Paper Number 4 – 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 operating statement, balance sheet and the cash flow statement for the Department, and are 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 Accounting Standard, these items would normally appear as notes to the financial statements.

The financial information consolidates information for the following portfolio entities for 12 months:

- Department of Education (including government schools)
- Merit Protection Boards
- Registered Schools Board
- VCAA.

The financial information consolidates information for the following portfolio entities for six months to 31 December:

- ACFE Board
- AMES
- CAE
- VLESC
- 15 TAFE institutes and four universities with TAFE divisions
- Driver Education centre of Australia Limited
- International Fibre Centre Limited.

Operating statement for the year ended 30 June 2007

Controlled items	Notes	2006–07 Actual (\$ million)	2006–07 Budget (\$ million)	Variation (a) (%)
Revenue from ordinary activities				
Output appropriations	3	6,391.4	6,969.2	(8.3)
Special appropriations		0.3	0.3	–
Resources received free of charge or for nominal consideration		2.2	0.7	n/a
Sale of goods and services	2	450.5	615.7	(26.8)
Commonwealth grants		158.3	278.8	(43.2)
Other revenue and revenue from other parties (b)	2	428.0	332.9	28.6
Total		7,430.7	8,197.6	(9.4)
Expenses from ordinary activities				
Employee benefits (c)	3	4,271.9	4,691.9	(9.0)
Depreciation and amortisation	4	248.4	317.3	(21.7)
Resources provided free of charge or for nominal consideration		–	–	–
Grants and other payments		643.8	708.9	(9.2)
Capital asset charge		762.0	843.4	(9.7)
Supplies and services (d)	5	1,442.0	1,500.4	(3.9)
Other expenses from ordinary activities		0.2	–	n/a
Borrowing costs		1.2	1.0	20.0
Total		7,369.5	8,062.9	(8.6)
Result from ordinary activities		61.2	134.7	(54.5)
Net result for the reporting period		61.2	134.7	(54.5)
Net increase in asset revaluation reserve		(1,035.6)	–	n/a
Total revenues, expenses and revaluation adjustments recognised directly in equity		(1,035.6)	–	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		(974.4)	134.7	n/a

Administered items	Notes	2006–07 Actual (\$ million)	2006–07 Budget (\$ million)	Variation (a) (%)
Administered Income				
Sale of goods and services		1.5	1.5	–
Commonwealth grants	6	2,263.4	2,133.1	6.1
Other	7	(10.3)	9.9	n/a
Total		2,254.6	2,144.5	5.1
Administered Expenses				
Grants and other payments	6	1,551.7	1,482.5	4.7
Supplies and services		0.7	–	n/a
Payments into the Consolidated Fund		725.7	661.8	9.7
Total		2,278.1	2,144.3	6.2
Revenue less expenses		(23.5)	0.2	n/a

(a) Variation between 2006–07 Actual and 2006–07 Budget.

(b) Includes investment revenue, gains on disposal of physical assets, 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:

Most reductions in the level of income and expenditure relate to the impact of the machinery-of-government transfer effective from 31 December 2006 through which responsibility for the Victorian Learning and Employment Skills Commission and TAFE institutes transferred to the Department of Innovation, Industry and Regional Development and Adult, Community and Further Education transferred to the Department for Victorian Communities. Comments below relate to the movements other than machinery-of-government transfer.

Note 1

The variance mainly reflects an increase in additional appropriation funding for programs like Schools Start Bonus, Programs for Students with Disabilities, Schools for Innovation and Excellence and Mathematics and Science equipment grants.

Note 2

The variance is mainly due to increase in actual revenues raised by schools from non-government sources being greater than anticipated.

Note 3

The majority of the variance also represents a change in calculation methodology to comply with accounting standard AASB 119 as well as unfilled vacancies in the Department.

Note 4

The variance is mainly due to an adjustment for the impairment of buildings and a change in Department's policy for schools' asset recognition thresholds to include those valued at greater than \$5000 rather than \$1000.

Note 5

The variance mainly reflects expenditure by schools on supplies and services being higher than budgeted due to increased third party revenue collected by schools.

The variances for administered items can be explained as follows:

Note 6

The variance reflects additional capital grants from the Commonwealth for government and non-government schools associated with the

extension of Investing in our Schools program, enrolment growth and indexation.

Note 7

The variance is due to recognition of a loss on the sales of land and buildings in schools.

Balance sheet as at 30 June 2007

Controlled items	Notes	2006-07 Actual (\$ million)	2006-07 Budget (\$ million)	Variation ^(a) (%)
Assets				
Current assets				
Cash assets	1	727.9	664.2	9.6
Other financial assets	2	57.3	84.8	(32.5)
Receivables	3	723.0	792.6	(8.8)
Inventories		–	10.4	(100.0)
Prepayments		4.4	15.4	(71.4)
Other assets		–	0.2	(100.0)
		1,512.6	1,567.6	(3.5)
Non-current assets classified as held for sale		23.9	29.1	(17.9)
Total current assets		1,536.5	1,596.7	(3.8)
Non-current assets				
Receivables (b)		0.3	0.3	–
Other financial assets	2	14.3	61.2	(76.6)
Property, plant and equipment	4	9,249.2	11,578.8	(20.1)
Intangible assets		2.9	6.1	(52.5)
Total non-current assets		9,266.7	11,646.4	(20.4)
Total assets		10,803.2	13,243.1	(18.4)
Liabilities				
Current liabilities				
Payables	5	321.5	276.3	16.4
Interest-bearing liabilities		3.1	3.5	(11.4)
Employee provisions	6	941.4	983.3	(4.3)
Other	7	85.7	69.4	23.5
Total current liabilities		1,351.7	1,332.5	1.4
Non-current liabilities				
Interest-bearing liabilities		3.2	10.0	(68.0)
Employee provisions	6	67.3	199.9	(66.3)
Amounts owing to other departments		–	0.6	(100.0)
Total non-current liabilities		70.5	210.5	(66.5)
Total liabilities		1,422.2	1,543.0	(7.8)
Net assets		9,381.0	11,700.1	(19.8)

Administered items	Notes	2006–07 Actual (\$ million)	2006–07 Budget (\$ million)	Variation ^(a) (%)
Assets				
Current assets				
Cash assets		–	1.1	(100.0)
Receivables		5.1	17.4	(70.7)
Other financial assets		1.5	1.5	–
Prepayments		3.3	3.3	–
Total current assets		9.9	23.3	(57.5)
Non-current assets				
Property, plant and equipment		–	11.3	(100.0)
Total non-current assets		–	11.3	(100.0)
Total administered assets		9.9	34.6	(71.4)
Current liabilities				
Other		3.3	4.4	(25.0)
Total current liabilities		3.3	4.4	(25.0)
Total administered liabilities		3.3	4.4	(25.0)
Net assets		6.6	30.2	(78.1)

^(a) Variation between 2006–07 Actual and 2006–07 Budget.

^(b) Includes cash balance held in trust in the Public Account.

^(c) Includes employee benefits and superannuation.

The variances for controlled and administered items can be explained as follows:

Most reductions in the level of assets and liabilities relate to the impact of the machinery-of-government transfer effective from 31 December 2006 through which responsibility for the Victorian Learning and Employment Skills Commission and TAFE institutes transferred to the Department of Innovation, Industry and Regional Development and Adult, Community and Further Education transferred to the Department for Victorian Communities. Comments below relate to the movements other than machinery-of-government transfer.

Note 1

The variance is due to the Department changing the date at which schools' cash and investment balances were recorded. Previously schools' cash and investment balances were reported as at the preceding December 31. For the six months between 31 December 2005

and 30 June 2006 the value of the adjustment was a decrease in revenue of \$91 million.

Note 2

The variance mainly reflects lower investments held by Victorian Learning and Employment Skills Commission than budgeted for.

Note 3

The variance reflects increased receipts of funds by schools. This additional collection is reflected in higher than expected cash balances.

Note 4

The variance mainly reflects the impact of the Department's policy change in the threshold for capitalisation of certain items of plant and equipment used in schools. To be consistent with the treatment of other plant and equipment assets held by the Department, the threshold for capitalisation was raised from \$1000 to \$5000.

Note 5

The variance represents money held for transfer to the Victorian Learning and Employment Skills Commission entity.

Note 6

The variance represents a change in calculation methodology to comply with accounting standards AASB 119 and the machinery-of-government transfer.

Note 7

The variance reflects current estimates of commitments in relation to oncost balances.

Cash flow statement for the year ended 30 June 2007

Controlled items	Notes	2006–07 Actual (\$ million)	2006–07 Budget (\$ million)	Variation ^(a) (%)
Cash flows from operating activities				
Receipts from Government	1	6,144.3	7,166.1	(14.3)
Receipts from other entities	2	476.3	612.8	(22.3)
Payments for supplies, grants and employees	3	(6,433.1)	(6,845.4)	(6.0)
		187.5	933.5	(79.9)
Interest received	4	47.2	38.5	22.6
Other receipts	5	409.0	315.9	29.5
Capital asset charge		(762.0)	(843.4)	(9.7)
Borrowing costs expense		(1.2)	(1.0)	21.3
Net cash inflow (outflow) from operating activities		(119.5)	443.5	(127.0)
Cash flows from investing activities				
Payments for property, plant and equipment	6	658.3	(716.5)	(191.9)
Proceeds from sale of property, plant and equipment	7	1.7	2.4	(29.2)
Payments for investments		371.0	–	n/a
Repayment of loans by other entities	8	69.2	(4.8)	n/a
Net cash inflow/(outflow) from investing activities		1,100.2	(718.9)	(253.0)
Cash flows from financing activities				
Net proceeds from capital contribution by State Government		(930.7)	250.6	(471.4)
Net proceeds of borrowings		(11.1)	–	n/a
Net cash inflow/(outflow) from financing activities		(941.8)	250.6	n/a
Net increase (decrease) in cash held		38.9	(24.8)	(256.6)
Cash at beginning of the financial year		689.0	689.0	–
Cash at the end of the financial year		727.9	664.2	9.6

^(a) Variation between 2006–07 Actual and 2006–07 Budget.

The variances for controlled items can be explained as follows:

Most reductions in the level of cash flows relate to the impact of the machinery-of-government transfer effective from 31 December 2006 through which responsibility for the Victorian Learning and Employment Skills Commission and TAFE institutes transferred to the Department of Innovation, Industry and Regional Development and Adult, Community and Further Education transferred to the Department for Victorian Communities. Comments below relate to the movements other than machinery-of-government transfer.

Note 1

Refer to note 1 of the Operating Statement.

Note 2

Refer to note 2 and note 3 of the Balance Sheet.

Note 3

Refer to note 3 and note 5 of the Operating Statement.

Note 4

The variance reflects a higher return on schools' investments than originally budgeted.

Note 5

Refer to note 2 of the Operating Statement.

Note 6

Refer to note 4 of the Operating Statement and note 4 of the Balance Sheet.

Note 7

Refer to note 7 of the Operating Statement.

Note 8

Refer to note 2 of the Balance Sheet.

APPENDIX 2

Portfolio statistics

School education

*FTE government school students by year level,
February 2007*

Year level	2007
Preparatory	43,490.1
Year 1	43,378.0
Year 2	43,780.8
Year 3	43,713.6
Year 4	43,813.3
Year 5	43,906.9
Year 6	44,134.3
Ungraded	6.0
Primary total	306,223.0
Year 7	38,737.7
Year 8	39,417.7
Year 9	39,931.8
Year 10	37,991.8
Year 11	37,523.9
Year 12	29,663.5
Ungraded	24.2
Secondary total	223,290.6
Special	8,005.3
Language	1,339.0
Total	538,857.9

FTE students by student type and sector, February 2004–07

Student type	Government				Catholic			Independent			All schools					
	2004	2005	2006	2007	2004	2005	2006	2007	2004	2005	2006	2007	2004	2005	2006	2007
Primary	311,964.0	309,972.6	307,576.5	306,223.0	98,863.6	98,406.6	98,373.0	98,307.1	40,170.2	41,459.5	42,310.3	43,282.0	450,997.8	449,838.7	448,259.8	447,812.1
Secondary	220,271.7	221,618.3	222,826.7	223,290.6	81,514.5	82,921.3	84,375.2	85,604.2	65,659.0	66,780.0	68,764.4	70,293.1	367,445.2	371,319.6	375,966.0	379,187.9
Special	6,826.2	7,219.4	7,756.1	8,005.3	165.8	160.4	170.0	153.6	331.0	308.4	338.6	445.6	7,323.0	7,687.0	8,265.0	8,604.5
Language	1,010.0	1,142.0	1,184.0	1,339.0	–	–	–	–	–	–	–	–	1,010.0	1,142.0	1,184.0	1,339.0
Total	540,071.9	539,952.3	539,343.3	538,857.9	180,543.9	181,488.3	182,918.2	184,064.9	106,160.2	108,547.9	111,413.3	114,020.7	826,776.0	829,988.5	833,674.8	836,943.5
% of all students	65.3	65.1	64.7	64.4	21.8	21.9	21.9	22.0	12.8	13.1	13.4	13.6	100	100	100	100.0

Note: 2005 and 2006 figures have been revised for the independent sector

Number of schools by school type and sector, February 2004–07

School type	Government				Catholic			Independent			All schools					
	2004	2005	2006	2007	2004	2005	2006	2007	2004	2005	2006	2007	2004	2005	2006	2007
Primary	1,223	1,222	1,213	1,206	381	380	378	378	57	54	52	51	1,661	1,656	1,643	1,635
Primary–secondary	49	50	48	50	10	12	13	13	131	132	134	133	190	194	195	196
Secondary	262	261	263	258	85	84	84	86	18	20	21	21	365	365	368	365
Special	80	80	78	76	7	7	7	7	10	11	11	12	97	98	96	95
Language	4	4	4	4	–	–	–	–	–	–	–	–	4	4	4	4
Total	1,618	1,617	1,606	1,594	483	483	482	484	216	217	218	217	2,317	2,317	2,306	2,295
% of all schools	69.8	69.8	69.6	69.5	20.8	20.8	20.9	21.1	9.3	9.4	9.5	9.5	100	100	100	100

APPENDIX 3

Human resources policies

Human resources

Effective human resources, recruitment, development, retention and management policies and the delivery of associated services are essential if a high-quality and diverse workforce is to contribute to the delivery of the Department's outputs in an efficient and responsive manner.

Key policies

The Department is committed to developing and supporting its workforce by:

- building leadership capacity
- building the future workforce through enhancing workforce capacity
- actively shaping supply and managing employee relations
- creating and supporting a culture of health, safety and wellbeing
- creating and supporting a performance and development culture
- implementing robust human resource management systems.

Staff development

Development of VPS staff focused on the human resources strategic priorities of building leadership capacity (particularly on improving the development of senior leaders within the VPS) and building the future workforce by enhancing workforce capacity through the building of corporate workforce capabilities.

Projects were established to review and update the current Department VPS Accountability and Capability Framework. These projects will result in revised leadership and VPS frameworks designed to underpin the key human resource functions of attraction, selection, development and retention.

A range of learning and development opportunities were provided, with a greater emphasis being placed on development through on-the-job, experience-based activities and the building of beneficial working relationships.

The award of internal scholarships for the Executive Fellows program and the Executive Masters of Public Administration offered through the Australia and New Zealand School of Government, the Davos Future Summit and the Williamson Community Leadership program provided opportunities for policy and leadership skills development.

Development for public service staff continued through a range of programs from project management and presentation skills to Certificate IV in Assessment and Training. The induction and orientation program, strongly supported by senior executives, was well received by new staff.

Professional development for school staff is discussed in page 29 of this report.

Focus on women

Women represented 73.6 per cent of the Department's workforce in June 2007.

The Department's Focus on Women strategy aligns with the human resources strategic priorities to build leadership capacity by improving leadership opportunities and career pathways for women, together with the targeting of initiatives to accelerate leadership development and cultural change. It also supports the building of the Department's future workforce through the expansion of skill development programs which build the capability of all employees.

Women represented 70 per cent of teaching staff and 89.2 per cent of non-teaching staff in government schools in June 2007. The percentage of women in the principal class in government schools continued to rise, with an increase from 49.3 per cent in June 2006 to 51.1 per cent in June 2007.

Women represented 61.1 per cent of VPS staff in central and regional offices. The percentage of women at executive officer level decreased from 39.1 per cent in June 2006 to 36.2 per cent in June 2007.

The Eleanor Davis School Leadership program is a Women in Leadership initiative and, together with programs such as the Julia Flynn program, is a key component of the Department's Focus on Women strategy.

The Eleanor Davis School Leadership program is available to women seeking to move into school leadership positions and has continued to attract a high number 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 future leaders. In 2007, management of the program was taken over by the Office for Government School Education and integrated into a suite of school leadership programs.

The Julia Flynn program was reviewed and 15 scholarships for the enhanced program were provided to develop the leadership and management skills of participants.

Diversity and equal opportunity

The Department's focus has been on improving organisational capacity to address diversity and equal opportunity issues at the workplace level.

A major initiative involved the development of templates, tools and guidelines as part of the School Compliance Checklist (which assists government schools to comply with legislative and Departmental policy on equal opportunity,

anti-harassment and anti-bullying). The material was developed in collaboration with the Victorian Equal Opportunity and Human Rights Commission and included input from a wide range of education stakeholders.

The Department's Disability Action Plan 2005–08 was assessed against key outcomes with satisfactory progress noted. Work was undertaken to ensure Departmental employment practices are made more accessible for people with a disability, for example, the inclusion of staff with a disability in the Department's 2007 VPS Mentor program.

The Department continued to maintain its commitment to promoting inclusive and safe work environments through the extension of the highly successful online Workplace Discrimination and Sexual Harassment training course to include a new component on workplace behaviour and bullying.

The Department continued to advocate for family-friendly flexible work and leave arrangements to be actively supported in the workplace. A recent survey of Department VPS staff indicated that the use of recreation leave on half pay and purchased leave arrangements to cover child-care during school holidays are popular options. Staff are also accessing flexible start and finish times, working from home on telecommuting agreements, job share and part-time work.

Staff participated in diversity awareness celebration events across the Department. These events recognise the contributions that people of diverse cultural and linguistic backgrounds, Indigenous people, women of all backgrounds and people with a disability make to the creation of a vibrant and inclusive Victorian education system.

Employee relations

Negotiations in respect to the Victorian Government Schools Agreement commenced in April 2007.

Remaining grievances were heard and resolved where Student Support Services Officers (VPS employees) sought a review of their classification level in the new Allied Health adaptive structure introduced in 2005.

The Department continued to administer specialised VPS programs through its participation in the Graduate Recruitment and Development Scheme and the VPS Mentor program for past graduate recruits and VPS staff from Grades 1 to 4.

Human resources systems and services

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

Workforce planning

The Department continued work to enhance the capacity and capability of the Department's current and future workforce.

The Department is participating in a Ministerial Council on Education, Employment, Training and Youth Affairs working party on the development of a strategic framework for a national approach to workforce planning in education.

The Department is also participating in the national Staff in Australia's Schools survey commissioned by the Commonwealth Department of Education, Science and Training in 2006. The survey is collecting data and examining collaborative longer-term approaches to the collection and use of key data on the Australian school teacher and leader workforces.

The Department commenced research to inform workforce planning including a pilot exit survey of VPS employees and an evaluation of teacher supply initiatives.

A range of teacher supply initiatives announced by the government in January 2004 in the report *Teacher Supply and Demand for Government Schools* continued to be implemented during 2006–07.

Highlights

- The Career Change program continued in 2007 with a third intake of 32 non-teaching professionals from a variety of backgrounds employed as teacher trainees in hard-to-staff teaching vacancies in mainly rural secondary schools. The program combines supervised classroom teaching experience with part-time study towards a teaching qualification.
- Victoria University continued to provide a specially tailored and flexibly delivered teacher education course to participants.
- Twenty-five of the 29 trainees from the 2005 Career Change intake successfully completed the two-year school-based training program, while 29 of the 32 trainees from the 2006 intake continued into the second year of their two-year, school-based training program.
- The Rural Retraining program has enabled 229 teachers, mainly in rural schools, to undertake retraining in curriculum areas experiencing teacher shortages. Forty-four teachers have completed their courses, 28 of which completed during 2006–07.
- A total of 278 student teachers and 140 schools benefited from the Rural Student Teacher Practicum Scheme which provides student teachers with financial incentives to undertake their practicum in targeted schools, predominantly in rural areas.
- The promotion of teaching as a career option in non-traditional areas of recruitment (for example, professionals considering a career change) was pursued via career fairs, university career expos and visits and the publicity generated by the Career Change program.

- Links continued to be strengthened between the Department and universities, particularly education faculties delivering pre-service teacher education courses, both through formal forums such as the Teacher Supply and Demand Reference Group and the Victorian Council of Deans of Education meetings, and through informal dialogue on a range of teacher supply issues.

Other initiatives designed to assist schools in filling vacancies in specialist subject areas and in particular geographic locations resulted in:

- the appointment of more than 1100 recent teacher graduates through the Teacher Graduate Recruitment program
- 150 scholarships being awarded to student teachers and new graduates under the Teaching Scholarship Scheme.

The Department commenced work on the implementation of two new teacher supply initiatives announced by the Government to increase the supply of Mathematics and Science teachers – the Mathematics and Science Graduate Scholarship and a modified Career Change program.

The Department continued to work with the Victorian Institute of Teaching to implement recommendations arising from the 2005 report of the State Parliamentary Inquiry into Pre-service Teacher Training in Victoria.

In 2006–07, there were eight exemptions from advertisements for VPS recruitment approved by the Secretary or his delegate consistent with the requirements of the Public Sector Standards Commissioner. These exemptions related to the appointment of staff at the conclusion of the Graduate Recruitment Scheme.

Employee health, safety and wellbeing

The Health, Safety and Wellbeing strategy (2007–09) continues to support the integration of employee health, safety and wellbeing in schools and other Department workplaces. The strategy focuses on Occupational

Health and Safety (OHS) accountability through the development and implementation of OHS systems, training and targeted hazard and risk reduction programs. This strategy assists in ensuring that the Department meets legislative compliance requirements and strengthens OHS and injury management systems.

Highlights

- Delivery of the Department’s Dignity and Respect statement and parent complaints brochure.
- Development of the Healthy Schools are Effective Schools resource package for staff and principals to address morale and stress.
- Completion of the Crime Prevention through Environmental Design short course for architects which will inject security-conscious design principles into the design of schools.
- Approval for the implementation of the Safety in Technology panel report.
- Clarification of incident notification procedures for all workplaces.
- Completion of a review of a stress pilot supporting the WorkSafe Stresswise project.
- Development of the OHS statewide consultation policy which sets out how consultation on OHS matters should occur in schools and other Department workplaces.

Key performance indicators

The Department is committed to reporting on the Victorian WorkCover Authority’s lag and lead indicators. The following table provides measurements against 14 of the agreed OHS key performance indicators.

Occupational health and safety measures

Measure	OHS lag key performance indicators	2006–07 Target	2006–07 Actual	
			Number	Rate
Claims	Number and rate of standardised WorkCover claims ¹ including: sprains and strains, stress, other	777	841	1.590
	Number and rate of lost-time WorkCover claims ²	305	302	0.571
	Number and rate of claims exceeding 13 weeks ³	164	149	0.282
Fatalities	Fatality claims ¹	No fatalities	0	
Claims costs	Average cost per WorkCover claim ⁴	\$45,082	\$44,497	

Measure	OHS lead key performance indicators	2006–07 Target	2006–07 Actual
Management commitment	Evidence of OHS policy statement; OHS objectives	Reported quarterly and/or annually Empirical evidence of OHS plans, policies and reporting processes	Department's OHS policy including objectives at < www.eduweb.vic.gov.au/hrweb/ohs/accp/riskm.htm > Quarterly health, safety and wellbeing reports to Departmental Management Committee regarding OHS trends, issues and project plans, achievements and milestones
	Regular reporting to senior management of OHS; and OHS plans (signed by CEO or equivalent)		
Consultation and participation	Evidence of OHS criteria(s) in purchasing guidelines (including goods, services and personnel)	Reported quarterly and/or annually Empirical evidence of OHS criteria in purchasing guidelines	Schedule 21 Part D of the Department tender documents addresses health and safety management Part E – Ethical purchasing requires tenderers to declare any OHS legislative breaches
	Evidence of agreed structure of Designated Work Groups, Health and Safety Representatives, and issue resolution procedures	Reported quarterly and/or annually	The Department's OHS consultation policy outlines the structure for Designated Work Groups, Health and Safety Representatives and issue resolution procedures < http://www.education.vic.gov.au/hrweb/ohs/accp/riskm.htm >
Risk management	Per cent of internal audits/inspections conducted as planned	80 per cent of planned internal audits conducted	100 per cent
Training	Per cent of OHS representatives trained	75 per cent of representatives trained	78 per cent

¹ Standardised claims are those that have exceeded the employer excess (days or dollars) or are registered as a standard claim and are open with no payments at the time of extraction. Fatality claims are also based on the same definition of standardised claims. Date for standardised claims and death claims is at 30 June each financial year.

² A lost-time claim is a claim with one or more days compensated by the Victorian WorkCover Authority (that is, once the employer has paid the ten-day excess) at the time of extraction. Lost-time claims are a sub-set of standardised claims. Date for lost-time claims is at 30 June each financial year.

³ 13-week claims is a measure of a number of claims exceeding 13 weeks, compensation based on derived day count. The 13-week measure begins at day one (that is, employer excess and Victorian WorkCover Authority payments). Data for 13-week claims is based on the calendar year (that is, January to December) extracted as at 30 June each year.

⁴ Data for average cost per claim based on claims reported from April to March each year extracted as at 30 June each year.

People Matters survey of OHS	Questions	Average per cent who 'Agree' and 'Strongly agree' (%)
Management commitment	My manager is committed to health and safety improvements	82.0
Organisational commitment	My organisation is committed to health and safety improvements	82.1
Health and safety representatives	Elected health and safety representatives regularly take up health and safety issues with management in my organisation	75.2
Consultation	There is meaningful employee consultation in my organisation on health and safety matters	71.5
Policy awareness	Matters that can affect health and safety in my organisation are addressed by work instructions, policies and procedures	76.1
Proactive OHS action	My organisation regularly undertakes proactive action to improve health and safety	73.2
OHS reporting	Employees in my organisation are encouraged to report health and safety incidents and injuries	80.4
Corrective action	Corrective action is taken by my organisation when unsafe conditions are identified through incident and/or injury reports	80.8

Conduct and ethics

Criminal record checks

In 2006–07, the Department conducted in excess of 17,800 criminal record checks in collaboration with the Commonwealth CrimTrac Agency via the Department's online criminal record check system. Of these checks, approximately 50 per cent were for people wishing to perform volunteer work in schools including student teachers undertaking a teaching practicum.

APPENDIX 4

Workforce statistics and senior officers

Workforce data

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 2007
- ongoing and fixed term staff.

It excludes:

- VPS staff who ceased from the Department in the last fortnight of June 2007
- school-based staff who ceased prior to the last fortnight of June 2007
- staff on leave without pay (including family leave) or absent on secondment
- external contractors/consultants and temporary staff employment by employment agencies
- staff employed directly by individual school councils
- staff formerly employed in the Office of Training and Tertiary Education
- staff formerly employed in the Adult, Community and Further Education area.

FTE of teaching service staff in schools by classification and sex on pay as at June 2007

	Classification	Males	Females	Total
Primary	Principal Class	872.1	1,006.2	1,878.3
	Teaching staff	3,258.9	15,435.5	18,694.4
	Instructors	12.3	8.6	20.9
	Total	4,143.3	16,450.3	20,593.6
Secondary	Principal Class	506.7	433.7	940.4
	Teaching staff	7,340.4	11,322.4	18,662.8
	Instructors	150.1	63.9	213.9
	Total	7,997.1	11,820.0	19,817.1
Total		12,140.4	28,270.3	40,410.7

FTE of non-teaching staff in schools by classification and sex on pay as at June 2007

Classification	Level	Males	Females	Total
School Services Officer	SSO3-8	15.6	46.5	62.1
	SSO3-7	24.1	77.4	101.5
	SSO3-6	37.1	247.2	284.3
	SSO2-5	56.4	437.4	493.8
	SSO2-4	94.5	535.4	630.0
	SSO2-3	129.4	893.1	1,022.5
	SSO1-2	200.3	1,590.0	1,790.2
	SSO1-1	555.2	5,593.1	6,148.3
Subtotal		1,112.6	9,420.1	10,532.7
VPS staff	AH4	34.0	85.8	119.8
	AH3	25.1	160.1	185.2
	AH2	3.8	83.4	87.2
	VPSG6	–	3.0	3.0
	VPSG5	5.4	27.5	32.9
	VPSG4	2.8	4.9	7.7
	VPSG3	–	5.3	5.3
	VPSG2	–	5.6	5.6
	VPSG1	1.0	1.0	2.0
Subtotal		72.1	376.6	448.6
Other		–	0.1	0.1
Total		1,184.6	9,796.8	10,981.4

FTE of staff in non-school locations, extension services and statutory bodies by classification and sex on pay as at June 2007

Classification	Males	Females	Total	
Teaching staff	55.1	64.4	119.5	
Executive officer	Secretary	–	1.0	
	EO1	2.0	1.0	3.0
	EO2	19.0	9.0	28.0
	EO3	15.0	11.0	26.0
	Subtotal	37.0	21.0	58.0
VPS staff	Senior technical specialist	0.5	2.5	3.0
	VPSG6	102.6	90.5	193.1
	VPSG5	170.2	256.0	426.1
	VPSG4	95.9	120.9	216.8
	VPSG3	95.3	195.1	290.4
	VPSG2	39.1	119.1	158.2
	VPSG1	3.4	9.8	13.2
	AH4	–	1.0	1.0
	AH3	0.4	0.6	1.0
	Graduate recruits	2.0	6.0	8.0
Subtotal	509.3	801.4	1,310.8	
Other	3.0	6.1	9.1	
Ministerial staff	2.0	–	2.0	
Total	606.4	892.9	1,499.4	

Note

A total of 11.8 FTE casual staff who were employed for the last pay period in June in central and regional locations and classified in the range VPSG1–VPSG6 have not been included in the above table.

'Other' includes appointees to a statutory office, as defined in the *Public Administration Act 2004* (for example, persons appointed to a non-executive board member role, to an office of Commissioner, or to a judicial office) and other miscellaneous classifications.

VPS staff on pay as at June 2007

	Ongoing employees				Fixed-term and casual employees
	Employees (headcount)	Full-time (headcount)	Part-time (headcount)	FTE	FTE
June 2007	1,699	1,367	332	1,578	255
June 2006	1,847	1,507	340	1,727	254

	June 2007			June 2006		
	Ongoing		Fixed-term and casual employee	Ongoing		Fixed-term and casual employee
	Employee (headcount)	FTE	FTE	Employee (headcount)	FTE	FTE
Gender						
Male	579	569	56	631	622	71
Female	1,120	1,009	199	1,216	1,105	183
Age						
Under 25	32	31	43	44	44	30
25–34	263	243	88	293	274	90
35–44	370	335	43	426	384	51
45–54	680	640	37	749	711	49
55–64	327	306	43	312	294	32
Over 64	27	23	1	23	20	2
Classification						
VPSG1	12	12	4	13	13	5
VPSG2	143	133	32	157	146	31
VPSG3	269	255	46	321	306	44
VPSG4	214	207	19	245	238	43
VPSG5	432	416	44	437	422	37
VPSG6	190	187	12	207	205	15
Senior technical specialist	3	2	1	1	1	1
Executives	58	58	–	69	69	–
AH2	57	46	41	83	67	22
AH3	183	141	45	169	132	41
AH4	136	119	2	142	125	1
Graduate recruits	–	–	8	1	1	13
Other	2	2	1	2	2	1

Note

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

Casual means a person who is subject to clause 25, Casual Employees – Loading of the VPS Agreement 2006, or similar clauses in other relevant agreements. It includes a person employed on a sessional basis where such provision is made under an applicable industrial agreement. Information on casual employment for staff in central and regional locations has been included only for 2007.

'Other' includes Ministerial drivers and staff classified as LOTE advisers.

Age of staff for 2007 is calculated as at pay date 21 June 2007 and for 2006 as at 22 June 2006.

The decline in employment levels from 2006 to 2007 is a result of machinery-of-government changes: the Office of Training and Tertiary Education transferred to the Department of Innovation, Industry and Regional Development and the Adult, Community and Further Education area transferred to the Department for Victorian Communities.

Number of executive officers classified by 'Ongoing' and 'Special projects'

Class	All		Ongoing		Special projects	
	Number	Variation	Number	Variation	Number	Variation
EO-1	3	+1	3	+1	-	-
EO-2	25	-2	24	-2	1	-
EO-3	22	-2	22	-2	-	-
Total	50	-3	49	-3	1	-

Number of executive officers by gender for 'Ongoing' and 'Special projects'

Class	Ongoing					Special projects				
	Male		Female		Vacancies	Male		Female		Vacancies
	Number	Variation	Number	Variation		Number	Variation	Number	Variation	
EO-1	2	+1	1	-	-	-	-	-	-	-
EO-2	17	-1	7	-1	7	1	-	-	-	-
EO-3	11	-2	11	-	-	-	-	-	-	-
Total	30	-2	19	-1	7	1	-	-	-	-

Number of executives

	2007	2006
Executives with remuneration over \$100,000 (refer to note)	50	53
Add Vacancies (see table above)	7	4
Executives employed with total remuneration below \$100,000	-	-
Accountable Officer (Secretary)	1	1
Less separations	7	6
Total executive numbers at June 2007	51	52

Note

Figures above do not include Victorian Curriculum and Assessment Authority and Victorian Qualifications Authority executives.

Office of Training and Tertiary Education and Adult and Community and Further Education executives have also been excluded due to machinery-of-government changes.

Number of executive officers for the Department's portfolio entities

Portfolio agencies	Total		Vacancies		Male		Female	
	Number	Variation	Number	Variation	Number	Variation	Number	Variation
Victorian Curriculum and Assessment Authority	5	+1	-	-	4	+2	1	-1
Victorian Qualifications Authority	1	-1	-	-	1	-1	-	-
Victorian Institute of Teaching	1	-	-	-	1	-	-	-
Total	7	+0	-	-	6	+1	1	-1

Senior officers as at 30 June 2007

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

2 Treasury Place
East Melbourne Victoria 3002
Professor Peter Dawkins
Secretary

Office for Government School Education

1st floor, 33 St Andrews Place
East Melbourne Victoria 3002
Mr Darrell Fraser
Deputy Secretary

Group Coordinator

Vacancy
General Manager

Student Wellbeing and Support

Mr John Allman
General Manager
Mr Ian Claridge
Assistant General Manager, Student Wellbeing
Ms Dawn Davis
Assistant General Manager, Student Services Project

Teacher and School Capacity Building

Ms Dina Guest
(**Acting) General Manager
Ms Louise McDonald
(*Acting) Assistant General Manager, School System Outcomes
Ms Judy Petch
(*Acting) Assistant General Manager, Leadership and Teacher Development

Student Learning Programs

Ms Dianne Peck
(*Acting) General Manager
Ms Carol Kelly
Assistant General Manager, Student Learning Programs

Regions

Regional office contact details appear on pages 39–40 (information provided by the Office for Government School Education).

Barwon South Western

Ms Glenda Strong
Regional Director

Eastern Metropolitan

Dr Jim Watterston
Regional Director

Gippsland

Ms Michonne van Rees
Regional Director

Grampians

Mr Malcolm Millar
Regional Director

Hume

Mr Stephen Brown
Regional Director

Loddon Mallee

Mr Ron Lake
Regional Director

Northern Metropolitan

Mr Wayne Craig
Regional Director
David Brooks
Project Manager, Broadmeadows Regeneration

Southern Metropolitan

Mr Peter Greenwell
Regional Director

Western Metropolitan

Mr Brett New
(*Acting) Regional Director

Office for Education Policy and Innovation

Level 3, 33 St Andrews Place
East Melbourne Victoria 3002
Dr Dahle Suggett
Deputy Secretary

Education Policy and Research

Mr Tony Cook
General Manager
Mr John McCarthy
Assistant General Manager, Education Policy
and Research

Youth Transitions

Mr George McLean
General Manager
Mr Edmund Misson
Assistant General Manager, Youth Transitions

System Policy and Research

Mr John Sullivan
General Manager
Ms Janet Thompson
Assistant General Manager, Koorie Strategy

Innovation and Next Practice

Ms Diane Joseph
(*Acting) General Manager
Ms Katrina Reynen
Assistant General Manager, Innovation and
Next Practice

International Education

Ms Sue Christophers
General Manager

***Office for Policy, Planning and
Evaluation***

1st floor, 2 Treasury Place
East Melbourne Victoria 3002
Ms Katherine Henderson
Deputy Secretary

**Commonwealth–State and External
Relations**

Mr Colin Twisse
General Manager
Mr Andrew Abbott
Assistant General Manager,
Commonwealth–State and External Relations

Corporate Planning, Audit and Legal

Mr Ian Burrage
(*Acting) General Manager
Ms Lesley Foster
Assistant General Manager, Corporate
Planning, Audit and Legal

Communications

Ms Julie Alliston
(*Acting) General Manager

Strategic Policy and Research

Mr James Kelly
(*Acting) General Manager
Ms Kerry Rozenbergs
(*Acting) Assistant General Manager, Strategic
Policy and Research

Data and Evaluation

Dr Sara Glover
(*Acting) General Manager
Ms Michelle Hill
(*Acting) Assistant General Manager, Data
and Evaluation

Schools and Communities

Vacancy
General Manager

***Office for Resources and
Infrastructure***

1st floor, 2 Treasury Place
East Melbourne Victoria 3002
Mr Jeff Rosewarne
Deputy Secretary
Chief Operating Officer

Corporate Services

Ms Gail Hart
General Manager

Resources Strategy

Mr Jim Miles
General Manager

Human Resources

Mr Tony Bugden
General Manager
Mr Rex Hardman
Assistant General Manager, Policy and
Employee Relations
Ms Michelle Holian
Assistant General Manager, Strategy Planning
and Development

Education Chief Information Officer

Mr Adam Todhunter

Financial Services

Ms Claire Britchford
Chief Finance Officer
Mr Nino Napoli
Assistant General Manager, Schools Resource Allocation
Mr Ron Cooper-Thomas
Assistant General Manager, Accounting Policy and Taxation
Mr Wayne Benbow
Assistant General Manager, Budget and Reporting

Infrastructure

Dr Peter Stewart
General Manager
Ms Andrée Butler
Assistant General Manager, Planning and Provision
Mr Franco Greco
Assistant General Manager, Facilities and Infrastructure

Information Technology

Mr Erle Bourke
General Manager
Mr Steve Loquet
Assistant General Manager, Information Technology

Merit Protection Boards

Level 9, 35 Spring Street
East Melbourne Victoria 3002
(03) 9651 0290
Mr Ian Adams***
Senior Chair

Victorian Curriculum and Assessment Authority

41 St Andrews Place
East Melbourne Victoria 3002
(03) 9651 4300
Mr John Firth
Chief Executive Officer

Corporate Services

Mr Byron Crawford
General Manager

Curriculum

Ms Helen Wildash
General Manager

Assessment and Reporting

Dr David Phillips
General Manager

Assessment Operations

Mr Ian Leggett
Assistant General Manager

Victorian Qualifications Authority

Level 2, 33 St Andrews Place
East Melbourne Victoria 3002
(03) 9637 3479
Mr Robert Fearnside
(**Acting) Director
Vacancy
Project Executive

* Acting assignment by a non-substantive executive officer

** Acting assignment by a substantive executive officer

*** Governor-in-Council appointee

APPENDIX 5

Statutory authorities and other bodies

Twelve statutory authorities and other bodies work with the education and training communities to provide direct education provision and/or advice to the Minister for Education and the Minister for Skills, Education Services and Employment.

The Minister for Education and the Minister for Skills, Education Services and Employment are accountable to the Victorian Parliament for the performance of the Department. In the discharge of their responsibilities, the Ministers received advice from education and training statutory authorities in 2006–07 as indicated in the table below. The Department works in conjunction with statutory authorities to achieve the Government's goals and targets for education and the delivery of Government-funded education outputs.

Selected statutory authorities and their reporting requirements

Agency	Minister	Annual report
Disciplinary Appeals Boards	Education	See page 135
Merit Protection Boards	Education	See page 130
Registered Schools Board	Education	See page 41
Victorian Curriculum and Assessment Authority	Education	Separate report
Victorian Qualifications Authority	Education	Separate report
Victorian Institute of Teaching	Education	Separate report

Staff of some of these authorities are on the Department's payroll, as reflected in the workforce data on pages 123–129. Some of the authorities produce annual reports in their own right: the Victorian Curriculum and Assessment Authority, the Victorian Qualifications Authority and the Victorian Institute of Teaching. These reports can be accessed from the Department's website at <www.education.vic.gov.au>.

Summaries of the Registered Schools Board, Merit Protection Boards and the Disciplinary Appeals Boards reports are included in this report on pages 41, 130 and 135.

Merit Protection Boards

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

- advise the Minister 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 (except Part V) 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.

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

There are seven teaching service boards, each of which comprises a Chairperson, nominated by the Minister, a nominee of the Secretary and a teacher nominated by the Minister, most of whom are part-time members.

The Senior Chairperson establishes public sector boards to hear and determine grievances from School Services Officers (SSO) and members of the VPS. These boards comprise three members: a Chairperson, nominated by the Senior Chairperson, a nominee of the Secretary and a staff member also nominated by the Senior Chairperson.

The public sector boards make a recommendation to the Senior Chairperson who has the delegation from the Secretary of the Department of Education to hear and determine public sector grievances.

Members of the Merit Protection Boards

The following members were appointed for a three-year term in September 2004. With the exception of the Senior Chairperson and full-time Secretary's nominee, all members are called upon on a sessional basis.

Senior Chairperson (full-time)

Mr Ian Adams

Chairpersons

Ms Leonie Fitzgerald
Principal, Dandenong South Primary School

Mr Ian Hall
Senior Education Officer, Gippsland Region

Ms Kate Christensen
Principal, Rosamond Special School

Mr Gary Salisbury
Echuca Secondary College

Mr Wayne Hill
Assistant Principal, Distance Education Centre

Secretary's nominee (full-time)

Mr Gavan Schwartz

Mr Raymond Wilkinson
(Resigned December 2006)

Secretary's nominees

Ms Lorraine Dell
Assistant Principal, Ormond Primary School

Ms Vincenzina Calabro
Principal, Noble Park English Language Centre

Ms Karen O'Dowd
Altona Green Primary School

Mr Wayne Smith
Eumemmerring Secondary College

Ms Deborah Meirisch
Principal, Wheelers Hill Primary School

Ms Sheryl Skewes
Assistant Principal, Sandringham Primary School

Minister's nominees

Ms Jane Lockie
Mornington Special Developmental School

Ms Angeliki Kavourni
MacRobertson Girls High School
(Resigned January 2007)

Ms Jennifer Pringle
Mount Waverley Secondary College

Ms Mary-Anne Pontikis
Meadow Heights Primary School

Ms Sharon Walker
Williamstown North Primary School
(Resigned December 2006)

Mr Robert Bertagnolio
Altona Secondary College

Ms Eileen O'Brien
Croydon Secondary College

Emergency Minister's nominees

Ms Penny Geoghegan
Sunbury Secondary College

Ms Gail Shaw
Sunshine North Primary School

Ms Valda Grimston
Footscray North Primary School

Ms Claire Hanmer
Karringal Park Secondary College
(Resigned December 2006)

Mr John Baston
Ashwood Secondary College
(Resigned January 2007)

The Merit Protection Boards provide an independent mechanism to hear appeals and grievances for employees of the Department and associated statutory authorities in education.

Appeals and grievances include transfer and promotion, incapacity, grievances of a general personal nature including sexual harassment and discrimination, and appeals in relation to police records checks. Appeals and grievances are heard in the metropolitan area and regional centres, as appropriate.

Members of the Merit Protection Boards have a duty to act as individuals in an independent and objective manner in fairly hearing and determining appeals and grievances. The hearing procedures of Merit Protection Boards are consistent with the principles of procedural fairness.

Access to the Merit Protection Boards is available to employees in the Department of Education including principal class officers, teachers, school-based non-teaching staff and public servants, excluding executive officers.

Other activities

The Merit Protection Boards provided advice to the Department of Education on merit and equity issues in relation to major policy initiatives in response to requests from the Department as well as advice when existing policies and procedures were being reviewed.

The Senior Chairperson and the Secretary's nominee have accepted invitations to address groups of principal class officers, field officers of the principals' associations, SSO networks and regional personnel. In May 2007, the Boards conducted a seminar in Melbourne for regional and school-based personnel who assist the Boards in conducting their training program. There were 25 participants who undertook a review of the training program and the roles and responsibilities of those involved.

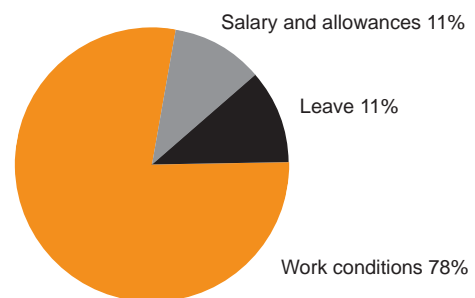
Information is available on the Merit Protection Boards' website in relation to the appeal and grievance process as well as their merit protection accreditation programs. The website address is <www.mpb.vic.gov.au>.

The Senior Chairperson and the Secretary's nominee attended the National Public Sector Appeals Conference held in Adelaide in September 2006.

Appeals and grievances

Teaching service

Breakdown of personal grievances received from teaching service, July 2006 – June 2007



Teaching service – appeals and grievances, 2006–07

Category	Received		Upheld		Disallowed		Withdrawn		Pending		No jurisdiction, out of time or lapsed		Conciliated	
	M	F	M	F	M	F	M	F	M	F	M	F	M	F
Promotion	12	17	2	3	5	3	2	3		1	3	7		
Incapacitated officer		1		1										
Personal	53	57	11	13	18	13	14	13	4	4	4	10	2	4
Total	65	75	13	17	23	16	16	16	4	5	7	17	2	4

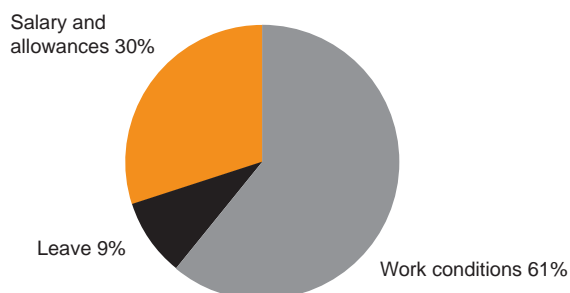
During the year to 30 June 2007 the Merit Protection Boards for the teaching service received a total of 140 appeals and grievances including 29 promotion grievances, one incapacity appeal and 110 personal grievances. Of the 69 grievances heard, 30 (43 per cent) were upheld.

Promotion grievances received for this year declined from 41 to 29 and, of the 13 heard, 38 per cent were upheld. There were 110 personal grievances received, compared with 121 for the previous year and, of the 55 heard, 44 per cent were upheld, which is a decrease in the number upheld compared with the previous year. While there was a wide range of issues raised in personal grievances, the majority were concerned with the rejection of applications from teachers with compassionate transfer status and from excess teachers referred to vacancies. Other matters related to leave, especially the refusal to grant long-service leave and leave without pay.

Public sector

There were 37 grievances received from public servants and SSOs compared with 84 for the previous year. These comprise 25 from SSOs and 12 from public servants. SSOs lodged one selection grievance and 24 personal grievances compared to 62 personal grievances last year when SSOs had the opportunity to seek reclassification without advertisement arising from the Victorian Government Schools – School Services Officers Agreement 2004. Public servants lodged three promotion and nine personal grievances, which is almost the same number and type of grievances as received in the previous year. Of the 37 grievances received from both the VPS and SSOs, 12 were heard, six (50 per cent) of which were upheld.

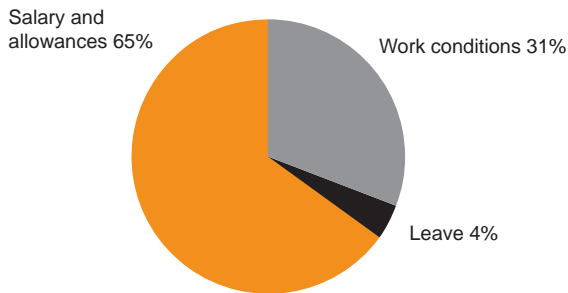
Breakdown of personal grievances received from the VPS and SSOs, July 2006 – June 2007



Public sector – appeals and grievances, 2006–07

Category	Received		Upheld		Disallowed		Withdrawn		Pending		Lapsed		Conciliated	
	M	F	M	F	M	F	M	F	M	F	M	F	M	F
SSO staff														
Selection	–	1	–	–	–	–	–	1	–	–	–	–	–	–
Discipline	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Personal	3	21	–	5	1	3	2	6	–	2	–	1	–	4
Total SSO	3	22	–	5	1	3	2	7	–	2	–	1	–	4
VPS staff														
Promotion	1	2	–	1	–	1	–	–	–	–	1	–	–	–
Discipline	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Personal	1	8	–	–	–	1	1	–	–	1	–	6	–	–
Total VPS	2	10	–	1	–	2	1	–	–	1	1	6	–	–
Total VPS and SSO	5	32	–	6	1	5	3	7	–	3	1	7	–	4

Breakdown of personal grievances received from the VPS and SSOs, July 2005 – June 2006



Merit Protection accreditation

It is a requirement for all selection panels in the Department of Education to include a merit-accredited employee as a member of any selection panel. To facilitate this requirement, the Merit Protection Boards provide training in the principles of merit and equity for principal class officers, teachers, SSOs and members of the public service. This year the Boards have run 26 seminars and provided training for 963 employees, including 78 employees who needed to be upgraded or wanted to build on their existing knowledge and understanding of the principles of merit and equity.

Since the inception of these training programs, a total of 29,978 employees have been trained. This figure includes 1758 employees who have retrained.

Principal class officers

Ninety-five members of the principal class have been accredited in training programs conducted by the Boards in metropolitan and country centres this year. These accredited principal class officers are available to serve on principal class officer selection panels. Since the inception of training programs, 3350 members of the principal class have been trained.

Teachers

Six hundred and forty-two members of the teacher class were accredited in training programs conducted by the Boards in metropolitan and country centres this year. Of these, 30 teachers were reaccruited. The total number of members of the teacher class accredited since the inception of these programs is 20,585. Teachers who have been accredited are available to assist principals with personnel management decision making in schools where panels must include a merit protection accredited teacher.

Number of employees trained July 2006 – June 2007 by region (includes reaccruitation)

Region	Teachers	Principal class	SSO	VPS	Total
Barwon South Western	37	4	6	–	47
Central – Corporate	n/a	n/a	n/a	74	74
Eastern	99	20	23	2	144
Gippsland	33	9	15	2	59
Grampians	53	4	9	6	72
Hume	64	15	20	–	99
Loddon Mallee	105	24	18	2	149
Northern	107	9	8	6	130
Southern	56	4	4	7	71
Western	88	6	22	2	118
Total	642	95	125	101	963

School services officers and members of the Victorian Public Service

Over the last 12 months, 125 SSOs and 101 VPS employees were accredited. The total number of SSOs and VPS employees trained to date is 4285. Accredited SSOs and VPS employees are available to assist on panels in decision making concerning selection.

Disciplinary Appeals Boards

The Disciplinary Appeals Boards were established in 2005 following an amendment to the *Teaching Service Act 1981* to hear and determine appeals in relation to decisions of the Secretary made under section 67.

The Senior Chairperson of the Disciplinary Appeals Boards is Mr Ian Adams. Ms Beverly Trease is the Registrar.

In May 2005, the following Board members were appointed for an initial five-year period after advertisement through expressions of interest. All members are called upon on a sessional basis.

Chairpersons, nominated by the Secretary, were appointed under Sections 75D(2)(a) and 75E of the *Teaching Service Act 1981*. It is a requirement that they have been admitted to legal practice in Victoria for not less than five years.

Judith Benson
Ian Freckleton
Geoffrey Gibson
Peter Harris
Clare Lethlean
Rohan Millar
Damian Murphy (resigned December 2006)
Peter Rose
Elspeth Strong
Peter Willis

Minister's nominees, who are officers in the teaching service, were appointed under Sections 75D(2)(b) and 75E of the *Teaching Service Act 1981*.

Ross Adamson
Moirra Findlay
David Finnerty
Wayne Hill
Angeliki Kavourni
Denise Leggett
Anne Longmire (resigned October 2005)
Brian O'Dea
Mary-Anne Pontikis
Paul Rose
Steven Silestean

Secretary's nominees, who have knowledge of or experience in education, education administration or public sector administration, were appointed under Sections 75D(2)(c) and 75E of the *Teaching Service Act 1981*.

Brian Burgess
James Davidson
Leonie Fitzgerald
Gregory Gibbs
Avis Grahame
Dale Hendrick
Russell Isaac
Eric Keenan
David List
Ian Martin
Bronwyn Valente

The Disciplinary Appeals Boards have dealt with four appeals in 2006–07, two of which have been finalised. Both were disallowed. There are still two cases pending.

APPENDIX 6

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 commitments and priorities in these four areas for the reporting period and a summary of major achievements and the Department's performance against relevant performance outputs and measures.

Cultural diversity

The Department recognises that some individuals and groups face particular challenges to achieving in education and training because of their cultural or linguistic background. These individuals and groups often need to be actively supported to participate and achieve learning success.

Schools, including specialist language schools and centres, help build proficiency in English and other languages, and shape student attitudes to cultural diversity through multicultural education.

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

- In 2006, 210 full-time equivalent multicultural education aide positions were funded across 460 schools, and 26 positions were funded in English language centres.
- Transition coordinators were provided to all English language schools and centres to assist students with their transition from intensive ESL programs to mainstream schools.

- \$800,000 was provided for interpreting and translation services to enable non-English speakers to access information in government schools.
- Key programs were launched to provide system-wide support for respectful and inclusive workplaces including the Workplace Behaviour and Bullying Program and the Equal Opportunity and Anti-harassment compliance tools.

Performance measures

The Department's key performance measures on cultural diversity relate to the provision of both intensive ESL support for new-arrival students, and ongoing ESL support for eligible students.

- In 2006, 91 per cent of eligible primary students in regular schools received ESL support, and 89 per cent of eligible secondary students in regular schools received ESL support.

These performance measures are reported annually in the State Budget Papers.

Further information on programs and achievements relating to cultural diversity is contained in the sections on English as a Second Language (page 33) and Multicultural education (page 36), and in the Diversity and equal opportunity section in Appendix 3 (page 118).

Women

The Department made major contributions to the achievement of the priorities for women. These included those outlined in the Forward Plan: Leading with Victoria's Women 2004–2007 and in the Women's Safety strategy, in particular the priorities related to education, work and economic independence.

The Department's services for women aim to equip women with the education and training they need to have high-quality jobs, a full and creative life, opportunities to contribute to their communities and a working environment that is responsive to the needs of women.

The Department maintained a firm commitment to flexible work and leave arrangements to support employees' work-life and family balance. Women across the Department, including teachers, SSOs and public servants, accessed a wide range of flexible work and leave options, including part-time work and job share, working from home, flexible start and finish times, purchase leave and the utilisation of recreation leave on half pay.

Highlights

- The Eleanor Davis School Leadership program is a Women in Leadership initiative and, together with programs such as the Julia Flynn program, is a key component of the Department's Focus on Women strategy. Further information on these programs is contained on page 118.

Performance measures

Key features of the Department's progress in girls' education include the following:

- The Years 7–12 apparent retention rate for girls in Victoria was 87.2 per cent in August 2006 compared with 80.6 per cent for girls nationally. The Years 7–12 apparent retention rate refers to the number of full-time students in Year 12 expressed as a proportion of the number of full-time students in Year 7 five years earlier.
- The Years 10–12 apparent retention rate for girls in Victoria was 88 per cent in August 2006 compared with 81.4 per cent for girls nationally.

Youth

The Department provides education and training services through schools, which make a major contribution to the achievement of the priorities for young people:

- inclusion – improving outcomes for all young people while narrowing the gap between those who do well and those who do not
- diversity – recognising and responding to the full diversity of young people and making services more responsive to who young people are and what they want
- collaboration – involving a wide range of organisations from the public, voluntary, community and private sectors in order to increase choice and secure the best outcomes for and with young people.

Performance measures

The Department's key performance measures for youth are the Government's targets for education. Details of progress towards the targets are on page 15. Further information on achievements relating to youth is contained on pages 43–46.

Indigenous affairs

The Department recognises the importance of working with the Indigenous community to improve Indigenous students' participation and achievement levels in 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

- To recognise the contributions of Indigenous Victorians to education, the Department celebrated Reconciliation Week and National Aboriginal and Torres Strait Islander Day of Celebration (NAIDOC) Week with celebrations across schools, and central and regional workplaces.

-
- As part of the Victorian Government's Wur-cum-burra strategy a place was made available for an Indigenous teacher to undertake a Master in School Leadership at the University of Melbourne.
 - As set out in the Ministerial Statement *Teacher Supply and Demand for Government Schools*, the Department implemented teacher supply initiatives to attract and retain teachers in hard to staff schools and subject areas. These initiatives include teaching scholarships, the Career Change program, the Rural Retraining program and the Rural Teacher Practicum Scheme. A major focus of these initiatives was rural and remote areas of Victoria, including those with high Indigenous student enrolments.

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 2006, there were 7210.5 FTE Indigenous students enrolled in government schools in Victoria, representing 1.3 per cent of the student cohort.

Further information on Indigenous programs and achievements is contained in pages 32–33.

APPENDIX 7

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. In 2006–07, the Department has continued to improve its data collection and reporting procedures.

Rates per employee are based on 830.1 FTE at end June 2007 in the central office, excluding the Office of Training and Tertiary Education and Adult Community and Further Education.

Rates per employee are based on 358.4 FTE at end June 2007 across the nine regional offices.

Central office

Aspect	Annual quantitative measures
Energy use	<p>3,898 gigajoules total energy usage^(a) 4,696 megajoules used per employee 237 megajoules used per square metre of office space 1,229 tonnes CO₂ equivalent (total greenhouse gas emissions) 14 per cent electricity was purchased as Green Power costing \$7,125</p>
Waste production	<p>123.78 kilograms waste produced per employee 94,457 kilograms of waste recycled</p>
Paper use	<p>24 reams of paper used per employee 19,669 reams of paper used</p>
Water consumption	<p>The Department's water consumption will be reported as part of the total water consumption for the Treasury Precinct by the Department of Treasury and Finance as owner of the buildings.</p> <p>Data management (Data sourced from Property Managers) 1 July 2006 – 10 November 2006: data was estimated by City West Water 10 November 2006 – 17 May 2007: accurate data readings were provided for the first time by City West Water 17 May 2007 – 30 June 2007: data was extrapolated from 14 February 2007 – 17 May 2007 figures as a reading was not finalised prior to reporting</p> <p>Actions undertaken Installation of: <ul style="list-style-type: none"> • water-flow restrictors • water-efficient showerheads and dishwashers • semi-waterless urinal pilot. </p> <p>Future targets Implement actions identified in whole-of-government water targets.</p>
Transportation	<p>The Department's transportation data will not be reported due to unreliable data. The data indicated inconsistent results. Improvement to data management is in progress.</p> <p>78 per cent of employees regularly use public transport, cycle, or walk to and from work.</p> <p>Contracting the supply of vehicle off-sets for the Department's vehicle fleet is the responsibility of the Department of Sustainability and Environment. Offsetting is calculated in arrears, based on actual fuel usage data.</p>
Purchasing	<p>The Department incorporated environmental performance requirements in its procurement arrangements in a variety of projects and initiatives.</p>

^(a) Total energy usage is electricity only. The Department of Treasury and Finance reports gas usage for the Department's Treasury Precinct buildings.

Outcomes for 2006–07

2006–07 data included regional office data for the first time. 2006–07 central office performance outcomes can be compared equitably to 2005–06 central office only. 2007–08 data will provide the first baseline year for combined central and regional data.

Energy use

The target for 2006–07 was a continuation of the whole-of-government 15 per cent energy reduction of 1999–2000 consumption. 2006–07 will become the new baseline data. The Green Power purchase target was 10 per cent of total electricity. The Department achieved 14 per cent.

Waste production

The target to reduce total waste generated per FTE was 10 per cent. The Department achieved 29 per cent. The target to divert waste from landfill was 60 per cent. The Department achieved 92 per cent.

Paper use

The target to reduce paper consumption per FTE was 5 per cent. The Department achieved 31 per cent. The target to encourage the consumption of environmentally preferred paper resulted in 23 per cent of white A4 office paper having a minimum recycled content of 50 per cent.

Water consumption

The Treasury Precinct water consumption data could not be accurately attributed to individual buildings or departments. Smart meters will be installed for all buildings and major end users on the Treasury Precinct to enable accurate annual reporting and on-going management of water consumption in the future.

Transportation

The target to reduce greenhouse gas emissions associated with the operation of the Government's passenger vehicle fleet by a minimum of 10 per cent of 1999–2000 consumption was not able to be defined due to unreliable data.

The Department purchased three environmentally friendly hybrid vehicles and provided video-conferencing facilities. The target for staff to regularly use public transport, cycle, or walk to and from work was 75 per cent. The Department achieved 78 per cent.

Purchasing

The Department met the target to incorporate environmental purchasing in procurement planning and tender procedures. For example, the Ultranet project specified environmental requirements as part of tender procedures.

The Department met the target to consider environmental impacts in the selection of goods and services. For example, best practice star ratings were applied as part of office re-fits and water efficiency initiatives. In addition, the Department's RePC program (which provides surplus computers to schools) distributed over 700 computers to schools.

Regional offices

Aspect	Annual quantitative measures																		
Energy use	5,216 gigajoules total energy usage ^(a) 14,554 megajoules used per employee 352 megajoules used per square metres of office space 1,570 tonnes CO ₂ equivalent (total greenhouse gas emissions) 15 per cent electricity was purchased as green power costing \$28,156																		
Waste production	90.20 kilograms waste produced per employee 27,463 kilograms of waste recycled																		
Paper use	18 reams of paper used per employee 6,489 reams of paper used																		
Water consumption	<p>Potable water – Office</p> <table border="1"> <thead> <tr> <th>Scope</th> <th>Litres/FTE</th> <th>Litres/Year</th> <th>Locations^{(b)(c)} (% of sites)</th> <th>Staff (% of FTE)</th> <th>Data management</th> </tr> </thead> <tbody> <tr> <td>Government-owned buildings</td> <td>25,885</td> <td>4,730,507</td> <td>55</td> <td>51</td> <td>Results are inflated due to a 2,500,000 litres water leak at Loddon-Mallee regional office that has since been rectified.</td> </tr> <tr> <td>Leased buildings</td> <td>13,480</td> <td>2,367,800</td> <td>45</td> <td>49</td> <td>Estimates for some regional offices were calculated by using data from the previous year, or if this was not available, by using data from the previous quarter. No regional office has the complete 2006–07 data available, as some readings were not finalised prior to reporting.</td> </tr> </tbody> </table> <p>Actions undertaken Installation of:</p> <ul style="list-style-type: none"> • water-flow restrictors • water-efficient showerheads and dishwashers • rainwater tanks at two regional offices • grey water system at one regional office • native garden planted at one regional office • Green Star accreditation for two regional offices. <p>Future targets Implement actions identified in whole-of-government water targets.</p>	Scope	Litres/FTE	Litres/Year	Locations ^{(b)(c)} (% of sites)	Staff (% of FTE)	Data management	Government-owned buildings	25,885	4,730,507	55	51	Results are inflated due to a 2,500,000 litres water leak at Loddon-Mallee regional office that has since been rectified.	Leased buildings	13,480	2,367,800	45	49	Estimates for some regional offices were calculated by using data from the previous year, or if this was not available, by using data from the previous quarter. No regional office has the complete 2006–07 data available, as some readings were not finalised prior to reporting.
Scope	Litres/FTE	Litres/Year	Locations ^{(b)(c)} (% of sites)	Staff (% of FTE)	Data management														
Government-owned buildings	25,885	4,730,507	55	51	Results are inflated due to a 2,500,000 litres water leak at Loddon-Mallee regional office that has since been rectified.														
Leased buildings	13,480	2,367,800	45	49	Estimates for some regional offices were calculated by using data from the previous year, or if this was not available, by using data from the previous quarter. No regional office has the complete 2006–07 data available, as some readings were not finalised prior to reporting.														
Transportation	The Department's transportation data will not be reported due to unreliable data. The data indicated inconsistent results. Improvement to data management is in progress. 12 per cent of employees regularly use public transport, cycle or walk to and from work. Contracting the supply of vehicle offsets for the Department's vehicle fleet is the responsibility of the Department of Sustainability and Environment. Offsetting is calculated in arrears, based on actual fuel usage data.																		
Purchasing	The Department incorporated environmental performance requirements in its procurement arrangements in a variety of projects and initiatives.																		

^(a) Total energy usage – gas for three regional offices and electricity for nine regional offices.

^(b) There are nine regional offices. Data for 11 regional office sites was calculated due to two regional office relocations in October and April.

^(c) Six regional district offices have less than 10 FTE and are not included in data.

Outcomes for 2006–07

2006–07 data included regional office data for the first time. Comparison to central office baseline data is therefore not applicable. 2007–08 data will provide the first baseline year for combined central and regional data.

Energy use

The target to purchase Green Power was 10 per cent of total electricity. The Department achieved 15 per cent.

Waste production

The target to divert waste from landfill was 60 per cent. The Department achieved 85 per cent.

Paper use

The target to encourage the consumption of environmentally preferred paper resulted in 18.5 per cent of white A4 office paper having a minimum recycled content of 50 per cent.

Water consumption

The target to encourage the reduction of water consumption was achieved through water audits and water efficiency actions. These actions are detailed in the previous table.

Transportation

The Target to reduce greenhouse gas emissions associated with the operation of the Government's passenger vehicle fleet by a minimum of 10 per cent of 1999–2000 consumption was not able to be defined due to unreliable data.

The target for staff to regularly use public transport, cycle, or walk to and from work was 75 per cent. The Department provided video-conferencing facilities. The Department achieved 12 per cent in regional offices.

Purchasing

The Department met the target to incorporate environmental purchasing in procurement planning and tender procedures.

The Department met the target to consider the environmental impact in the selection of goods and services. For example, best practice star ratings were applied as part of office re-fits and water-efficiency initiatives. Regional office relocations also included re-used or recycled furniture and fittings.

APPENDIX 8

Freedom of Information

During 2006–07, 179 requests were received for documents under the *Freedom of Information Act 1982* (the Act). Full access was granted for 64 requests and partial access for a further 45. Access was denied for 15 requests and documents could not be located or did not exist for 25 requests. Six requests were withdrawn.

At the end of the reporting period, there were 16 requests for which no decision had been made.

Where access was not granted to a document, the major exemption categories in 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).

Six applicants sought an internal review. The original decisions of four were fully upheld while two original decisions were varied. There were three appeals to the Victorian Civil and Administrative Tribunal for review of decisions made under the Act. One was withdrawn before a hearing was scheduled. The Tribunal upheld the original decision in the second. The third matter is yet to be determined by the Tribunal as at 30 June 2007.

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
- 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 144).

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. Following are the general categories of documents maintained by agencies.

Correspondence, administrative and policy documents

Each agency responsible for its own records. Regional offices and schools 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 below). 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).

Further information about Freedom of Information can be found on the Department's website <www.education.vic.gov.au>.

Freedom of Information: authorised officers

Agency	Authorised officer	Postal address	Telephone
Department of Education	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.education.vic.gov.au>.

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

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.

APPENDIX 9

Whistleblowers Protection Act 2001

Disclosure

The Department managed one matter lodged under Whistleblowers' legislation. This was referred to the Ombudsman's Office for determination regarding whether it should be accepted as a protected disclosure. This matter was accepted as a protected disclosure and managed under Whistleblowers' legislation.

Department of Education Guidelines

1 *Statement of support to whistleblowers*

The *Whistleblowers Protection Act 2001* (the Act) commenced operation on 1 January 2002. The Department 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.

The Department 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 to the environment.

The Department 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.

2 *Purpose of the procedures*

These procedures establish a system for reporting disclosures of improper conduct or detrimental action by Departmental 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 the Department'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.

3 *Objects of the Act*

The purpose of the Act is to encourage and facilitate the making of disclosures of improper conduct by public officers and public bodies and establish a system for matters to be investigated. The Act provides protection to whistleblowers who make disclosures in accordance with the Act and remedies for the person where detrimental action has been taken against them.

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.

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 as a public officer or a public body.

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 proven, 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
- a public officer performing his or her 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 the making of 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 the Department of Education

Disclosures of improper conduct or detrimental action by Departmental 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.

5.2 Alternative contact persons

Disclosures about improper conduct or detrimental action by Departmental employees may also be made directly to the Ombudsman.

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

Person who is the subject of the disclosure	Person/body to whom the disclosure must be made
Employee of a public body other than the Department of Education	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
Local Government Councillor	The Ombudsman
Chief Commissioner of Police	The Ombudsman or the Director, Police Integrity
Member of the police force	The Ombudsman, the Director, Police Integrity 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 the Department 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 that 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 role in the internal reporting system. He or she will:

- receive all protected disclosures forwarded from the protected disclosure officers
- impartially assess each disclosure to determine whether it is a protected disclosure made in the public interest
- coordinate the reporting system used by the Department
- be a contact point for general advice about the operation of the Act
- be responsible for ensuring that the Department carries out its responsibilities under the Act and the Ombudsman's guidelines
- liaise with the Ombudsman in regard to the Act
- refer all public interest disclosures to the Ombudsman
- be responsible for carrying out, or appointing an investigator to carry out, an investigation referred to the Department by the Ombudsman
- be responsible for overseeing and coordinating an investigation where an investigator has been appointed
- where necessary, 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 that 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 the Department.

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 the Department. An investigator may be a person from within the Department 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 the Department 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 disclosure
- ensure that the expectations of the whistleblower are realistic.

7 Confidentiality

Section 22 of 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. A breach of section 22 constitutes a criminal offence.

The circumstances in which a person may disclose information obtained about a protected disclosure include:

- where exercising the functions of the Department under the Act

- when making a report or recommendation under the Act
- when publishing statistics in the Department's annual report
- 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 disclosure of particulars in the annual report that might lead to the identification of a person against whom a protected disclosure is made.

7.1 Establishing a confidential electronic and paper filing system

The Department will take all reasonable steps to prevent breaches of confidentiality and to minimise the possibility of detrimental action being taken against a whistleblower by ensuring a secure electronic and paper filing system is in place.

The Department will ensure that:

- all paper and electronic files are secure and can only be accessed by authorised officers
- all printed material is kept in files that are clearly marked as a Whistleblower Protection Act matter and include a prominent warning on the front of the file that criminal penalties apply to any unauthorised divulging of information concerning a protected disclosure
- any files saved onto floppy disk, CD-ROM or other disc are password protected
- any other material such as tapes from interviews are stored securely with access only to authorised officers
- the security of communications between nominated officers and/or contracted officers that is sensitive information or documents are not emailed or faxed to a machine to which staff have general access (personal delivery is the best way to ensure confidentiality).

8 Collating and publishing statistics

The protected disclosure coordinator will establish a secure register to record the information required to be published in the Department'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

The Department 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.

The Department will ensure that staff who deal with the receipt of complaints are aware of the Act and what matters may fall under the Act. Similarly staff in areas where complaints are likely to be identified, such as mail and call centres, will be aware of the general nature of protected disclosures and the procedures for dealing with such disclosures appropriately.

Where a staff member receives a complaint, report or allegation of improper conduct or detrimental action, he or she will refer the matter to one of the Department's protected disclosure officers for advice.

In some circumstances the person may not refer to the Act when making the allegation of improper conduct or detrimental action. If an allegation raises issues that may fall within the provisions of the Act, the Department will assess the allegations in terms of the Act.

The protections of the Act may apply to a disclosure regardless of whether or not the individual making the disclosure specifically requests the protections. The assessment will be made on the nature of the disclosure and not the intention of the individual making it.

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 How can a protected disclosure be made?

Part 2 of the Act provides that a person may make a disclosure anonymously or not:

- orally
- in writing
- electronically.

9.1.2 Has the disclosure been made to the appropriate person?

For the disclosure to be responded to by the Department it must concern an employee of the Department. 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 on page 146.) If the disclosure has been made anonymously, it should be referred to the Ombudsman.

9.1.3 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 his or her 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.

Problem	Initial contact	Other options	Workplace policy
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	Guidelines for Managing Complaints Unsatisfactory Performance and Serious Misconduct in relation to Principals, SSOs and Teachers Refer to Guidelines in the A – Z index of the Department's Human Resources website
Workplace conflict or grievance	Principal or Manager	The Department's Conduct and Ethics Branch Merit Protection Boards	Guidelines for Managing Complaints Unsatisfactory Performance and Serious Misconduct in relation to Principals, SSOs, Teachers and in the VPS Refer to Guidelines in the A – Z index of the Department's Human Resources website
Equal opportunity concern	Principal or Manager	The Department's Conduct and Ethics Branch and Diversity and Equity Unit Merit Protection Boards Equal Opportunity Commission	Merit and Equity policy
OHS issue	Principal or Manager	Workplace OHS representative	OHS Guidelines
Ethical or other misconduct concern	Principal or Manager	The Department's Conduct and Ethics Branch State Services Authority	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	The Department's protected disclosure officer	The Department's protected disclosure coordinator The Ombudsman	Whistleblowers Protection Act Guidelines

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 the Department for dealing with complaints.

9.2 Is the protected disclosure a public interest 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 determine whether the disclosure amounts to a public interest disclosure. This assessment will be made within 45 days of the initial receipt of the disclosure by the protected disclosure officer.

In determining whether the protected disclosure is a public interest disclosure, the Department must consider whether the disclosure shows or tends to show that a public officer to whom the disclosure relates:

- has engaged, is engaging or proposes to engage in improper conduct in his or her capacity as a public officer, or
- has taken, is taking or proposes to take detrimental action as a public officer or a public body.

Where the protected disclosure coordinator concludes that the disclosure amounts to a public interest 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 public interest disclosure.

Where the protected disclosure coordinator concludes that the disclosure is not a public interest disclosure, he or she will:

- notify the person who made the disclosure of that conclusion
- advise that person that he or she may request the Department to refer the disclosure to the Ombudsman for a formal determination as to whether the disclosure is a public interest 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 the Department 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 the Department. 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 that 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.

The Department 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 should be taken to exclude perceived bias from the process
- the investigator must be impartial in assessing the credibility of the whistleblower and any witnesses. 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 that 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 the Department to prevent the conduct from continuing or occurring in the future
- any action that should be taken by the Department 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

The Department 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.

A person making a disclosure may be employed by the Department or may be a member of the public. The Department is obliged to protect both internal and external whistleblowers from detrimental action taken in reprisal for the making of the disclosure.

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
- endeavour to ensure that 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 (\$25,155) 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 advised that it is in his or her own interests to keep disclosures confidential by only discussing related matters with authorised persons within the Department or officers of the Ombudsman's office or other persons as authorised by law.

The whistleblower will be informed of the objectives of an investigation, the findings of an investigation and the steps taken by the Department to address any improper conduct that has been found to have occurred. The whistleblower will be given reasons for decisions made by the Department 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 public interest disclosure, he or she will refer it to the Ombudsman. If the Ombudsman subsequently determines the matter to be a public interest 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, the Department will handle the disclosure and protect the whistleblower from reprisals in accordance with the Act, the Ombudsman's guidelines and these procedures.

The Department 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 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

The Department recognises that employees against whom disclosures are made must also be supported during the handling and investigation of disclosures.

The Department 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 that the person who is the subject of any disclosure investigated by or on behalf of the Department is:

- informed as to the substance of the allegations
- given the opportunity to answer the allegations before a final decision is made
- informed as to the substance of any adverse comment that may be included in any report arising from the investigation
- has his or her defence set out fairly in any report.

Where the allegations in a disclosure have been investigated, and the person who is the subject of the disclosure is aware of the allegations or the fact of the investigation, the protected disclosure coordinator will formally

advise the person who is the subject of the disclosure of the outcome of the investigation.

The Department 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 the Department 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

The Department will ensure that officers appointed to handle protected disclosures and all other employees are aware of the following offences created by the Act:

- 1 It is an offence for a person to take detrimental action against a person in reprisal for a protected disclosure being made or when a person believes a protected disclosure has been made or when that other person intends to make a protected disclosure. The Act provides a maximum penalty of a fine of 240 penalty units (\$25,155) or two years imprisonment or both.
- 2 It is an offence for a person to divulge information obtained as a result of the handling or investigation of a protected disclosure without legislative authority. The Act provides a maximum penalty of 60 penalty units (\$6,289) or six months imprisonment or both.
- 3 It is an offence for a person to obstruct the Ombudsman in performing his responsibilities under the Act. The Act provides a maximum penalty of 240 penalty units (\$25,155) or two years imprisonment or both.
- 4 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 (\$25,155) or two years imprisonment or both.

15 Review

These procedures will be reviewed annually to ensure that 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 coordinator at the appropriate central or regional Department office.

If making disclosures personally or by telephone individuals need to contact the appropriate central or regional Department office and request to speak to the protected disclosure coordinator.

Protected Disclosure Coordinator
Assistant General Manager, Policy and
Employee Relations
Human Resources Division
Ground floor, 2 Treasury Place
East Melbourne Victoria 3002
Telephone (03) 9637 2456
Facsimile (03) 9637 2340

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 10

Portfolio responsibilities

During 2006–07, the Minister for Education, John Lenders MP, had responsibility for:

- school policy and funding
- student learning and curriculum
- teaching
- school discipline policies
- school performance and quality assurance
- school sponsorship and promotional events
- school planning and capital works
- school cleaning and maintenance
- student transport
- relocatable classrooms
- out-of-hours school care
- environment sustainability
- workforce supply and demand
- school staff grievances
- Occupational Health and Safety
- school administrative systems
- school governance
- statutory and other bodies.

During 2006–07, within her Education Services portfolio, the Minister for Skills, Education Services and Employment, Jacinta Allan MP, had responsibility for:

- international education
- student wellbeing and safety (including truancy and absenteeism; welfare officers and school nurses; immunisation; student critical incidents; school bullying; and other duty-of-care issues)
- Program for Students with Disabilities
- Education Maintenance Allowance
- School Start Bonus
- information technology infrastructure (delegated from the Minister for Education)
- youth transition (including Local Learning and Employment Networks)
- delivery of senior secondary certificates outside of school
- Victorian Qualifications Authority (except in relation to courses delivered in schools or qualifications issued to students in schools).

The Acts administered by each Minister are as follows.

Minister for Education

Education (Special Developmental Schools) Act 1976

Education Act 1958:

- except section 25A; Part V; section 82 (i) and (ia); sections 82 (p), (q) and (r) and 83 (insofar as they relate to the making of regulations relating to Part V or the matters referred to in section 82 (i) and (ia)); and section 84 insofar as it relates to section 25A (these provisions are administered by the Minister for Skills, Education Services and Employment)
- section 8(1) is jointly and severally administered with the Minister for Skills, Education Services and Employment.

Education Grants Act 1973

Mildura College Lands Act 1916

Royal Melbourne Hospital (Redevelopment) Act 1992:

- section 7 (the Act is otherwise administered by the Minister for Health).

Serpell Joint Schools Act 1981

Teaching Service Act 1981

Victorian Curriculum and Assessment Authority Act 2000

Victorian Institute of Teaching Act 2001

Victorian Qualifications Authority Act 2000:

- sections 8, 14, 19, 21, 24, 24A and 34 insofar as they relate to courses delivered in schools or qualifications issued to students in schools (the Act is otherwise administered by the Minister for Skills, Education Services and Employment).

Minister for Skills, Education Services and Employment

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).

Education Act 1958:

- section 8(1) (which is jointly and severally administered with the Minister for Education)
- section 25A
- Part V
- section 82 (i) and (ia)
- sections 82 (p), (q) and (r) and 83 (insofar as they relate to the making of regulations relating to Part V or the matters referred to in section 82 (i) and (ia))
- section 84 (insofar as it relates to section 25A).

The Act is otherwise administered by the Minister for Education.

Victorian Qualifications Authority Act 2000:

- except sections 8, 14, 19, 21, 24, 24A and 34 insofar as they relate to courses delivered in schools or qualifications issued to students in schools (these provisions are administered by the Minister for Education).

APPENDIX 11

Contracts and consultancies

Under the *Financial Management Act 1994* the following distinction is made between contractors and consultants.

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 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.

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.

Disclosure of major contracts

The Department has disclosed all contracts greater than \$10 million in value that it entered into in 2006–07. The disclosed contracts can be viewed on <www.tenders.vic.gov.au>.

Compliance with the Victorian Industry Participation policy

During 2006–07, the Department commenced 30 contracts to which the Victorian Industry Participation policy applied, totalling \$133,264,537 in value. The contracts included 12 metropolitan contracts totalling \$79,160,228, and 18 regional contracts totalling \$54,104,269.

The commitments under the policy included:

- an average level of local content of 98 per cent of the total value of the contracts
- 665 FTE jobs
- benefits to the Victorian economy through development and implementation of technology in schools, professional development for staff, and skills development through work on infrastructure projects and participation in related training in various trade areas and OHS.

The Department completed 15 contracts to which the Victorian Industry Participation policy applied, totalling \$50,726,969 in value. The contracts included six metropolitan contracts totalling \$22,043,266 and nine regional contracts totalling \$28,683,703.

Consultancies in excess of \$100,000

Consultant	Particulars	Amount paid in 2006–07	Future commitments as at 30 June 2007
Boston Consulting Group	To provide advice on organisational capacity to deliver on the Government's education agenda.	\$338,000	\$0
Total		\$338,000	\$0

Consultancies less than \$100,000

Number engaged	6
Total cost	\$345,673

APPENDIX 12

Other statutory requirements and Department policies

Building Act 1993

The Department conforms with the requirements of the *Building Act 1993* (the Act) and other statutory obligations with respect to the construction of new educational facilities and modernisation. The school modernisation program and building compliance program progressively ensure that existing buildings comply with relevant legislative requirements.

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.

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. Three requirements of the policy are:

- legislative reviews to eliminate restrictions on competition
- assessment of new legislation and regulation to ensure continued compliance with the policy
- 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 2006–07.

Assessment of new legislation and regulations

All new legislation and regulations enacted within the portfolio during 2006–07 were subject to assessment against National Competition policy requirements to ensure continued compliance with the policy.

Competitive neutrality

The Department was not involved in any complaints for the year 2006–07.

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 in July 2006.

Information privacy

The Department is committed to protecting the privacy of personal and health information. 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 privacy laws, provided with tools to assist with compliance and assisted with tailored privacy advice as required.

All of the Department's funded service providers are obliged contractually and by Victoria's privacy laws to ensure that they comply with the requirements of the legislation.

The Department's Information Privacy policy is reviewed periodically, and is made widely available. The Department works closely with the Office of the Victorian Privacy Commissioner and the Health Services Commissioner in providing privacy advice and assistance, resources and reference materials to ensure ongoing compliance across the Department.

The Freedom of Information and Privacy Unit investigates and responds to privacy complaints on a regular basis. Complaints are generally resolved at a local level; however, privacy complaints have been conciliated at the Office of the Victorian Privacy Commissioner and the Victorian Civil and Administrative Tribunal.

APPENDIX 13

Disclosure index and additional information

The Annual Report of the Department of Education 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.

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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
GPO Box 4367
Melbourne Victoria 3001

Acronyms and abbreviations

COAG	Council of Australian Governments
DIIRD	Department of Innovation, Industry and Regional Development
DVC	Department for Victorian Communities
ESL	English as a second language
FTE	Full-time equivalent
ICT	Information and communications technology
IRIS	Incident Reporting Information System
LLEN	Local Learning and Employment Network
MIPs	Managed Individual Pathways
OHS	Occupational health and safety
SIT	School Innovation in Teaching
SSO	School Services Officer
VCAL	Victorian Certificate of Applied Learning
VCE	Victorian Certificate of Education (Years 11 and 12)
VET	Vocational education and training
VPS	Victorian Public Service

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