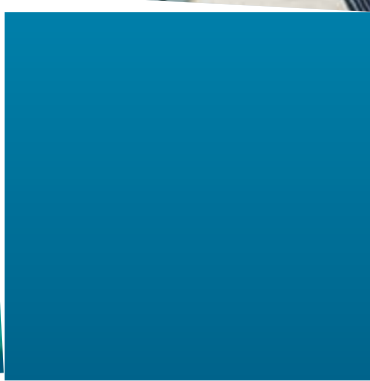
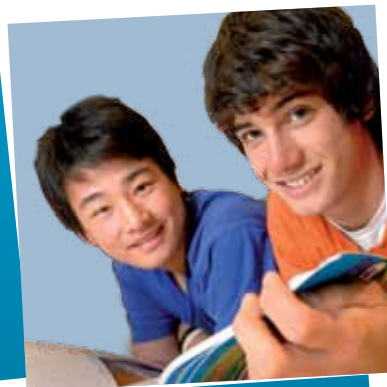


# Department of Education and Early Childhood Development

Annual Report  
2009–10

*Every  
child,  
every  
opportunity*



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for Strategy and Coordination Division  
Department of Education and Early Childhood Development

Melbourne  
September 2010

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September 2010

Hon Bronwyn Pike MP  
Minister for Education  
Minister for Skills and Workforce Participation

Hon Maxine Morand MP  
Minister for Children and Early Childhood Development

Dear Ministers

I am pleased to submit the 2009–10 annual report for the Department of Education and Early Childhood Development in accordance with the *Education and Training Reform Act 2006* and the *Financial Management Act 1994*.

Yours sincerely

A handwritten signature in dark ink, appearing to read 'Peter Dawkins', with a horizontal line underneath.

Professor Peter Dawkins  
Secretary

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# Secretary's overview



Professor Peter Dawkins

The Department has undertaken significant work to meet the Government's vision and objectives for education and early childhood development. Our annual plan identified 2009–10 as a year of implementation, with the Department focusing on implementing the Council of Australian Governments (COAG) reform agenda, the Blueprint for Education and Early Childhood Development, the Victorian Schools Plan (VSP) and the Commonwealth Government's Building the Education Revolution (BER) economic stimulus package.

It is through these reforms that the Department aims to achieve its mission of ensuring a high-quality and coherent birth-to-adulthood learning and development system to build the capability of every young Victorian. In addition to the policy implementation underway, a range of strategies and initiatives are in place to support this aim. This includes developing the capacity of our workforce, strengthening confidence in education and early childhood services, and developing the next phase of reform.

A selection of our 2009–10 key achievements against our annual plan key initiatives and objectives is provided below.

## Implementation

The Department has pursued policy reform and implementation in three high-profile areas – COAG reform agenda, Blueprint for Education and Early Childhood Development and the VSP and BER.

### COAG reform agenda

During 2009–10, the Department has continued to lead and develop national partnership agreements that aim to improve early childhood, schooling and youth transitions outcomes.

The Smarter Schools National Partnerships Bilateral Agreement and Implementation Plan will deliver \$327.8 million in Commonwealth Government funds over seven years, targeting improved literacy and numeracy outcomes, teacher quality and outcomes in low socioeconomic status school communities. The Victorian Government is making a similar investment over this period through a combination of new funding, reprioritisation of existing funding for schools, and state and system-wide initiatives and support.

The National Partnership on Youth Attainment and Transitions Bilateral Agreement and Implementation Plan will see \$135.2 million in Commonwealth Government funds delivered to Victoria over four years to increase the participation and attainment of 15–24-year-olds in education, training and employment. Victoria is also eligible for an additional reward payment tied to progress towards achieving the target of 92.6 per cent of young people achieving Year 12 or equivalent by 2015. Victoria is required to achieve an attainment rate of 89.35 per cent by 2012 to receive full payment.

There has also been great movement on national reform in early childhood development. Victoria is pleased to be hosting legislation to implement the National Partnership Agreement on the National Quality Agenda for Early Childhood Education and Care. Other jurisdictions will refer to this legislation and reform, which will facilitate and introduce a national approvals system and new national quality standards across all services, including preschool (kindergarten), family and long day care, and outside school hours care. Over time, these reforms will introduce improvements in staff qualifications and staff-to-child ratios in education and care services.

Victoria is also committed to working in partnership with the Commonwealth Government, local government, employers and early childhood staff in delivering the Early Childhood Education National Partnership, which recognises the importance to Australia's future prosperity of investment in early childhood. This partnership will see the implementation of universal access to 15 hours a week of kindergarten, 40 weeks a year, in the year before school. Barriers to kindergarten access for vulnerable children have been identified and strategies will be put in place to support inclusion of vulnerable children in 15-hour kindergarten programs.

The National Partnership for Indigenous Early Childhood Development, a partnership between government and the Indigenous community, aims to improve the outcomes of Indigenous children in their early years and give them the best start in life. Victoria has committed to this partnership and the first stage is focusing on Indigenous children aged 0–3 years. This partnership will see \$22 million of Commonwealth Government funds delivered to Victoria between January 2009 and June 2014. Under this partnership, Victoria is implementing three main initiatives:

- integration of early childhood services through Children and Family Centres
- increased access to antenatal care, pre-pregnancy, and teenage sexual and reproductive health services
- increased access to, and use of, maternal and child health services by Indigenous families.

Victoria is pleased to be co-hosting, with Queensland, the Australian Institute for Teaching and School Leadership. Established by the Ministerial Council for Education, Early Childhood Development and Youth Affairs (MCEECDYA), the Institute will provide national leadership in promoting excellence in the profession of teaching and school leadership. The Institute Board has identified five areas as immediate work program priorities: teacher and school leader standards, teacher certification, pre-service teacher education programs, professional learning, and stakeholder engagement and communications.

### **Blueprint for Education and Early Childhood Development**

The Blueprint for Education and Early Childhood Development, released by the Victorian Government in late 2008 as a five-year reform agenda, continued to drive commitment to the delivery of high-quality education and early childhood services. The Blueprint is structured around three key strategies: system improvement, partnerships with parents and communities, and workforce reform.

In November 2009, the Blueprint: One Year On was released, highlighting the Department's progress against the delivery of the 42 first-year Blueprint action commitments. I am particularly pleased with progress in several areas – delivering the Victorian Early Years Learning and Development Framework, the introduction of Transition Learning and Development Statements, and the implementation of the e5 Instructional Model for teachers and school leaders.

The Blueprint: One Year On details a further 23 new initiatives for 2010, including the following priorities.

- The Health and Wellbeing Service Framework will be released, which will support a coherent and coordinated system of health and wellbeing services for all children and young people aged 0–18 years (see case study on page 19).
- The Ultranet – an electronic learning environment that supports high-quality learning and teaching and facilitates efficient knowledge transfer – will be released. The Ultranet will enable collaboration and communication between teachers and students and assist partnerships with parents. Training for schools began in May 2010, and parents will be invited onto the Ultranet from the end of September 2010 (see key achievements on page 21).
- The Extended School Hub field trials to provide support for students and families in low socio-economic communities will commence (see case study on page 23).

### **Growing, Learning and Thriving: Building on Victoria's Achievements in Early Childhood Development**

On 27 November 2009, the Minister for Children and Early Childhood Development, Maxine Morand MP, released Growing, Learning and Thriving: Building on Victoria's Achievements in Early Childhood Development.

The Statement builds on the Blueprint for Education and Early Childhood Development and signals the next wave of reform in early childhood development services for children from 0 to 8 years. It outlines the Victorian Government's vision to achieve increased access to high-quality early childhood health, education and care for all Victorian children, and to improve outcomes for disadvantaged young Victorians.

It also brings coherence to the policy context for early childhood in Victoria, which has seen major developments over the past 12 months.

### **Victorian Schools Plan and Building the Education Revolution**

The VSP, when combined with the BER, is an unprecedented opportunity to provide our students, their families and Victorian communities with state-of-the-art facilities. A total of 1581 Victorian government school sites have benefited from the BER National School Pride program, 1253 will benefit from the Primary Schools for the 21st Century program and 70 schools will gain science and language centres. Where possible, the VSP has been strategically combined with the BER to maximise educational outcomes for Victorian students. The Victorian Government is committed to rebuilding, renovating or extending every Victorian government school by 2016–17.

Following the devastation of the 2009 bushfires, the Department has worked closely with bushfire-affected communities to rebuild school and early childhood facilities as quickly as possible. Marysville Primary School opened in April 2010, providing a much-needed integrated facility for the Marysville community. As part of the process of rebuilding the Marysville community, the new school is part of the Marysville Community Learning, Health and Recreation Hub, which houses a kindergarten and children's centre, and will later become home to a health centre. The hub will provide top-quality education opportunities and health services for Marysville families.

The new schools to be built in Strathewen and Middle Kinglake are progressing well and benefiting from significant community input. Strathewen students are expected to move into their new facilities towards the end of 2010, and Middle Kinglake will be open in Term 1, 2011.

## Capacity building

A flexible, appropriately qualified, empowered workforce is vital for developing and implementing early childhood and education policies and programs for Victoria's children and young people. Workforce development is therefore a key focus for the Department. In August 2009, the Department's Organisational Development (OD) Framework was released. Implementation of the framework has commenced with the development of the Department's new CORE values. During the year, an all-staff survey and a further management consultation were undertaken to develop an evidence base and inform the identification of achievements and priorities related to organisational capacity.

Capacity building of the early childhood workforce and the teaching and school leadership workforce has been a specific focus. Three initiatives have been pursued over the past year.

- Victoria's Early Childhood Workforce strategy 2009 was released and provides a long-term vision for the early childhood workforce. The strategy includes boosting staff qualifications and providing more support for early childhood teachers to work in rural and regional Victoria. The Victorian Government is promoting early childhood as a career of choice, employing measures to attract high-performing students into the area and supporting early childhood professionals to take on leadership roles.
- Rollout of the e<sup>5</sup> Instructional Model for teachers and school leaders was completed. The model focuses on five domains – engage, explore, explain, elaborate and evaluate – and provides school leaders and teachers with a tool to develop a shared understanding of how to improve classroom practice.
- Teacher performance pay models were trialled in 44 schools from May 2010. Thirty-five are trialling the school rewards model and nine the teacher rewards model. All trial schools participated in a two-day forum that focused on the e<sup>5</sup> Instructional Model and performance and development processes.

## Strengthening confidence

The Department has an ongoing role in strengthening confidence in the education and early childhood sectors. This recognises the vital role that parents and communities play in supporting educational delivery and participating as active partners in children's development and learning.

The transparency agenda has been the key focus during 2009–10. Through the Victorian Registration and Qualifications Authority (VRQA) State Register, School Performance Summaries for Victorian government schools are now available. The summaries provide parents and communities with clear, easy-to-understand information regarding school performance across a range of measures, from academic performance to student satisfaction.

August 2009 saw the statewide introduction of the Transition Learning and Development Statement. These statements provide families with detailed information on their child's learning and social development in early childhood settings as they make their transition to school. The statements also provide primary schools with information on their new cohort of Prep students. In particular, teachers will have an earlier understanding of student abilities, interests, and any learning difficulties or development delays. Transition statements provide an important bridge between early childhood services, schools and families, providing students and families with continuity and information transfer.

The recent launch of the Families as Partners in Learning website will support early childhood services and schools to work together with families to support their child's learning, particularly learning in the home. The website is a central portal of information that provides strategies, case studies, tools and resources to strengthen partnerships among schools, early childhood services and families.

## Growing Victoria Together

The Department is tracking well against the Growing Victoria Together goals.

- The kindergarten participation rate remains consistently high with 92.7 per cent of 4-year-olds having attended a funded kindergarten program in 2009.
- The 2009 National Assessment Program – Literacy and Numeracy (NAPLAN) results showed that the scores achieved by Victorian students were above the Australian average across Years 3 and 5 in all domains (that is, Reading, Writing, Spelling, Grammar and Punctuation, and Numeracy).
- In 2009, the proportion of 20–24-year-olds who had completed Year 12 or equivalent was 86.8 per cent, up from 81.8 per cent in 2000.

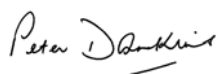
## The year ahead

During 2010–11, the Department will prioritise:

- continued implementation of the Blueprint for Education and Early Childhood Development, the COAG reform agenda and the VSP and BER
- building organisation capacity by implementing key elements of the Department's OD Framework, including embedding of CORE values, workforce capability development, improving the effectiveness and alignment of key processes, and strengthening collaboration and partnerships
- working collaboratively with parents and other key stakeholders to improve outcomes for Victoria's children and young people
- focusing on evaluation, including partnering with research bodies and strengthening the evidence base to support the implementation of outcomes for children and young people.

The Department will also explore new opportunities to transform Victoria's approach to learning and development beyond 2010–11 that focus on integrated childhood and education services with enhanced family and community engagement. This will better position us to meet the broad economic and demographic challenges presented by an increased birth rate, rapid technological change, skills shortages and an ageing workforce. Education and early childhood development will have a critical role in meeting these challenges and shaping Victoria's future.

I would like to thank the Minister for Education and the Minister for Skills and Workforce Participation, the Hon Bronwyn Pike MP, and the Minister for Children and Early Childhood Development, the Hon Maxine Morand MP, for their support during 2009–10. I would also like to take the opportunity to thank my colleagues and staff in the Department and statutory authorities for their contribution towards achieving the Government's goals and targets in our portfolio.



Professor Peter Dawkins  
Secretary

# About the Department

## Vision

Every young Victorian thrives, learns and grows to enjoy a productive, rewarding and fulfilling life, while contributing to their local and global communities.

## Mission

Ensure a high-quality and coherent birth-to-adulthood learning and development system to build the capability of every young Victorian.

## Key responsibilities

The Department supports the Minister for Education and the Minister for Children and Early Childhood Development. Our focus is on the learning, development, health and wellbeing of all young Victorians, from birth to adulthood.

The Department provides a range of services for young people, from birth to the beginning of adulthood. These services support delivery of its four main responsibilities:

- to provide policy advice to the Ministers about education, early childhood development and children's services in general
- to implement Victorian Government policy on early childhood services
- to implement Victorian Government policy on school education for all school-age children
- to manage and drive continuous improvement in the delivery of primary and secondary education in Victorian government schools.

The Department provides services to children and young people directly through government schools and indirectly through regulation and funding of early childhood services and non-government schools.

As of the February school census there were:

- 1555 government schools
- 707 non-government schools.

During 2009–10, the early childhood sector included 921 maternal and child health nurses operating from 724 service locations; over 4000 children's services and outside school hours care programs, 2932 fully licensed services and 1192 provisionally licensed services; and 982 organisations that were funded to provide kindergarten programs for children in the year before school at 1670 service locations.

To support the delivery of services, the Department is organised into four central offices and nine regional offices (see organisational chart on page 15). The four central offices are:

- Office for Children and Portfolio Coordination (OCPC)
- Office for Government School Education (OGSE)
- Office for Policy, Research and Innovation (OPRI)
- Office for Resources and Infrastructure (ORI).

## Outcomes

The outcomes outlined below provide a basis for supporting all children, young people and their families to access high-quality and integrated services. The Department is striving to ensure that every child and young person is moving towards these outcomes and achieving optimal health, development and learning. The Department recognises that some children, young people and their families will need more support than others at different developmental stages and particularly at the time of key transitions. The focus of these services is on providing access when there is a need and early intervention when problems arise.

### Early childhood

- Children have the best start in life to achieve optimal health, development and wellbeing.
- All children have access to affordable, high-quality early childhood education in the years before schooling.
- Quality early childhood education and care supports the workforce participation choices of parents with children in the years before formal schooling.
- Children acquire the basic skills for life and learning.

### Schools

- All children are engaged in and benefiting from schooling.
- Children are meeting expected literacy and numeracy standards, and overall levels of literacy and numeracy are improving.
- Victorian students excel by national and international standards.

### Youth transitions

- Young people make a successful transition from school to further education and/or work that provides further training opportunities.



Hon Bronwyn Pike MP  
Minister for Education  
Minister for Skills and Workforce  
Participation

## Ministers

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

The Acts of Parliament administered by each Minister are outlined in Appendix 11.

### Minister for Education

#### Hon Bronwyn Pike MP

Bronwyn Pike has been Minister for Education since August 2007, and is the longest serving female Minister in Victoria's history.

The Minister for Education is responsible for the *Education and Training Reform Act 2006*, which provides for 'a high standard of education and training for all Victorians'. The Minister for Education's responsibilities include school policy, governance, funding, planning and performance, student learning and curriculum, teaching and workforce supply, occupational health and safety, and information technology.

In addition to her responsibilities as Minister for Education, Ms Pike became Minister for Skills and Workforce Participation in January 2010, supported by the Department of Innovation, Industry and Regional Development and the Department of Planning and Community Development.



Hon Maxine Morand MP  
Minister for Children and  
Early Childhood Development

### Minister for Children and Early Childhood Development

#### Hon Maxine Morand MP

Maxine Morand is the first Victorian Minister for Children and Early Childhood Development.

The Minister for Children and Early Childhood Development's responsibilities include early childhood services (encompassing the maternal and child health service, licensing and regulation of children's services and primary school nursing), kindergartens, the Children's Capital Grants program, kindergarten cluster management, children's policy and research, Indigenous early childhood policy and services, early childhood intervention services, primary and secondary school nurses programs, and programs for students with a disability.

In addition to her responsibilities as Minister for Children and Early Childhood Development, Ms Morand is also Minister for Women's Affairs, supported by the Department of Planning and Community Development.



Professor Peter Dawkins,  
Secretary, Department of  
Education and Early Childhood  
Development

## Secretary

### Professor Peter Dawkins

Professor Peter Dawkins joined the Department as Secretary in 2006 and is responsible for managing the Department, thus ensuring that the Minister for Education and the Minister for Children and Early Childhood Development are supported in their portfolios.

Since 2007, Professor Dawkins has led a five-year reform agenda on behalf of both Ministers as outlined in the Blueprint for Education and Early Childhood Development. He has also worked on numerous policy committees, including:

- the Productivity Agenda Working Group that developed the National Productivity Agenda for COAG
- chairing the committee that produced the Melbourne Declaration on the Educational Goals for Young Australians
- the committee supporting school improvement and transparency and accountability in Victorian government schools.

Prior to joining the public service, Professor Dawkins held a number of university positions and remains an honorary Professorial Fellow of the Melbourne Institute. Professor Dawkins is a Fellow of the Academy of Social Sciences in Australia and a Fellow of the Institute of Public Administration Australia (Victoria). In 2010, Professor Dawkins took study leave of seven weeks at the University of Melbourne to undertake research and policy writing on improving educational outcomes for Victorians, and addressing socioeconomic disadvantage in education policy.

## Corporate governance

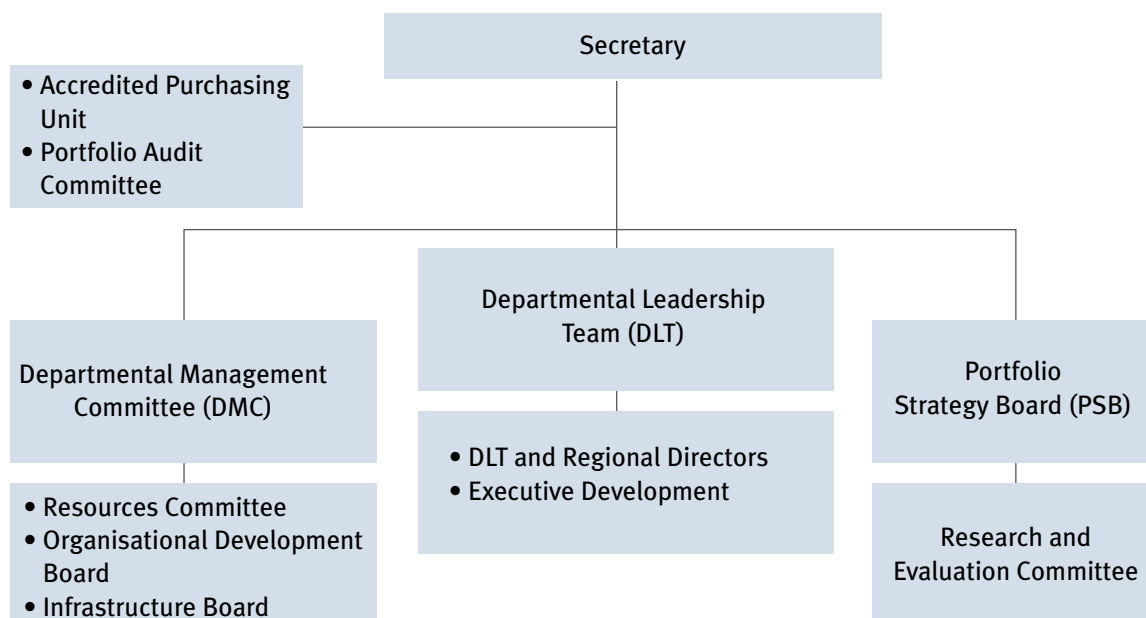
The Department's corporate governance structure supports the Department's direction setting and decision-making, assessment and treatment of risk, compliance and accountability requirements, and the monitoring and optimising of performance.

The Secretary is supported by three key committees:

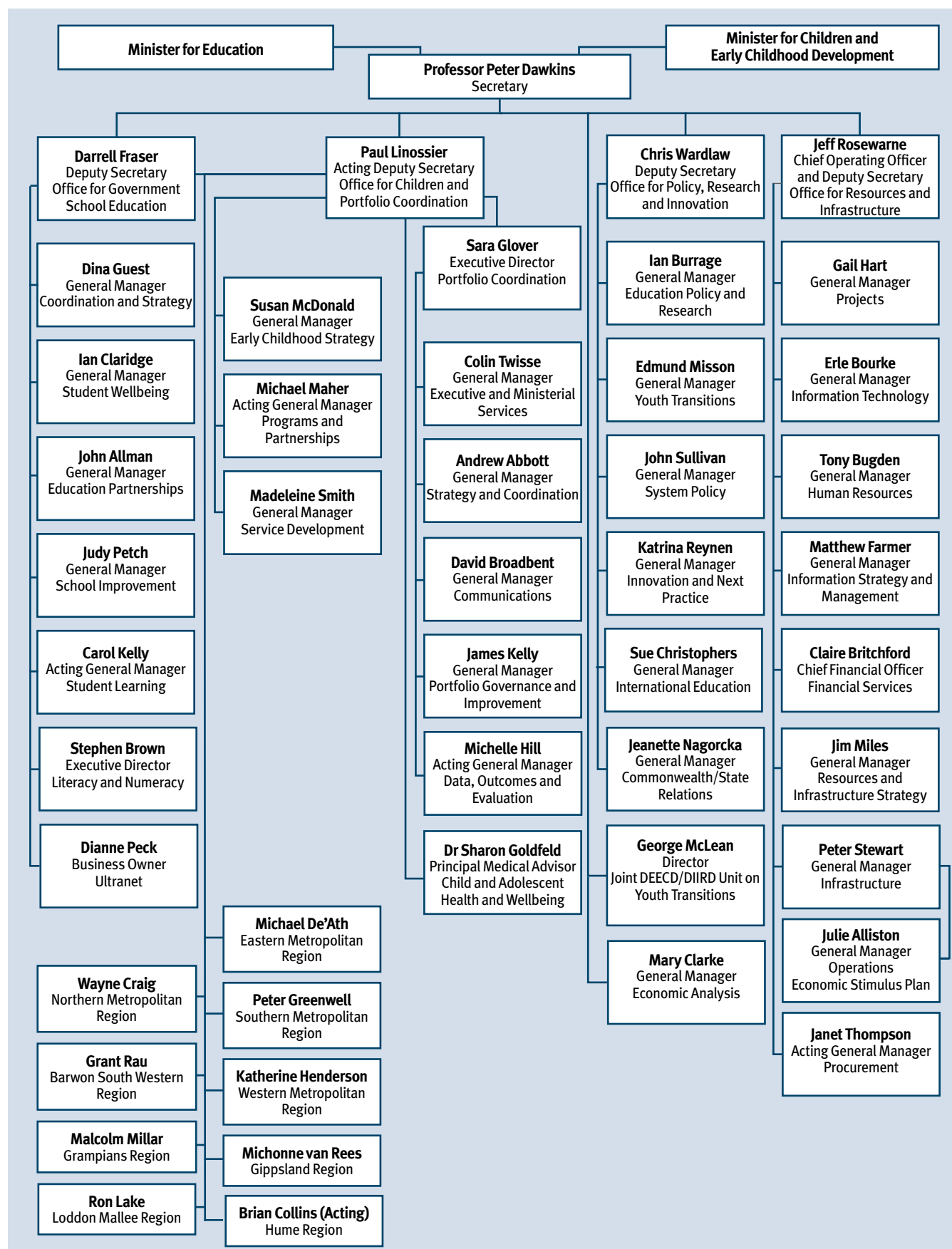
- the Departmental Leadership Team (DLT), which meets weekly and is responsible for setting policy directions, ensuring the alignment of planning and resources, and considering advice from executive committees
- the Departmental Management Committee (DMC), which meets monthly and oversees management of the Department's human, financial and information resources, and monitors the implementation of key departmental priorities
- the Portfolio Strategy Board (PSB), which meets quarterly and monitors the Department's progress against the corporate plan, and assesses the success of portfolio strategies. The PSB also oversees the Department's research agenda, and identifies areas for long-term policy and strategy work.

Additionally, two other committees, the Portfolio Audit Committee (PAC) and the Accredited Purchasing Unit (APU), provide governance support to the Secretary.

## Corporate governance structure



# Organisational chart as at 30 June 2010



# Office for Children and Portfolio Coordination

## Deputy Secretary Tony Cook

Mr Tony Cook was appointed Deputy Secretary, OCPC, in June 2009 after serving as Deputy Secretary, Office for Planning, Strategy and Coordination. Mr Cook, a registered primary school teacher, has been extensively involved in the development of the National Quality Agenda for Early Childhood Education and Care, and the broader COAG early childhood reform agenda. He is the Deputy Chair of the Ministerial Council for Education, Early Childhood Development and Youth Affairs (MCEECDYA) Early Childhood Development Working Group.

On 27 April, Mr Cook was seconded to the Commonwealth Government Department of Education, Employment and Workplace Relations in the position of Deputy Secretary and Director of the Office for Early Childhood Education and Child Care.

## Acting Deputy Secretary Paul Linossier

During Mr Cook's secondment, Mr Paul Linossier took up the position of Acting Deputy Secretary, OCPC. Prior to his appointment as Executive Director, Early Childhood Development, in October 2009, Mr Linossier was CEO of MacKillop Family Services. Mr Linossier was awarded a Centenary Medal for services to the welfare sector and the Robin Clark Memorial Award for Inspirational Leadership in 2007.

The Office for Children and Portfolio Coordination (OCPC) leads reform in the early childhood sector and action across government and in the community to sustain and improve outcomes for children, young people and their families. OCPC coordinates and integrates the Department's activities across offices, government departments and other agencies, and contributes to portfolio improvement through planning, performance monitoring, evaluation, reporting, risk and compliance management. OCPC also provides advice and an evidence base to shape strategic directions and influence reform.

### Key achievements 2009–10

- Developed and implemented the Victorian Early Years Learning and Development Framework (VEYLDF), which encompasses the national Early Years Learning Framework.
- Implemented the amended *Children's Services Act 1996* and the new Children's Services Regulations 2009, including the licensing and regulation of the family day care and outside school hours care sectors.
- Began implementation of early start kindergarten for 3-year-old children known to child protection, and Aboriginal children.
- Rolled out the Australian Early Development Index across Victoria as part of the national rollout. The index provides a national picture of children's health and development and shows strengths and areas for improvement.
- Implemented the Transition: A Positive Start to School initiative, which includes a Transition Learning and Development Statement developed by early childhood educators and families for each child moving from a funded kindergarten program to Prep in 2010.
- Increased levels of transparency and accountability through the publication of Government School Performance Summaries, available via the VRQA State Register.
- Implemented amendments to the *Education and Training Reform Act 2006* that deliver a national commitment to legislate for a new national school leaving age of 17 years.
- Implemented the Department's new electronic document and records management system across central office.
- Managed national consultations on the National Framework for Universal Child and Family Health Services on behalf of the Child Health and Wellbeing Subcommittee of the Australian Population Health and Development Principal Committee of the Australian Health Ministers' Advisory Council (AHMAC).
- Coordinated the Department's response to the interim recommendations of the Bushfire Royal Commission, including a major training, awareness and preparedness program rolled out to all schools and early childhood centres in Victoria.

- Coordinated the Department's response to the swine flu outbreak of 2009. This involved communicating with schools, children's services and parents, working closely with the Department of Human Services to manage community concern and school closures, and providing information updates and contacts for medical advice.
- Supported the Effective Early Educational Experiences for Kids (E4Kids) research program led by the University of Melbourne: a longitudinal study into the effects of participation in long day care, family day care and kindergarten, together with related studies of early childhood interventions for disadvantaged children.
- Released key documents and policy statements including:
  - Blueprint for Education and Early Childhood Development: One Year On
  - Growing, Learning, Thriving – Building on Victoria's Achievements in Early Childhood Development, which outlines how Victoria will achieve its vision for early childhood
  - Improving Victoria's Early Childhood Workforce: Working to give Victoria's Children the Best Start in Life, a strategy that focuses on improved professionalism and sustainable capacity across early childhood services
  - Towards a Health and Wellbeing Service Framework – a discussion paper for consultation. Feedback on the discussion paper and consultations will shape a final Health and Wellbeing Service Framework, due for publication in late 2010 (see case study on page 19)
  - A Partnership Agreement with the Municipal Association of Victoria (MAV), which commits to building positive, collaborative relationships between the Department, MAV and all Victorian local councils, to increase the learning and development opportunities for children, young people and families
  - A Partnership Agreement with the Victorian Community Sector (signed by the Victorian Council of Social Service on behalf of the sector), which commits to working together to improve the learning, development, health and wellbeing outcomes of all Victorian children and young people, particularly those who are vulnerable or experiencing disadvantage
  - Better Opportunities, Better Outcomes, which represents a new step in Victorian planning for services and support for children and young people with a disability or developmental delay. This whole-of-government strategy focuses on the supports funded through the Department and disability services funded through the Department of Human Services. The Strategic Directions paper paves the way for a more holistic approach to the diverse and changing needs of children and young people with a disability or developmental delay, and the needs of their families.

## Future plans and challenges

- Trial programs to determine Victoria's capacity to meet the COAG commitment to provide universal access to 15 hours per week of kindergarten.
- Develop new national legislation to support the implementation of the National Quality Framework for Early Education and Care.
- Establish further integrated children's centres.
- Develop a regional rollout strategy for the Department's new electronic document and records management system.
- Implement amendments to the Children's Services Regulations to ensure alignment with national commitments.
- Provide information to the public about statutory sanctions applied to licensed children's services.
- Develop a framework for collaboration with the community sector on education and early childhood development.
- Release and disseminate key findings from *The State of Victoria's Children 2009: Aboriginal Children and Young People in Victoria* report in the coming year to better inform key stakeholders.
- Release Balert Boorron: The Victorian Plan for Aboriginal Children and Young People (2010–2020).
- Work with the Department of Health and the Department of Human Services to set joint Victorian Child Public Health Priorities and establish a framework for action across Victorian Government to improve Victorian children's health, wellbeing and development, as well as funded activities that promote children's health and wellbeing through the National Partnership on Preventative Health – Healthy Children initiative.
- Lead whole-of-Victorian-government work on the development of a Breastfeeding Action Plan, including trialling community-based strategies to increase breastfeeding rates. This plan will facilitate implementation of the National Breastfeeding strategy.
- Implement the emergency management review to revise and update all of the Department's emergency management governance arrangements, processes and protocols.
- Initiate improvements to school council financial audit processes.
- Coordinate the Reducing Red Tape project across the Department and significantly improve internal audit processes.

## Case study

### Partnerships to improve school communications

More than 100 students from RMIT and Swinburne universities worked with six Victorian government schools in a special pilot project to support schools' marketing and communications activities during 2009. The Schools Marketing and Partnership Project matches the skills and talents of the Marketing, Communications and Public Relations undergraduate students with the schools' marketing and communication needs.

University students teamed up with schools to work on brochures, newsletters, web design and content, media releases and advertising. Identified challenges included:

- how to engage with parents and the community
- how to integrate communication products, including web and newsletters
- how to develop school branding and identity.

The project successfully provided valuable, hands-on experience for university students and delivered practical outcomes for schools. School principals found the exercise very worthwhile and recommended replicating this project in other schools. Universities felt the task engaged their students and provided a positive experience. In 2010, the project is continuing through a partnership between the Department, Swinburne University and seven schools in Eastern Metropolitan Region that were identified with the assistance of regional network leaders.



Swinburne University marketing students with Amsleigh Park Primary School Principal and School Council President

## Case study

### Health and Wellbeing Service Framework

The Department brings together a wide range of services that focus on optimising learning, development, health and wellbeing outcomes for children and young people aged 0–18 years, comprising:

- Maternal and Child Health Services
- Early Childhood Intervention Services
- Primary School Nursing program
- Primary Welfare Office initiative
- Secondary School Nursing program
- Student Welfare Coordinators
- Student Support Services
- school chaplains
- school-appointed wellbeing engagement staff.

The Health and Wellbeing Service Framework project looks at the opportunities and challenges resulting from the provision and coordination of this broad range of services, and aims to promote an integrated approach to meeting children and young people's health and development needs across the range of services supported by the Department.

A discussion paper, Towards a Health and Wellbeing Service Framework, was released on 2 February 2010. Consultations were held with a wide range of key stakeholders, including regional offices, workforce forums, and coordinators and managers of program areas. Written feedback was received from advisory bodies, peak bodies, professional associations, central and regional Department staff, teachers, educators and care professionals. The feedback received will shape a final Health and Wellbeing Service Framework, due for publication in late 2010.



The Health and Wellbeing Service Framework discussion paper

# Office for Government School Education

## Deputy Secretary Darrell Fraser

Mr Darrell Fraser, a former secondary school principal, was appointed Deputy Secretary, OGSE, in January 2004. His appointment coincided with the launch of the Government's Blueprint for Government Schools, a reform agenda that required a strategic response. Under Mr Fraser's leadership, the Effective Schools Model, the Developmental Learning Framework for School Leaders, regional networks and the e<sup>5</sup> Instructional Model were developed and implemented. These reforms have contributed to building a coherent school improvement strategy and have had a positive impact on the performance of principals and teachers and the learning outcomes of students.

The Office for Government School Education's (OGSE) main function is to manage, coordinate and implement high-quality government school education across Victoria. OGSE aims to improve the educational outcomes of all students in government schools by addressing variations in school performance across the State; developing skilled school leaders and teachers; fostering parent and community engagement; and planning, managing and supporting the delivery of strategies to improve outcomes for children and young people from 0 to 18 years. The nine regional offices are critical to implementing the school improvement agenda and coordinating early childhood and youth services.

### Key achievements 2009–10

- Built workforce capacity by:
  - employing 45 equivalent full-time (EFT) literacy coaches, 15 EFT Koorie literacy coaches, and 200 EFT teaching and learning coaches to support teachers in selected schools and to improve student learning outcomes in literacy, mathematics and science
  - offering 19 leadership programs designed to develop the knowledge and skills of principals, assistant principals and teachers
  - enabling teachers to improve their teaching practice by accessing teacher professional leave
  - ensuring trained mentors are available to support new teachers
  - supporting returning teachers and internationally trained teachers to refresh or improve their teaching skills and understanding of government schools
  - supporting 33 teachers to complete the Vocational Graduate Diploma of Teaching Students with Autism Spectrum Disorder at the Autism Teaching Institute
  - giving education support staff access to structured professional learning programs and grants to support their individual or team learning needs.
- Supported literacy and numeracy by:
  - establishing the Literacy and Numeracy Secretariat in January 2010 to coordinate literacy and numeracy policy and programs across the Department, and to assist regional offices, networks and schools to improve student achievement in literacy and numeracy
  - releasing the Victorian Literacy and Numeracy Statement, which provides a clear and coherent set of expectations that focus on improvement of literacy and numeracy outcomes for all Victorian students.

- Held a forum in June 2010 to support principals of National Partnerships schools, regional network leaders, senior regional staff and other stakeholders to achieve the objectives of the national partnerships.
- Entered into a unique partnership with the Colman Foundation. This philanthropic organisation will donate additional funds towards the construction and operation of a new Prep–Year 9 School and Early Childhood Service on the site of Doveton Heights Primary School.
- Conducted extended diagnostic reviews in 71 Victorian government schools that required immediate assessment and intervention. Independent education experts explored each school's performance by examining data and working extensively with staff, students and the school community. Feedback received from schools and regions was positive, with the reviews contributing to the implementation of effective improvement strategies.
- Introduced the Network Accountability and Improvement Framework to provide regions with increased capacity to support schools by giving greater responsibility to school networks. Regional network leaders oversaw the development of strategic plans in all 70 networks across the state, with schools encouraged to focus on joint approaches and solutions.
- Rolled out Release 1 of the Ultranet – an electronic learning environment supporting high-quality learning and teaching; connecting teachers, students and parents; and enabling efficient knowledge transfer – to government schools beginning in May 2010. Using endorsed digital content and powerful web 2.0 technologies, Release 1 supports teacher collaboration and stimulates student engagement.
- Opened Nossal High School with 200 Year 9 students at the beginning of the 2010 school year. This school is Victoria's first purpose-built, coeducational, selective-entry government school. Nossal High School joins Melbourne High School and MacRobertson Girls High School in offering a comprehensive, academic curriculum for students in Years 9–12.
- Supported the recovery of bushfire-affected schools and students through coordination of the YMCA In-school Support and School Holiday programs and the Scholarships program, both of which were funded by the Victorian Bushfire Appeal Fund.

Note: Key achievements relating to student learning programs and student services appear in the Outputs and Performance Measures section under 'Compulsory years' (pages 40–43) and 'Services to students' (pages 46–47).

## Future plans and challenges

- Roll out the Ultranet to all government schools by the end of September 2010. The Ultranet will enable the delivery of customised learning programs for students, support ongoing dialogue between parents and teachers, and help parents to become full partners in their child's education.
- Implement the Department's five-year regional autism plans to support the Autism State Plan. These regional plans will identify strategies to better coordinate services for students with autism to improve their educational outcomes.
- Deliver the Effective School Governance training package, part of the suite of leadership professional learning programs offered by the Bastow Institute of Educational Leadership. The package will develop the knowledge and skills school council members need to fulfil their school governance roles and improve their capacity to influence the quality of education provided to students in their schools. It will be delivered either face to face or online.
- Finalise development of Victoria's Rural Education Framework, which will assist in the implementation of the school improvement agenda in rural schools. The framework will provide strategies to improve educational outcomes for regional and rural students and ensure that they have access to a high-quality education.

## Case study

### Bastow Institute of Educational Leadership

In July 2009, the Minister for Education launched the Bastow Institute of Educational Leadership. The Bastow Institute provides outstanding professional learning opportunities for emerging leaders, leadership teams, and new and experienced principals. Training modules developed for teachers who have demonstrated achievement in a leadership role and are aspiring to a principal class position form an important part of the Bastow Institute's range of professional learning opportunities. These opportunities are also provided for regional network leaders; literacy, numeracy and instructional coaches; business managers; and professionals in the early childhood workforce. School council members will be able to participate in a tailor-made professional learning program from 2011.



Architect's impression of the Bastow Institute building, currently being refurbished and extended to meet contemporary professional learning requirements

Bastow Institute director, Bruce Armstrong, said, 'The Institute is a landmark in the provision of professional learning in leadership in Victoria. It will expand the range of innovative learning opportunities and extend the Department's strategy to build a strong culture of effective leadership and professional learning'.

The Bastow Institute in Queensberry Street, North Melbourne, will be located in a heritage building dating from 1882 designed by architect Henry Bastow. The building is undergoing significant refurbishment and will feature state-of-the-art technology and learning spaces, including a lecture theatre, an observational classroom, syndicate rooms and an area for larger groups. The building will open in 2011.

## Case study

### Wyndham Extended School Hub

Participation in the Smarter Schools National Partnership for Low Socio-Economic Status School Communities has enabled the Department to conduct four Extended School Hub field trials. The hubs offer a place-based approach to reducing barriers to learning and development experienced by children, young people and their families. The Victorian hubs are located in Eaglehawk, Corio–Norlane, Wyndham and Frankston North. A two-year evaluation will be undertaken to determine the value of the Extended School Hub models for potential replication.



Participants from schools, state and local government, and community-based organisations engage in collective planning for a suitable model for the Wyndham Extended School Hub

The Wyndham field trial is located in Werribee, a rapidly growing, culturally diverse area of Melbourne's west that faces many challenges associated with high unemployment and low educational attainment. The three schools involved in the field trials are Glen Devon Primary School, Glen Orden Primary School and Galvin Park Secondary College. These schools are working collaboratively with their regional network leader, The Smith Family, community-based organisations, business and local government to develop an extended school model that will maximise learning outcomes for children and young people and deliver complementary learning programs before, during and after school hours. A number of strategic working groups will concentrate on connecting schools with outside-school activities and providing additional opportunities for students, families and the community to have a voice in the planning and delivery of specific strategies.

The Wyndham field trial model will focus on contributing to lifting performance in literacy, numeracy and student retention, and improving relationships between schools and their communities. Examination of education and early childhood data and consultation across the community led to the development of three focus areas – improving school readiness, increasing student engagement, and lifting the aspirations of families, children and young people.

# Office for Policy, Research and Innovation

## Deputy Secretary Chris Wardlaw

Mr Chris Wardlaw was appointed Deputy Secretary, OPRI, in July 2009. He was Deputy Secretary for Education (Curriculum and Quality Assurance) for the Hong Kong Government from 2002 until 2008. Prior to his appointment in Hong Kong, Mr Wardlaw held executive roles in the Victorian Education Department, including consultancy and policy roles at regional and central offices. Mr Wardlaw has taught at university and secondary schools. In a parallel sporting career, he was the head coach of the Australian Track and Field team at the Sydney Olympic Games in 2000 and an Olympic distance runner.

The Office for Policy, Research and Innovation (OPRI) leads the Department in strategic policy development, research and management of key relationships including cross-sectoral, Commonwealth–State, youth transitions and international education. OPRI establishes partnerships that enable more effective and innovative provision of education and early childhood development across all schools and early childhood settings. Through this work, OPRI supports the Department's vision to ensure that every young Victorian thrives, learns and grows to enjoy a prosperous and fulfilling life, and contributes to their local and global communities.

### Key achievements 2009–10

- Released papers outlining the Government's approach to enhanced transparency and accountability:
  - Supporting School Improvement: Transparency and Accountability in Victorian Government Schools promotes a shared understanding between parents, schools and the government school system about how every school is working and how student outcomes are being improved
  - Transparency and Accountability across all School Sectors in Victoria sets out the approach for all schools regardless of sector
  - Measuring Performance Fairly explains the new intake-adjusted measure of school performance.

Victoria's approach to transparency and accountability aligns with the Commonwealth Government's accountability and transparency initiatives, including the My School website.

- Negotiated a new Victorian Non-Government Schools Funding Agreement for 2010–2013 with the Catholic Education Commission of Victoria and Independent Schools Victoria, which took effect from 1 January 2010. The agreement will enhance transparency and accountability, promote school improvement, encourage cross-sectoral partnerships, and provide new funding targeted to the most needy non-government schools and students, particularly students with disabilities and those from disadvantaged backgrounds.
- Developed Find, Use and Share Education (FUSE) resources, an online portal providing access to digital content from Victoria's cultural and other educational organisations. The tool provides all government schools with quick and easy access to large repositories of education resources. Teachers can access resources, compile resource packages, build lessons, and find policies and guidelines related to their work. Minister Pike and Senator Conroy launched the portal on 16 February 2010.

- Demonstrated innovation in Victorian education and early childhood settings by:
  - holding a showcase in May 2010 to celebrate and share innovative practices
  - holding the inaugural Innovative Learning Environments Design Conference in October 2009, promoting Victoria's achievements in learning environment design and function.
- Negotiated the Smarter Schools National Partnerships Bilateral Agreement and the Victorian Implementation Plan. The National Partnerships aim to improve teacher quality, boost literacy and numeracy outcomes, and address educational disadvantage resulting from low socioeconomic status school communities. The then Deputy Prime Minister and the Victorian Minister for Education and Skills and Workforce Participation endorsed the agreement with Victoria's implementation plan announced on 28 April 2010.
- Negotiated the National Partnership on Youth Attainment and Transitions Bilateral Agreement and Victorian Implementation Plan. This National Partnership seeks to increase participation of 15–24-year-olds in education, training and employment; raise attainment levels; and improve transitions from school to further education, training and employment. As part of this Partnership there have been major reforms to youth, careers and transitions programs, with a collaborative approach from the Commonwealth and Victorian Governments to reduce duplication and overlap. The then Deputy Prime Minister and the Victorian Ministers for Education and Skills and Workforce Participation endorsed the agreement with Victoria's implementation plan announced on 28 April 2010.
- Organised a Research and Innovation Partnerships Forum, which engaged over 300 researchers from universities, research organisations, and other government agencies and departments in a discussion about priority areas of interest for research. The forum explored possible partnership arrangements that share knowledge, build capacity and help set future policy directions.
- Established a broader approach to international student programs; student, teacher and principal exchanges; and school-to-school relationships.
- Coordinated the OECD/Centre for Educational Research and Innovation (CERI) research project. Victoria is the only Australian state or territory participating in this project, the first stage of which involves identifying and recording cases of innovative learning environments. The project aims to provide examples of inspiring practice to enrich mainstream education in systems around the world. Sixteen Victorian schools have been nominated as part of the project during 2009–10.

## Future plans and challenges

- Adopt a coherent approach to monitoring, reporting on and evaluating the seven COAG National Partnerships involving early childhood, schooling and youth transitions. This will facilitate linkages between National Partnerships, ensure effective management of relationships, and support progress towards agreed targets and outcomes.
- Work in partnership with the Victorian Curriculum and Assessment Authority to support implementation of the new Australian curriculum.
- Coordinate the Department's contribution to Victoria's Plan to Promote Respect, which is building on a number of existing policies, including those focused on drug and alcohol awareness, school curricula, volunteering, cyber safety and cultural diversity.
- Develop a Languages Strategy that defines quality languages education for all Victorian students. The strategy will build on the Victorian Languages Strategy Discussion Paper and consultation process.
- Develop innovative models of workforce reform, sharing leading practice and addressing disadvantage through the use of technologies.
- Showcase the strengths and achievements of Victoria's school education in a classroom exhibit at the Shanghai World Expo in China in August 2010. More than 40,000 people are expected to visit the Australian Pavilion at the Shanghai World Expo each day.

## Case study

### Find, Use and Share Education

Victoria is setting a new benchmark in the digital education revolution with the online portal FUSE.

FUSE, a publicly accessible site developed by the Department, was launched on 16 February 2010 by Minister Pike and Senator Stephen Conroy, Federal Minister for Broadband, Communication and the Digital Economy.

FUSE has been developed as part of the KnowledgeBank: Next Generation Project. This project conducted research in hundreds of classrooms across Victoria to investigate how web 2.0 technologies can enhance teaching and learning, and established appropriate usage policies for these technologies.

Specifically designed to supply high-quality digital content to schools, families and individual students, FUSE presents quality-assured websites from a range of sources, including those specifically designed for FUSE by cultural organisations such as the National Gallery of Victoria, the State Library, Museum Victoria and Zoos Victoria. This content will enable students to participate in research that goes beyond the classroom. Much of it will explore the idea of Australian identity.

The FUSE portal provides teachers with tools and pathways to learning, leadership, professional learning, whole-of-school improvement and community partnerships. Teachers can publish their own material on FUSE to share with their colleagues.

FUSE will also function as the online resources library for the Ultranet, which will be fully operational in September 2010. 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.



Minister Pike  
with students  
at the launch  
of FUSE

## Case study

### Wannik Education Strategy for Koorie Students

Wannik aims to deliver the best possible educational outcomes to Victoria's Koorie students and encourages collaboration between all Victorian schools, Koorie parents and the Koorie community. The strategy has been developed in close partnership with the Victorian Aboriginal Education Association Incorporated (VAEAI) and repositions the education of Koorie students through a culture of strong leadership, high expectations and individualised learning.

#### Recent Wannik achievements

##### Koorie Education Workforce Review

The Department has reshaped the former Koorie support workforce to ensure that it can best deliver on the Victorian Government's reform agenda for Koorie education and early childhood development with the introduction of two new types of roles:

- Koorie Education Coordinator
- Koorie Engagement Support Officer.

Transitional arrangements and support systems are now in place to enable these additional 118 regionally based staff to meet the necessary experience, competence and skill requirements of their roles.

##### Wannik Tutorial programs

In 2010, the Victorian Government is investing an additional \$13.2 million in the Wannik Tutorial programs, making a total investment of \$22.6 million over four years, providing funding certainty to schools with eligible students.

The Victorian Government is committed to COAG's targets for 'closing the gap' between Indigenous student and non-Indigenous student outcomes. By providing tutoring to more students in more year levels, Wannik tutorial programs will supplement mainstream teaching resources to achieve these targets by focusing on the literacy and numeracy achievement of Indigenous school students.

##### Clontarf Football Academies for Koorie boys

The Clontarf Foundation is a not-for-profit organisation that aims to help improve the health, employment, education and life skills of Australia's teenage male Indigenous population through the medium of football. In 2010, Clontarf Academies were established in Victoria for the first time in government schools in Mildura, Robinvale (as a satellite Clontarf Academy to Mildura), Swan Hill, Bairnsdale and Warrnambool.

##### Wannik Dance Academies for Koorie girls

Wannik Dance Academies provide an educational program that engages Koorie girls from Years 7 to 9 with their schooling, closing the gap through the development of literacy and numeracy skills, and providing opportunities for mentoring and the development of youth transition pathways. Opening in 2010, Wannik Dance Academies are located at Ballarat, Eaglehawk and Mooroopna secondary colleges and offer a culture-specific dance program aligned to the regular school curriculum.



Students from  
Ballarat and  
Mooroopna  
Wannik Dance  
Academies

# Office for Resources and Infrastructure

## Deputy Secretary Jeff Rosewarne

Mr Jeff Rosewarne returned to the Department to continue as Deputy Secretary, ORI, in July 2009 after acting as Chief Executive Officer of the Victorian Bushfire Reconstruction and Recovery Authority in the aftermath of the 2009 bushfires. Mr Rosewarne has previously held executive positions in the Department of Treasury and Finance. During 2009–10, Mr Rosewarne was extensively involved in developing and implementing the Victorian Non-Government Schools Funding Agreement 2010–2013 and, in particular, developing a model for funding of students with disabilities in non-government schools.

The Office for Resources and Infrastructure (ORI) is responsible for the development and implementation of policies and procedures for the Department in the areas of finance, information technology, project management, environmental support, human resources, procurement, information management and infrastructure. ORI provides direct services to the Department's central office, regional offices and to government schools.

### Key achievements 2009–10

- Continued to make significant progress upgrading government school facilities. The VSP has invested \$1.9 billion in 553 schools since the 2007–08 financial year to improve educational opportunities and outcomes for students. Victoria will also receive approximately \$2.5 billion in BER funding for the government sector. The Department is implementing the following BER programs:
  - Primary Schools for the 21st Century program in 1253 government primary schools, with a total estimated investment of over \$2.2 billion
  - National Schools Pride program in 1581 government school sites, with a total investment of \$204 million
  - Science and Language Centres for 70 government schools, with a total estimated investment of \$141 million.

The Department is integrating delivery of the VSP and BER and both programs are on track.
- Reviewed its first Disability Action Plan (DAP) 2005–2008, which was developed under the requirements of the *Disability Act 2006*. A new program of initiatives to improve access and inclusion to the Department's education and early childhood services, buildings and facilities, and employment opportunities by people with a disability was developed and a new DAP published online.
- Launched an OD Framework focused on building organisational capability. A key initiative arising from the framework was the development of shared values for the Department. After a wide staff consultation process, the Department endorsed a set of organisational values with related key behaviours. The shared values will be embedded in relevant organisational processes and procedures.
- Completed phase one of the Teacher Career Transition program, with 183 eligible teachers applying for financial support to move to a new career.

- Implemented eduPay, the Department's new web-enabled human resources and payroll system, for all corporate staff in December 2009. eduPay delivers significant functional improvements for staff and for human resources administrators.
- Implemented the Victorian Student Number in all Victorian government and non-government schools.
- Established a national standard for exchanging education data between schools and school systems. The Systems Interoperability Framework is supported by State, Territory and Commonwealth Ministers for Education. A bureau has also been established to support eLearning and statistical reporting projects nationally.
- Completed the rebuilding of Marysville Primary School, one of the three primary schools destroyed in the 2009 bushfires. Rebuilding of Middle Kinglake and Strathewen primary schools and the Flowerdale early childhood facility are well underway. The schools in Marysville and Middle Kinglake will be co-located with early childhood facilities; the Flowerdale early years facility will be co-located with the local primary school.
- Opened the first five schools at the beginning of 2010 that have been built as part of the Partnerships Victoria in Schools project. The schools are in Melbourne's growth areas and were built under a Public-Private Partnership between the Department and Axiom Education Victoria. The new schools provide the best possible learning environments for students, with exemplary standards met in the design and building quality.
- Conducted a review of the Department's procurement policies, practice, activities and capabilities. The objective was to inform and assist the Department to bring its procurement approach in line with public sector best practice, and to provide the Department with sufficient adaptability and mobility to respond to likely changes in the legislation governing procurement.

## Future plans and challenges

- Manage the delivery of the BER in conjunction with the VSP on time and on budget.
- Implement the Federal Government's National Secondary School Computer Fund to achieve a 1:1 computer-to-student ratio for Years 9–12 by the end of 2011.
- Undertake a detailed plant compliance audit of secondary school technology (wood, metal and automotive) classrooms.
- Coordinate the Department and school contributions to the Greener Government Buildings project, which aims to significantly reduce energy and water consumption in Victorian government buildings.
- Develop human resources and payroll services for staff in the Department of Premier and Cabinet and the Department of Treasury and Finance to roll out in 2010–11.
- Implement the recommendations of the Department's Procurement Review and embed the new procurement framework in the organisation.
- The first five schools of the Partnerships Victoria in Schools project are now into the operating phase of the 26 year facilities management arrangement with Axiom Education Victoria. A further seven schools (six primary and one secondary) are under construction and on schedule to open at the beginning of 2011. This includes a new primary school and secondary college in Cranbourne East that were originally planned as a single P–12 school. These schools will have exemplary design and construction standards, open and flexible learning environments, state of the art ICT, strong ecologically sustainable development elements and full landscaping. In addition, a number of community facilities will also open at the beginning of 2011, including two integrated early learning centres, three YMCA community hubs/ long day centres and a YMCA aquatic centre.

## Case study

### VicSmart

VicSmart is an \$89.3 million Victorian Government initiative providing a fibre optic broadband network to all Victorian government schools, supported by network partner Telstra.

Bandwidth provision to Victorian government schools has assisted in bridging the technological divide by providing equity of access regardless of geographical location.

The VicSmart Broadband Network has dramatically increased internet connection speeds, providing easier access to online resources and enabling teachers and students to experience new ways of teaching and learning.

Since the inception of the VicSmart initiative and the first rollout of 2 megabits per second (Mbps) in 2006, Victorian government schools have received progressive bandwidth upgrades. The base provision is now 10 Mbps.

In 2009–10, VicSmart delivered 20 and 50 Mbps bandwidth upgrades to larger Victorian government schools, which facilitates more effective use of computers by students and teachers.

High-speed broadband in schools is a key enabler in the delivery of other major initiatives:

- Ultranet – an electronic learning system that will better connect students, teachers and parents
- FUSE – a repository integrated with Ultranet that shares teaching and learning content and showcases new and emerging technologies
- eduSTAR.ISP – the centralised Internet service for Victorian government schools.

VicSmart also complements the Commonwealth Government's Digital Education Revolution. This initiative includes the National Secondary School Computer Fund, which aims to ensure that every Australian student in Years 9–12 has access to information technologies, and to achieve a 1:1 computer-to-student ratio for this student cohort by the end of 2011.

These initiatives will have a significant impact on school communities by providing new capabilities for information sharing.

## Case study

### Schools Water Efficiency program

The Schools Water Efficiency Program (SWEP) is a Victorian Government program run by the Department of Sustainability and Environment and the Department of Education and Early Childhood Development as part of the Our Water, Our Future campaign. SWEP is an initiative that allows all Victorian government and non-government schools to be audited, and to identify and implement low-cost solutions to achieve indoor water savings. SWEP offers economic and environmental benefits to participating schools by reducing their indoor potable water consumption by between 5 and 30 per cent.

A total of 1739 water audits have been completed in Victorian schools – 1610 in government schools (which includes multi-campus sites) and 129 in private schools. More than 82 per cent (1329 schools) have completed plumbing works – 987 primary schools, 246 secondary schools, 35 P–12 schools and 61 special schools. \$2,788,405 has been spent auditing schools and implementing plumbing works as at March 2010.

The following schools have recorded outstanding water savings during the reporting period following their participation in SWEP:

- East Doncaster Secondary College: 17,759 kL
- Glenallen School: 16,401 kL
- Bentleigh Secondary College: 14,091 kL
- Thomastown West Primary School: 10,907 kL
- Canterbury Girls Secondary College: 10,800 kL.

One year into the program, actual water savings totalled 474,323 kL, representing savings of 22 per cent. To date, average estimated savings per student equate to approximately 500 litres. This amounts to 474 Olympic-sized swimming pools of water saved, or 125 toilet ‘half-flushes’ per child. Estimated annual savings from water and energy costs total more than \$550,000 so far. The combined payback period for priority one and two works averages 38 months.

In 2010, the Department was nominated as a finalist for the program in the Premier’s Sustainability Awards in the inaugural State Government category.



SWEP consultant  
Tristan Bell  
shows students  
at Mullauna  
Secondary College  
how to measure a  
tap's flow rate

## Summary of financial results

The Department of Education and Early Childhood Development portfolio as described in the 2009–10 State Budget papers comprises six key output areas:

- early childhood services (output group)
- compulsory years (output group)
- later years and youth transitions
- services to students
- adolescent health services
- policy and regulation.

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

Other agencies within the portfolio report separately and therefore are not included within the controlled financial transactions of the Department. These entities include the Victorian Curriculum and Assessment Authority, the Victorian Institute of Teaching and the Victorian Registration and Qualifications Authority.

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

### Five-year financial summary

	2009–10 \$ m	2008–09 \$ m	2007–08* \$ m	2006–07 \$ m	2005–06 \$ m
<b>Operating revenue</b>					
Revenue from State Government	7,522.1	7,129.8	6,428.1	6,391.6	6,600.5
Other revenue	705.4	643.8	697.4	669.2	441.3
<b>Total income from transactions</b>	<b>8,227.5</b>	<b>7,773.6</b>	<b>7,125.6</b>	<b>7,061.8</b>	<b>7,041.8</b>
<b>Total expenses from transactions</b>	<b>8,204.6</b>	<b>7,769.0</b>	<b>7,102.0</b>	<b>6,997.3</b>	<b>6,894.2</b>
<b>Net result from transactions</b>	<b>22.9</b>	<b>4.6</b>	<b>23.6</b>	<b>n/a</b>	<b>n/a</b>
<b>Total other economic flows</b>	<b>(0.6)</b>	<b>(60.1)</b>	<b>(6.0)</b>	<b>n/a</b>	<b>n/a</b>
<b>Net result for period</b>	<b>22.3</b>	<b>(55.5)</b>	<b>17.6</b>	<b>64.4</b>	<b>147.6</b>
 <b>Net cash flow from operations</b>	 <b>71.1</b>	 <b>201.4</b>	 <b>285.5</b>	 <b>327.7</b>	 <b>308.8</b>
 <b>Total assets</b>	 <b>14,476.5</b>	 <b>13,206.7</b>	 <b>13,099.3</b>	 <b>10,711.6</b>	 <b>10,331.8</b>
<b>Total liabilities</b>	<b>1,838.7</b>	<b>1,592.5</b>	<b>1,493.3</b>	<b>1,256.7</b>	<b>1,228.3</b>
<b>Net assets</b>	<b>12,637.8</b>	<b>11,614.2</b>	<b>11,606.0</b>	<b>9,384.8</b>	<b>9,103.5</b>

\* Figures for 2007–08 have been recast based on the comprehensive operating statement format and separation of transactions from other economic flows (refer note 1(c) to the financial statements). Figures for 2005–06 to 2006–07 were unable to be recast as the information required was not readily available.

### Financial performance

The Department's result from transactions for 2009–10 is a surplus of \$22.9 million, compared with \$4.6 million in 2008–09. With the inclusion of the other economic flows, a small loss of \$0.6 million arising from the offset of a gain on non-financial assets against a loss in relation to reduced bond rates used to discount long service leave liabilities, the net result for the year is a surplus of \$22.3 million, compared to a deficit of \$55.5 million in 2008–09.

The Department's growth in revenue primarily reflects increased funding in the State budget for delivery of output initiatives on behalf of the Government, the Building the Education Revolution program and general inflation-related indexation.

During the year, the Department increased funding for initiatives approved in 2009–10 State Budget and continued implementation of funding for initiatives approved in previous years. Additionally, the Department's expenditure reflects increments under the May 2008 Enterprise Bargaining Agreement for teachers; increased payments for the Melbourne Youth Learning and Innovation Hub, Workplace Learning Co-ordinators program, Knowledge Bank: Next Generation and administering the Building the Education Revolution program; higher expenditure by schools on communication, computer and other equipment purchases, classroom materials and contractors; and increases in service agreement payments to childcare and kindergarten providers; as well as additional funding arising from increased enrolments and indexation.

### Balance sheet

The Department's net asset base as at 30 June 2010 was \$12.6 billion comprising total assets of \$14.5 billion and total liabilities of \$1.8 billion.

The major assets of the Department are property, plant and equipment; these assets represent 87 per cent (\$12.6 billion) of total assets of the Department. In 2010 the value of the Department's assets increased by \$1.3 billion; this increase continues to reflect spending from the economic stimulus and the Government's commitment to improving the quality of the infrastructure.

Liabilities of the Department, consisting mainly of payables and employee benefit provisions, total \$1.8 billion, with an increase of \$246.2 million during 2010 mainly as a result of the accrued capital expenditure for the Building the Education Revolution program and the financing arrangement for the Partnerships Victoria in Schools.

# Performance

The Department's major performance measures for 2009–10 are outlined in the Victorian Government's Growing Victoria Together policy document and in the 2009–10 State Budget Papers.

## Growing Victoria Together

The Government's vision for building a better society is set out in Growing Victoria Together. The goals and measures set out for the Department and its progress against these are shown in the following tables.

The wellbeing of young children will improve.									
Measure	2009	2008	2007	2006	2005	2004	2003	2002	Comment
The proportion of infants who were fully breastfed at three months (per cent)	51.4	52.4	51.8	51.8	48.5	50.5	50.6	52.0	At 3 months, just over half of infants are still breastfed. By six months, this proportion has reduced to less than 40 per cent.
The proportion of infants who were fully breastfed at six months (per cent)	37.9	38.9	38.0	38.7	37.0	38.2	37.9	38.8	
The proportion of 4-year-olds participating in kindergarten (per cent)	92.7	92.4	91.8	91.4	92.7	93.2	94.6	94.1	Since 1999, participation rates have remained consistently over 90 per cent. The participation rate was 92.7 per cent in 2009, an increase from 92.4 per cent in 2008.

The proportion of Victorian primary school students achieving the national minimum standards for reading, writing and numeracy will be at or above the national average.*			
Measure	Results		
Percentage achieving national minimum standards in Year 3 reading	Victorian results	95.2	95.2
	National results	(93.7)	(92.1)
Percentage achieving national minimum standards in Year 3 writing	Victorian results	96.3	96.2
	National results	(95.7)	(95.4)
Percentage achieving national minimum standards in Year 3 numeracy	Victorian results	95.6	96.5
	National results	(94)	(95)
Percentage achieving national minimum standards in Year 5 reading	Victorian results	94.2	93.7
	National results	(91.7)	(91.0)
Percentage achieving national minimum standards in Year 5 writing	Victorian results	94.7	93.9
	National results	(93)	(92.6)
Percentage achieving national minimum standards in Year 5 numeracy	Victorian results	95.5	94.6
	National results	(94.2)	(92.7)

\*Note: Assessment of NAPLAN commenced in 2008

By 2010, 90 per cent of young people will successfully complete Year 12 or its educational equivalent.

Measure	2009	2008	2007	2006	2005	2004	2003	2002	Comment
Percentage of 20–24-year-olds in Victoria who have completed Year 12 or equivalent	86.8	88.7	86.1	85.5	83.9	84.7	84.9	82.8	The ABS has noted that the use of a smaller sample for the 2009 Survey of Education and Work has led to reduced statistical accuracy of estimates, including the estimates of the proportion of young people attaining Year 12 or equivalent. The confidence interval for the 2009 Victorian result of 86.8 per cent has nearly doubled to $\pm 4.2$ percentage points compared to $\pm 2.3$ in 2008. The 2008 and 2009 results are not statistically different.

The number of early school leavers who are unemployed after six months will decline.

Measure	2009	2008	2007	2006	2005	2004	2003	2002	Comment
Percentage of early school leavers who are unemployed after six months will decline	15.8	17.9	13.5	14.6	14.3	15.4	18.5	Not collected	

## Output performance measures

The Department has nine outputs as provided in the 2009–10 State Budget Papers (Budget paper number 3). These are:

- early childhood services (output group)
  - child health and support services
  - early childhood education and care
  - early childhood intervention services
- compulsory years (output group)
  - early years (schools)
  - middle years (schools)
- later years and youth transitions
- services to students
- adolescent health services (schools)
- policy and regulation.

This chapter provides data and commentary about each of the outputs and output groups and includes expenditure by the VCAA and VRQA.

### Early childhood services

This output group consists of three outputs and provides funding for a range of services that support children in the early years, including kindergarten and child care, maternal and child health, school nursing for primary school-aged children, and early intervention services for children with a disability. The early childhood services outputs make a significant contribution to the key government outcomes of:

- high-quality, accessible health and community services
- a fairer society that reduces disadvantage and respects diversity
- building friendly, confident and safe communities.

### Key initiatives 2009–10

- Fifty-eight early childhood teachers were awarded incentive packages of \$6000 or \$12,000 to commit to work in a rural sessional kindergarten for a minimum of two years.
- Sixty-five early childhood educators studying for an early childhood teaching degree were awarded scholarships in 2009–10 of \$6000 to work in long day care services at the completion of their studies.
- The Maternal and Child Health Information Line, which provides a 24-hour information service to families with children aged 0–5 years, answered 101,978 calls.
- Parentline, a seven-days-a-week telephone counselling service for parents, answered 12,541 calls.
- Approximately 12,541 children with disabilities or developmental delay and their families were supported.
- Additional funding of \$3.05 million provided for an additional 1132 families to receive enhanced Maternal and Child Health services.

### Child health and support services

Community-based maternal and child health services available to all families with children aged 0 – 6 years, and school nursing services for primary school-aged children that provide developmental health surveillance, early intervention, parenting support and health education.

#### Early Childhood Services – child health and support services

Performance measures	Unit of measure	2009–10 target*	2009–10 actual*	Comments
<b>Quantity</b>				
Total number of clients (aged 0 to 1)	number	70,000	70,628	Refers to previous financial year.
Prep-aged students assessed by school nurses	number	55,500	55,906	Includes non-government schools.
<b>Quality</b>				
Maternal and child health clients with children aged 0 to 1 years receiving enhanced maternal and child health services	per cent	10	16.1	Refers to previous financial year. The high actual was a result of over-achievement by municipal councils.
<b>Timeliness</b>				
Children aged 0 to 1 month enrolled at maternal and child health services from birth notifications	per cent	98.5	99.6	Refers to previous financial year.
<b>Cost</b>				
Total output cost	\$ million	98.6	102.4	Refers to financial year.

\*Targets and actuals for all non-financial measures refer to 2009 calendar year unless otherwise explicitly indicated

### Early childhood education and care

Provision of kindergarten and child-care services. These services include the licensing and monitoring of centre-based children's services, and specialist services to improve access to kindergartens for disadvantaged children.

#### Early Childhood Services – early childhood education and care

Performance measures	Unit of measure	2009–10 target*	2009–10 actual*	Comments
Quantity				
Children funded to participate in kindergarten	number	62,508	62,365	Includes second-year participants.
Quality				
Kindergarten participation rate	per cent	92	92.7	The measure covers first-year participants only.
Funded kindergarten services with a quality assurance process	per cent	94	98	
Cost				
Total output cost	\$ million	210.8	207.9	Refers to financial year.

\*Targets and actuals for all non-financial measures refer to 2009 calendar year unless otherwise explicitly indicated

### Early childhood intervention services

A range of services and support for children with a developmental delay or disability and their families.

#### Early Childhood Services – early childhood intervention services

Performance measures	Unit of measure	2009–10 target*	2009–10 actual*	Comments
<b>Quantity</b>				
Total number of children receiving a service	number	12,650	12,541	Refers to previous financial year.
Number of places and packages funded annually	number	10,325	10,325	Refers to financial year.
<b>Quality</b>				
Families who are satisfied with the service provided	per cent	85	92	Refers to previous financial year.
<b>Timeliness</b>				
Support plans completed within four weeks of service commencement	per cent	80	80	Refers to previous financial year.
<b>Cost</b>				
Total output cost	\$ million	65.3	55.9	Refers to financial year. The 2009–10 actual is less than the target due to the target containing an estimated carryover that did not eventuate, as well as expenditure budgeted for 2009–10 being carried over into 2010–11.

\*Targets and actuals for all non-financial measures refer to 2009 calendar year unless otherwise explicitly indicated

## Compulsory years

Compulsory years consists of two outputs.

The early years of schooling output 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 output refers to a fundamental stage of learning where students, growing from childhood to adolescence, consolidate competencies in literacy and numeracy, and continue their physical, social, emotional and intellectual development. It is also the 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 outputs, are one of the primary mechanisms through which the Government will achieve the key outcome of high-quality education and training for lifelong learning. These outputs will also make a significant contribution to the following key government outcomes:

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

## Key initiatives 2009–10

- The Department developed a 6-to-18-month literacy and numeracy strategy to provide a shared focus on literacy and numeracy education in Victoria.
- Four publications on the key characteristics of effective literacy and numeracy teaching were published online. These publications describe quality teaching and learning in literacy and numeracy for students in Years P–6 and 7–10.
- Two hundred teaching and learning coaches, 45 literacy coaches and 15 Koorie literacy coaches worked across the nine Victorian regions. In 2009, the coaches worked in 409 schools and coached 1480 teachers, reaching over 35,000 students. Independent evaluations reported that the average rate of improvement of students whose teachers had been coached was greater than expected.
- The Primary Mathematics Specialists initiative builds teacher capacity in schools and across networks to improve student learning outcomes in mathematics. As part of this initiative, 81 primary school teachers were appointed as primary mathematics specialists across 27 schools in the nine regions to build teachers' mathematical knowledge and understanding.
- The Department established an English language centre in Traralgon to meet the needs of newly arrived students settling in Gippsland. The Latrobe English Language Centre opened at the start of the 2010 school year with 34 students from nine language backgrounds. Every non-metropolitan region now has an English language centre that provides intensive English language classes for newly arrived students.
- In collaboration with the Chinese Government, the Department established the Chinese Teacher Training Centre in August 2009 at the University of Melbourne to improve opportunities for Chinese language learning. The Centre focuses on building teachers' capacity, developing quality teaching and learning resources, and undertaking research on improving the teaching of Chinese.
- The computer–student ratio was exceeded, with a ratio of 1:2.86 in primary schools and a ratio of 1:2.49 in secondary schools achieved in 2009–10, reflecting the Victorian Government's 2006 commitment to provide an additional \$28 million to schools over four years to increase access to computers. In 2009–10, schools benefited from \$7 million of this funding.

### Early years (schools)

This output involves provision of education and other associated services designed to improve the quality of student learning of those in Prep to Year 4 in government and non-government schools.

#### Compulsory years – early years (schools)

Performance measures	Unit of measure	2009–10 target*	2009–10 actual*	Comments
<b>Quantity</b>				
Average P–2 class size	number	21	20.5	
Number of assistant principals, aspiring leaders and leadership teams participating in leadership development programs	number	800	848	
Schools funded for primary welfare officers	number	450	543	Refers to financial year.
Statewide computer-to-student ratio: primary	ratio	1:5	1:2.86	Refers to financial year.
Investment in non-government schools (P–Year 4)	\$ million	135.9	139.5	Refers to financial year.
Number of principals participating in statewide, centrally funded leadership development programs	number	310	322	
<b>Quality</b>				
Student attainment at text level 1 at end of Prep in reading (metropolitan and non-metropolitan students)	per cent	96.5	n/a	The Assessment of Reading P–2 program ceased at the end of 2008 and data is no longer available to calculate the 2009 result for this measure.
Students in non-metropolitan regions achieving at text level 1 at end of Prep in reading	per cent	96.3	n/a	The Assessment of Reading P–2 program ceased at the end of 2008 and data is no longer available to calculate the 2009 result for this measure.
Student attainment at text level 5 at end of Year 1 reading (metropolitan and non-metropolitan students)	per cent	99.5	n/a	The Assessment of Reading P–2 program ceased at the end of 2008 and data is no longer available to calculate the 2009 result for this measure.
Parent satisfaction with primary schooling on a 100-point scale	100-point scale	80	81	
Percentage of children meeting the national minimum standard for reading in Year 3 (NAPLAN testing)	per cent	91	95.2	
Percentage of children meeting the national minimum standard for numeracy in Year 3 (NAPLAN testing)	per cent	94	95.6	
Percentage of Indigenous children meeting the national minimum standard for reading in Year 3 (NAPLAN testing)	per cent	66	87.2	
Percentage of Indigenous children meeting the national minimum standard for numeracy in Year 3 (NAPLAN testing)	per cent	76	89.4	
<b>Cost</b>				
Total output cost	\$ million	2,710.7	2,620.6	Refers to financial year.

\*Targets and actuals for all non-financial measures refer to 2009 calendar year unless otherwise explicitly indicated

### Middle years (schools)

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.

#### Compulsory years – middle years (schools)

Performance measures	Unit of measure	2009–10 target*	2009–10 actual*	Comments
<b>Quantity</b>				
Average rate of student attendance at Year 5	per cent	94	93	Student attendance is affected by various factors including illness and family holidays.
Average rate of student attendance at Year 6	per cent	94	93	Student attendance is affected by various factors including illness and family holidays.
Average rate of student attendance in Years 7–10	per cent	91	90	Student attendance is affected by various factors including illness and family holidays.
Statewide computer-to-student ratio: secondary	ratio	1:5	1:2.49	Refers to financial year.
Investment in non-government schools (Year 5–9)	\$ million	208.1	216.1	Refers to financial year.
<b>Quality</b>				
Parent satisfaction with secondary schooling on a 100-point scale	100-point scale	72	72	
Percentage of children meeting the national minimum standard for reading in Year 5 (NAPLAN testing)	per cent	90	94.2	
Percentage of children meeting the national minimum standard for numeracy in Year 5 (NAPLAN testing)	per cent	92	95.5	
Percentage of children meeting the national minimum standard for reading in Year 7	per cent	93	95.4	
Percentage of children meeting the national minimum standard for numeracy in Year 7	per cent	95	96.0	
Percentage of children meeting the national minimum standard for reading in Year 9 (NAPLAN testing)	per cent	92	94.3	
Percentage of children meeting the national minimum standard for numeracy in Year 9 (NAPLAN testing)	per cent	93	96.3	
Percentage of Indigenous children meeting the national minimum standard for reading in Year 5 (NAPLAN testing)	per cent	61	84.8	
Percentage of Indigenous children meeting the national minimum standard for numeracy in Year 5 (NAPLAN testing)	per cent	67	86.9	
Percentage of Indigenous children meeting the national minimum standard for reading in Year 7 (NAPLAN testing)	per cent	69	84.4	
Percentage of Indigenous children meeting the national minimum standard for numeracy in Year 7 (NAPLAN testing)	per cent	76	85.4	
Percentage of Indigenous children meeting the national minimum standard for reading in Year 9 (NAPLAN testing)	per cent	68	79.3	
Percentage of Indigenous children meeting the national minimum standard for numeracy in Year 9 (NAPLAN testing)	per cent	70	83.8	
Years 5–6 students, opinion of their connectedness with the school	Number (1–5)	4.3	4.3	
Years 7–9 students, opinion of their connectedness with the school	Number (1–5)	3.6	3.6	
<b>Cost</b>				
Total output cost	\$ million	2,697.8	2,678.0	Refers to financial year.

\*Targets and Actuals for all non-financial measures refer to 2009 calendar year unless otherwise explicitly indicated

## Later years and youth transitions

The later years and youth transitions 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.

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 qualifications and to make a successful transition to further study, employment, or a combination of both. It includes the provision of integrated support for successful transition across sectors through organisational networks and linkages and through transition support such as pathway plans and monitoring of destination data.

The later years and youth transitions output, along with other education outputs, is one of the primary mechanisms through which the Government will achieve the key outcomes of high-quality education and training for lifelong learning. These outputs will also make a significant contribution to the following key government outcomes:

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

### Key initiatives 2009–10

- The Future Directions for Community VCAL (Victorian Certificate of Applied Learning) statement and the Guidelines for Delivery of Community VCAL were released by the Department in late 2009. These documents articulate a new policy framework for the establishment and delivery of senior secondary re-engagement programs to young people disengaged or at risk of disengaging from school.
- The Victorian Implementation Plan for the National Partnership on Youth Attainment and Transitions was agreed by the Commonwealth Minister of Education. The Partnership aims to increase participation of young people in education and training, increase attainment levels and improve successful transitions from school. Funding of \$135.2 million over four years will be allocated by the Commonwealth for the delivery of programs. The Local Learning and Employment Networks have been expanded to include brokering partnerships between schools, parents and community; an increased focus on career development; and an extension of the age range to include 10–14-year-olds. Youth Connections, a case management and support service for young people at risk of disengagement from education and training, has been implemented across the state from January 2010.
- In 2009, over 1300 young people were assisted through the Youth Transition Support Initiative. 21 per cent of these young people achieved a sustainable outcome, which is defined as a placement in education, training or employment that is sustained for six months or more.
- Further funding was provided through the Wannik strategy in 2009 to appoint three Wannik Transition Workers to work solely with Indigenous young people. From July to December 2009, the Wannik Transition workers assisted 45 Indigenous young people.

## Later years and youth transitions

Performance measures	Unit of measure	2009–10 target*	2009–10 actual*	Comments
<b>Quantity</b>				
Investment in non-government schools (Years 10–12)	\$ million	127.9	141.6	Refers to financial year. The 2009–10 actual is greater than the target as a result of signing the new Non-Government Schools 2010–2013 Funding Agreement as well as enrolment growth.
Number of certificate enrolments in accredited vocational programs in schools	number	41,000	52,568	Includes non-government schools.
Number of school students enrolled in VCAL	number	11,200	14,139	Includes non-government schools.
Number of school students participating in accredited vocational programs	number	34,000	41,351	Includes non-government schools.
Number of school students satisfactorily completing at least one VCAL certificate	number	5,200	7,456	Includes non-government schools.
Number of school-based apprentices/trainees	number	2,000	4,451	Includes non-government schools.
<b>Quality</b>				
Average rate of student attendance in Years 11 and 12	per cent	91	91	
Median VCE study score	number	29	29	
Statewide rate of transition from Year 10 to Year 11	per cent	97	97.6	February census. Government schools only.
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 non-government schools.
Enrolments in units of accredited vocational programs in schools as a proportion of total VCE unit enrolments in schools	per cent	7.6	8.4	Includes non-government schools.
Percentage of VCAL certificates satisfactorily completed by school students	per cent	60	71.3	Includes non-government schools.
Percentage of school leavers completing an Intermediate or Senior VCAL certificate in a school progressing to further education, training or work	per cent	80	87	Includes non-government schools.
Percentage of school leavers completing a VCE VET certificate program in a school progressing to further education, training or work	per cent	90	96	Includes non-government schools.
<b>Cost</b>				
Total output cost	\$ million	1,727.1	1,671.9	Refers to financial year.

\*Targets and actuals for all non-financial measures refer to 2009 calendar year unless otherwise explicitly indicated

## Services to students

This consists of one output, covering student welfare and support, services to students with disabilities, Education Maintenance Allowance, School Start Bonus payments and student transport.

It involves the 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 for students with disabilities in regular and specialist schools
- the Education Maintenance Allowance to eligible parents of school students up to the age of 16 years in government and non-government schools
- the School Start Bonus payments to students in Prep and Year 7
- student conveyance allowances and the transport of government and non-government school students, including those attending specialist schools
- school-focused youth services.

The services to students output, along with other education outputs, is one of the primary mechanisms through which the Government will achieve the key outcome of high-quality education and training for lifelong learning. This output will also make a significant contribution to the following key government outcomes:

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

### Key initiatives 2009–10

- Following the implementation of the revised Student Engagement guidelines in 2009, all schools developed student engagement policies for implementation from Term 1, 2010.
- The Department reformed the Student Support Services program by strengthening governance and accountability for the service, recruiting 70 additional staff and 10 coordinators, providing services for students with additional needs and their families.
- The Department released Working Towards Level 1 of the Victorian Essential Learning Standards, which includes curriculum advice and trial materials that provide students with additional learning needs with a consistent statewide curriculum framework for the first time.
- Low-income families continue to receive support through the Education Maintenance Allowance. The allowance is paid in two instalments each year.
- School Start Bonus vouchers were issued to 131,812 students 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 a one-off payment of \$300 that is not means tested.

## Services to students

Performance measures	Unit of measure	2009–10 target*	2009–10 actual*	Comments
<b>Quantity</b>				
Students funded under the disabilities program in government schools as a proportion of the total student population	per cent	3	3.5	
School students (government) supported by conveyance allowance	number	13,300	12,939	Refers to financial year. The result may be attributed to the slightly lower than expected numbers of eligible government school students.
School students (non-government) supported by conveyance allowance	number	34,900	36,635	Refers to financial year.
Eligible special school students provided with appropriate travel	number	6,850	6,894	Refers to financial year.
Students receiving school start bonus payment	number	130,000	131,812	Refers to financial year. Includes non-government schools.
Provision of school start bonus payment	\$ million	41.7	38.6	Refers to financial year.
Investment in student welfare and support	\$ million	124.7	125.1	Refers to financial year.
Investment in services to students with disabilities	\$ million	490.2	508.4	Refers to financial year.
Provision of Education Maintenance Allowance	\$ million	62.8	60.6	Refers to financial year.
Investment in student transport	\$ million	87.9	93.3	Refers to financial year. The 2009–10 actual is greater than the target as a result of increased numbers of students with disabilities and therefore increased demand on this program.
<b>Quality</b>				
School satisfaction with student support services	per cent	84.7	83.6	The actual 2009–10 final result for this measure of 83.6 per cent was marginally below the target of 84.7 per cent. It should be noted that the Student Support Services program underwent major reforms during the survey period, which may have influenced service perceptions particularly during the transition period to the new model.
Parent satisfaction with special education on a 100-point scale	100-point scale	85	85	
<b>Cost</b>				
Total output cost	\$ million	811.7	826.0	Refers to financial year.

\*Targets and actuals for all non-financial measures refer to 2009 calendar year unless otherwise explicitly indicated

## Adolescent health services (schools)

This consists of one output and involves the provision of school nursing services for secondary school-aged children. It makes a significant contribution to the key government outcome of high-quality, accessible health and community services.

### Key initiatives 2009–10

- Improved service planning and the delivery of evidence-based health promotion activities to address current adolescent health and wellbeing issues such as mental health, sexual health, cyber-bullying, drug and alcohol use.
- Commencement of implementation of the Secondary School Nursing program recommendations: prioritising professional development for nurses, modelling service delivery options and strengthening management and integration with education-based health and welfare professionals.
- Development of protocols to facilitate enhanced support for young people being referred by school nurses to external agencies.

### Adolescent health services (schools)

Performance measures	Unit of measure	2009–10 target*	2009–10 actual*	Comments
Quantity				
Designated schools receiving secondary school nursing services	number	199	198	The 2009–10 actual for this performance measure is 198 schools due to the amalgamation of two schools into one.
Cost				
Total output cost	\$ million	10.1	10.4	Refers to financial year.

\*Targets and actuals for all non-financial measures refer to 2009 calendar year unless otherwise explicitly indicated

## Policy and regulation

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

It includes provision of information services about education to the community, including dissemination of information through public promotions, telephone services, publications and advertising services. It also covers the provision of administrative support services for the statutory authorities in the education portfolio, including regulatory and advisory bodies. It covers:

- regulatory activities
- services for international education, including recruitment, assessment, student placement, marketing, organisation of study tours, and international teacher and principal exchange programs.

The policy and regulation output, along with other education outputs, is one of the primary mechanisms through which the Government will achieve the key outcome of high-quality education and training 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.

### Key initiatives 2009–10

- The Respect in Schools strategy, consistent with the Premier's Respect strategy, is a new approach being developed to promote non-violent and safe school environments and to empower young people to make decisions that are respectful of the wellbeing of themselves and others at school and in the broader community.
- The Department administers 31 different student scholarships, including scholarships supported by the Victorian Bushfire Appeal Fund, to support young people wishing to engage in further study at senior secondary and tertiary levels.
- Thirty students from Western Metropolitan Region travelled to China to undertake an in-country, research-based study program as part of an overseas learning experience.
- The Department hosted 41 delegations of visiting government officials from Asia, Europe, South America and the Middle East.
- A Memorandum of Understanding that committed to closer cooperation in educational matters was signed between Victoria and Jiangsu Province in China.

### Policy and regulation

Performance measures	Unit of measure	2009–10 target*	2009–10 actual*	Comments
<b>Quantity</b>				
Participants benefiting from initiatives to increase the supply of trained/qualified teachers	number	525	533	Refers to financial year.
<b>Cost</b>				
Total output cost	\$ million	41.9	41.9	Refers to financial year.

\*Targets and actuals for all non-financial measures refer to 2009 calendar year unless otherwise explicitly indicated

# Financial statements – 30 June 2010

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These financial statements cover the Department of Education and Early Childhood Development as an individual entity.

The Department of Education and Early Childhood Development is a government department of the State of Victoria. Its principal address is:

Department of Education and Early Childhood Development  
2 Treasury Place  
East Melbourne VIC 3002

A description of the nature of the Department's operations and its principal activities is included in the Report of Operations.

## Comprehensive operating statement for the financial year ended 30 June 2010

	Note	2010 \$m	2009 \$m
<b>Income from transactions</b>			
Output appropriations	6(a)	7,342.9	7,129.6
Special appropriations	6(b)	179.2	0.3
Interest income		24.8	35.3
Grants	4(a)	71.1	38.2
Sales of goods and services	4(b)	596.5	559.9
Other income	4(c)	13.0	10.5
<b>Total income from transactions</b>		<b>8,227.5</b>	<b>7,773.6</b>
<b>Expenses from transactions</b>			
Employee expenses	4(d)	(4,559.9)	(4,330.7)
Depreciation and amortisation	4(e)	(208.1)	(214.0)
Interest expense		(3.1)	(0.6)
Grants and other expense transfers	4(f)	(777.9)	(737.1)
Capital asset charge		(808.2)	(762.0)
Other operating expenses	4(g)	(1,847.5)	(1,724.6)
<b>Total expenses from transactions</b>		<b>(8,204.6)</b>	<b>(7,769.0)</b>
<b>Net result from transactions (net operating balance)</b>		<b>22.9</b>	<b>4.6</b>
<b>Other economic flows included in net result</b>			
Net gain/(loss) on non-financial assets	5(a)	4.1	1.8
Net gain/(loss) on financial instruments and statutory receivables/payables	5(b)	(0.5)	(1.0)
Other gains/(losses) from other economic flows	5(c)	(4.2)	(60.9)
<b>Total other economic flows</b>		<b>(0.6)</b>	<b>(60.1)</b>
<b>Net result</b>		<b>22.3</b>	<b>(55.5)</b>
<b>Other economic flows – other non-owner changes in equity</b>			
Changes in physical asset revaluation surplus	16	(158.0)	(218.7)
<b>Total other economic flows – other non-owner changes in equity</b>		<b>(158.0)</b>	<b>(218.7)</b>
<b>Comprehensive result</b>		<b>(135.7)</b>	<b>(274.2)</b>

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

## Balance sheet as at 30 June 2010

	Note	2010 \$m	2009 \$m
<b>Assets</b>			
<b>Financial assets</b>			
Cash and cash equivalents	7	641.4	718.9
Receivables	8	1,063.5	894.9
Other financial assets		118.8	58.2
<b>Total financial assets</b>		<b>1,823.7</b>	<b>1,672.0</b>
<b>Non-financial assets</b>			
Non-current assets classified as held for sale	9	41.2	29.8
Intangible assets	10	10.5	2.3
Property, plant and equipment	11	12,562.8	11,491.2
Prepayments		38.4	11.4
<b>Total non-financial assets</b>		<b>12,652.8</b>	<b>11,534.7</b>
<b>Total assets</b>		<b>14,476.5</b>	<b>13,206.7</b>
<b>Liabilities</b>			
Payables	12	581.6	434.8
Borrowings	13	81.9	7.7
Provisions	14	1,076.6	1,069.7
Unearned income		98.6	80.3
<b>Total liabilities</b>		<b>1,838.7</b>	<b>1,592.5</b>
<b>Net assets</b>		<b>12,637.8</b>	<b>11,614.2</b>
<b>Equity</b>			
Accumulated surplus		1,247.0	1,224.7
Physical asset revaluation surplus	16	4,707.1	4,865.0
Contributed capital		6,683.8	5,524.4
<b>Net worth</b>		<b>12,637.8</b>	<b>11,614.2</b>
Contingent assets and contingent liabilities	20		
Commitments for expenditure	21		

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

## Statement of changes in equity for the financial year ended 30 June 2010

		Changes due to			
		Equity at 1 July 2009	Total comprehensive result	Transactions with owners in their capacity as owners	Equity at 30 June 2010
	Note	\$m	\$m	\$m	\$m
<b>Accumulated surplus/(deficit)</b>		<b>1,224.7</b>	<b>22.3</b>	<b>–</b>	<b>1,247.0</b>
<b>Contributions by owners</b>		<b>5,524.4</b>	<b>–</b>	<b>–</b>	<b>5,524.4</b>
Capital appropriations		–	–	1,209.8	<b>1,209.8</b>
Withdrawal of equity		–	–	(50.5)	<b>(50.5)</b>
		<b>5,524.4</b>	<b>–</b>	<b>1,159.4</b>	<b>6,683.8</b>
<b>Physical asset revaluation surplus</b>	16	<b>4,865.0</b>	<b>(158.0)</b>	<b>–</b>	<b>4,707.1</b>
<b>Total equity at the end of financial year</b>		<b>11,614.2</b>	<b>(135.7)</b>	<b>1,159.4</b>	<b>12,637.8</b>

		Changes due to			
		Equity at 1 July 2008	Total comprehensive result	Transactions with owners in their capacity as owners	Equity at 30 June 2009
	Note	\$m	\$m	\$m	\$m
<b>Accumulated surplus/(deficit)</b>		<b>1,280.3</b>	<b>(55.5)</b>	<b>–</b>	<b>1,224.7</b>
<b>Contributions by owners</b>		<b>5,242.0</b>	<b>–</b>	<b>–</b>	<b>5,242.0</b>
Capital appropriations		–	–	326.8	<b>326.8</b>
Withdrawal of equity		–	–	(17.9)	<b>(17.9)</b>
Administrative restructure – net assets transferred		–	–	(26.6)	<b>(26.6)</b>
		<b>5,242.0</b>	<b>–</b>	<b>282.4</b>	<b>5,524.4</b>
<b>Physical asset revaluation surplus</b>	16	<b>5,083.7</b>	<b>(218.7)</b>	<b>–</b>	<b>4,865.0</b>
<b>Total equity at the end of financial year</b>		<b>11,606.0</b>	<b>(274.2)</b>	<b>282.4</b>	<b>11,614.2</b>

The above statement of changes in equity should be read in conjunction with the accompanying notes.

## Cash flow statement for the financial year ended 30 June 2010

	Note	2010 \$m	2009 \$m
<b>Cash flows from operating activities</b>			
<b>Receipts</b>			
Receipts from Government		7,371.4	7,083.4
Receipts from other entities		687.1	611.9
Goods and Services Tax recovered from the ATO		252.7	163.5
Interest received		24.8	35.3
<b>Total receipts</b>		<b>8,336.0</b>	<b>7,894.1</b>
<b>Payments</b>			
Payments of grants and other transfers		(777.9)	(737.1)
Payments to suppliers and employees		(6,669.3)	(6,188.2)
Goods and Services Tax paid to the ATO		(6.6)	(4.8)
Capital asset charge		(808.2)	(762.0)
Interest and other costs of finance paid		(3.1)	(0.6)
<b>Total payments</b>		<b>(8,265.0)</b>	<b>(7,692.7)</b>
<b>Net cash flows from operating activities</b>	22	<b>71.1</b>	<b>201.4</b>
<b>Cash flows from investing activities</b>			
Payments for non-financial assets		(1,296.0)	(547.1)
Net proceeds from/(payments for) other financial assets		(60.5)	(33.5)
Proceeds from sale of non-financial assets		3.3	3.5
<b>Net cash flows (used in) investing activities</b>		<b>(1,353.2)</b>	<b>(577.1)</b>
<b>Cash flows from financing activities</b>			
Owner contributions by State Government		1,209.8	326.8
Repayment of finance leases		(5.1)	(2.3)
<b>Net cash flows from financing activities</b>		<b>1,204.7</b>	<b>324.5</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>(77.4)</b>	<b>(51.1)</b>
Cash and cash equivalents at the beginning of the financial year		718.9	769.9
<b>Cash and cash equivalents at the end of the financial year</b>	7	<b>641.4</b>	<b>718.9</b>

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

# Notes to the financial statements

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## Note 1 Summary of significant accounting policies

The annual financial statements represent the audited general purpose financial statements for the Department of Education and Early Childhood Development (the Department).

To gain a better understanding of the terminology used in these financial statements, a glossary of terms can be found in note 26.

### (a) Statement of compliance

The financial statements have been prepared on an accrual basis in accordance with the *Financial Management Act 1994* and applicable Australian Accounting Standards including interpretations (AASs). AASs include Australian equivalents to International Financial Reporting Standards.

The Department, where relevant, applied those paragraphs applicable to not for profit entities.

### (b) Basis of preparation and measurement

The accrual basis of accounting has been applied in the preparation of these financial statements whereby assets, liabilities, equity, income and expenses are recognised in the reporting period to which they relate, regardless of when cash is received or paid.

These financial statements are presented in Australian dollars, the functional and presentation currency of the Department.

In the application of AASs, management is required to make judgements, 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 and the results of which form the basis of making judgements. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions 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.

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. Judgements made by management in the application of AASs that have significant effects on the financial statements and estimates, with a risk of material adjustments in the subsequent reporting period, are disclosed throughout the notes to the financial statements.

The financial statements have been prepared in accordance with the historical cost convention except for:

- non-current physical assets which, subsequent to acquisition, are measured at a revalued amount being their fair value at the date of the revaluation less any subsequent accumulated depreciation and subsequent impairment losses. Revaluations are made with sufficient regularity to ensure that the carrying amounts do not materially differ from their fair value;
- the fair value of an asset other than land is generally based on depreciated replacement value.

Historical cost is based on the fair values of the consideration given in exchange for assets.

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 2010 and the comparative information presented for the year ended 30 June 2009.

### (c) Reporting entity

The financial statements cover the Department of Education and Early Childhood Development as an individual reporting entity. The Department is a government department of the State of Victoria, established pursuant to an order made by the Premier under the *Administrative Arrangements Act 1983*.

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

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

A description of the nature of the Department's operations and its principal activities is included in the Report of Operations which does not form part of these financial statements.

The financial statements include all transactions of the Department and the Victorian Government's primary and secondary schools. All transactions between the Department and schools have been eliminated as required by *Australian Accounting Standards*.

#### Objectives and funding

The objectives of the Department 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 Children and Early Childhood Development, as well as a number of statutory bodies.

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

#### Outputs of the Department

Information about the Department's output activities and the expenses, 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, income, assets and liabilities administered by the Department are given in the Schedule of Administered Items (note 3).

### (d) Basis of consolidation

The consolidated financial statements exclude bodies within the Department's portfolio that are not controlled by the Department and therefore are not consolidated. Bodies and activities that are administered (see explanation below under administered items) are also not controlled and not consolidated.

#### Administered activities

The Department administers but does not control certain resources on behalf of the Crown. 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. For these resources, the Department acts only on behalf of the Crown. Such administered transactions include Commonwealth funds on-passed by the Department to Victorian non-government schools. Administered resources are accounted for using the accrual basis of accounting.

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 3). Except as otherwise disclosed, administered items are accounted for on the same basis and using the same accounting policies as for departmental items.

Specific financial disclosures related to administered items can be found in notes 3 and 6.

## Note 1 Summary of significant accounting policies (continued)

### Funds held in trust

#### Other trust activities on behalf of parties external to the Victorian Government

The Department has responsibility for transactions and balances relating to trust funds on behalf of third parties external to the Victorian Government. The Department has received monies in a trustee capacity for various trusts including prizes and scholarships. Revenues, other income, expenses, assets and liabilities managed on behalf of third parties are not recognised in these financial statements as they are managed on a fiduciary and custodial basis, and therefore not controlled by the Department or the Victorian Government.

#### Funds under management

Funds under management do not form part of the assets of the Department. Donation receipts and related expenditure are excluded from the income, expenditure and balance sheet accounts of the Department, which is acting as Trustee. These funds under management are disclosed in note 25 *Trust account balances*.

### (e) Scope and presentation of financial statements

#### Comprehensive operating statement

Income and expenses in the comprehensive operating statement are classified according to whether or not they arise from 'transactions' or 'other economic flows'. This classification is consistent with the whole of government reporting format and is allowed under AASB 101 *Presentation of financial statements*.

'Transactions' and 'other economic flows' are defined by the *Australian system of government finance statistics: concepts, sources and methods 2005* Cat. No. 5514.0 published by the Australian Bureau of Statistics (see note 26).

'Transactions' are those economic flows that are considered to arise as a result of policy decisions, usually interactions between two entities by mutual agreement. Transactions also include flows within an entity, such as depreciation where the owner is simultaneously acting as the owner of the depreciating asset and as the consumer of the service provided by the asset. Taxation is regarded as mutually agreed interactions between the Government and taxpayers. Transactions can be in kind (e.g. assets provided/given free of charge or for nominal consideration) or where the final consideration is cash.

'Other economic flows' are changes arising from market re-measurements. They include gains and losses from disposals; revaluations and impairments of non-current physical and intangible assets; actuarial gains and losses arising from defined benefit superannuation plans; fair value changes of financial instruments and agricultural assets; and depletion of natural assets (non-produced) from their use or removal.

The net result is equivalent to profit or loss derived in accordance with AASs.

#### Balance sheet

Assets and liabilities are presented in liquidity order with assets aggregated into, financial assets and non-financial assets. Current and non-current assets and liabilities (those expected to be recovered or settled beyond 12 months) are disclosed in the notes, where relevant.

### Statement of changes in equity

The statement of changes in equity presents reconciliations of each non-owner and owner equity opening balance at the beginning of the reporting period to the closing balance at the end of the reporting period. It also shows separately changes due to amounts recognised in the comprehensive result and amounts recognised in other comprehensive income related to other non-owner changes in equity.

### Cash flow statement

Cash flows are classified according to whether or not they arise from operating activities, investing activities, or financing activities. This classification is consistent with requirements under AASB 107 *Statement of cash flows*.

## (f) Income from transactions

Income is recognised to the extent that it is probable that the economic benefits will flow to the entity and the income can be reliably measured.

### Appropriation income

Appropriated 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 appropriations act. Additionally, the Department is permitted under Section 29 of the *Financial Management Act 1994* to have certain income annotated to the annual appropriation. The income which forms part of a Section 29 agreement is recognised by the Department and the receipts paid into the Consolidated Fund as an administered item. At the point of income recognition, Section 29 provides for an equivalent amount to be added to the annual appropriation. Examples of receipts which can form part of a Section 29 agreement are Commonwealth specific purpose grants, municipal council special purpose grants, the proceeds from the sale of assets and income from the sale of products and services.

Where applicable, amounts disclosed as income are net of returns, allowances, duties and taxes. All amounts of income over which the Department does not have control are disclosed as administered income in the schedule of administered income and expenses (see note 3). Income is recognised for each of the Department's major activities as follows:

### Output appropriations

Income 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.

### Special appropriations

Under Section 5.6.8 of the *Education and Training Reform Act 2006*, revenue related to Volunteer Workers Compensation is recognised when the amount appropriated for that purpose is due and payable by the Department.

Under Section 10 of the *Financial Management Act 1994*, revenue related to the National Education Agreement, National Partnership Payments and Special Purpose Payments for early childhood development is recognised when the amount appropriated for that purpose is due and payable by the Department.

## Note 1 Summary of significant accounting policies (continued)

### Interest income

Interest income includes interest received on bank term deposits, interest from investments, and other interest received. Interest income is recognised on a time proportionate basis that takes into account the effective yield on the financial asset.

### Sales of goods and services

#### Income from the provision of services

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

- the amount of the income, 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 Department.

The stage of completion is measured by reference to labour hours supplied or as a percentage of total services to be performed.

#### Income from sale of goods

Income from the sale of goods relates mainly to income derived from schools and set out below are the policies adopted for recognition.

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 income 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.

### Grants

Grants from third parties (other than contribution by owners) are recognised as income in the reporting period in which the Department gains control over the underlying assets.

### Fair value of assets 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 transferee obtains control over them, irrespective of whether restrictions or conditions are imposed over the use of the contributions, 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.

## (g) Expenses from transactions

### Employee expenses

Employee expenses include all costs related to employment including wages and salaries, leave entitlements, redundancy payments and superannuation contributions. The recording of superannuation expenses depends upon whether employees are members of defined benefit or defined contribution plans. In relation to defined contribution (i.e. accumulation) superannuation plans, the associated expense is simply the employer contributions that are paid or payable in respect of employees who are members of these plans during the reporting period. Employer superannuation expenses in relation to employees who are members of defined benefit superannuation plans are described below.

### Superannuation

#### Defined contribution plans

Contributions to defined contribution superannuation plans are expensed when incurred.

#### Defined benefit plans

The amount recognised in the comprehensive operating statement in relation to employer contributions for members of defined benefit superannuation plans is simply the employer contributions that are paid or payable to these plans during the reporting period. The level of these contributions will vary depending upon the relevant rules of each plan, and is based upon actuarial advice.

The Victorian Department of Treasury and Finance (DTF) in their Annual Financial Statements, recognise on behalf of the State as the sponsoring employer, the net defined benefit cost related to the members of these plans. Refer to DTF's Annual Financial Statements for more detailed disclosures in relation to these plans.

### Depreciation and amortisation

All infrastructure assets, buildings, plant and equipment and other non-current physical assets (excluding items under operating leases, assets held-for-sale and investment properties) that have a limited useful life are depreciated.

Depreciation is generally calculated on a straight-line basis, at rates that allocate the asset's value, less any estimated residual value, over its estimated useful life.

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 following are expected useful lives for the different asset classes for both current and prior years:

	Useful life Years	2010 %	2009 %
Buildings – permanent	60	1.7	1.7
Buildings – relocatable and other improvements	40	2.5	2.5
Plant and equipment	3–33	3–33	3–33

Land and core cultural assets, which are considered to have an indefinite life, are not depreciated. Depreciation is not recognised in respect of these assets as their service potential has not, in any material sense, been consumed during the reporting period.

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.

## Note 1 Summary of significant accounting policies (continued)

Intangible produced assets with finite useful lives are amortised as an expense from transactions 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. Amortisation of an intangible non-produced asset with a finite useful life is not classified as a transaction and is included in the net result as an other economic flow. 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.

Intangible assets with indefinite useful lives are not amortised. However, all intangible assets are assessed for impairment annually.

### Interest expense

Interest expenses are recognised as expenses in the period in which they are incurred. Refer to glossary of terms in note 26 for an explanation of interest expense items.

### Grants and other expense transfers

Grants and other expense transfers to third parties (other than contribution to owners) 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.

### 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.

### Other operating expenses

Other operating expenses generally represent the day-to-day running costs incurred in normal operations.

### Supplies and services

Supplies and services generally represent cost of goods sold and the day-to-day running costs, including school requisites and 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.

### Bad and doubtful debts

Bad and doubtful debts are assessed on a regular basis. Those bad debts considered as written off by mutual consent are classified as a transaction expense. Those written off unilaterally and the allowance for doubtful receivables, are classified as other economic flows (refer to note 1(j) *Financial assets – Impairment of financial assets*).

### Fair value of assets and services provided free of charge or for nominal consideration

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

### Ex-gratia payments

Ex-gratia payments are payments arising from personal injury claims involving students and third parties and settlement of legal action taken under the *Equal Opportunity Act 1995* and *Workplace Relations Act 1996*.

### Borrowing costs of qualifying assets

In accordance with the paragraphs of AASB 123 *Borrowing costs* applicable to not-for-profit public sector entities, the Department continues to recognise borrowing costs immediately as an expense, to the extent that they are directly attributable to the acquisition, construction or production of a qualifying asset.

## (h) Other economic flows included in net result

Other economic flows measure the change in volume or value of assets or liabilities that do not result from transactions. These include:

### Net gain/(loss) on non-financial assets

Net gain/(loss) on non-financial assets and liabilities includes realised and unrealised gains and losses as follows:

#### Revaluation gains/(losses) of non-current physical assets

Refer to accounting policy on property, plant and equipment, provided in note 1(k) *Non-financial assets*.

#### Disposal of non-financial assets

Any gain or loss on the sale of non-financial assets is recognised at the date that 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.

#### Amortisation of non-produced intangible assets

Refer to note 1(k) *Non-financial assets*.

#### Impairment of non-financial assets

Intangible assets with indefinite useful lives (and intangible assets not yet available for use) are tested annually for impairment (that is as to whether their carrying value exceeds their recoverable amount, and so requiring write-downs) 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 and non-current physical assets classified as held 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 as an other economic flow in the comprehensive 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.

### Net gain/(loss) on financial instruments

Net gain/(loss) on financial instruments includes realised and unrealised gains and losses from revaluations of financial instruments that are designated at fair value through profit or loss, impairment and reversal of impairment for financial instruments at amortised cost, and disposals of financial assets.

#### Revaluations of financial instruments at fair value

The revaluation gain/(loss) on financial instruments at fair value excludes dividends or interest earned on financial assets, which is reported as part of income from transactions.

#### Other gains/(losses) from other economic flows

Other gains/(losses) from other economic flows include the gains or losses from reclassifications of amounts from reserves and/or accumulated surplus to net result, and from the revaluation of long service leave liability (LSL) due to change in bond interest rates.

## Note 1 Summary of significant accounting policies (continued)

### (i) 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.

#### Commonwealth grants

The Department's administered grants mainly comprise funds provided by the Commonwealth to assist the State Government in meeting general or specific service delivery obligations, primarily for the purpose of aiding in the financing of the operations of the recipient, capital purposes and/or for on-passing to other recipients. Grants also include grants from other jurisdictions.

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 (where equal value is given back by the Department to the provider), 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 3).

### (j) Financial assets

#### Cash and cash equivalents

Cash and deposits, including cash equivalents, comprise cash on hand and cash at bank, deposits at call and those highly liquid investments with an original maturity of three months or less, which are held for the purpose of meeting short term cash commitments rather than for investment purposes, and which are readily convertible to known amounts of cash and are subject to an insignificant risk of changes in value.

For cash flow statement presentation purposes, cash and cash equivalents includes bank overdrafts, which are included as borrowings on the balance sheet.

#### Receivables

Receivables consist predominantly of amounts owing from the Victorian Government, debtors in relation to goods and services, accrued investment income and GST input tax credits recoverable (refer to note 1(m) for finance lease receivables). Receivables that are contractual are classified as financial instruments. Amounts owing from the Victorian Government, taxes and other statutory receivables are not classified as financial instruments.

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

An allowance for doubtful receivables is made when there is objective evidence that the debts may not be collected. Bad debts are written off when identified.

#### 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 financial assets as loans and receivables. The classification depends on the purpose for which the investments were acquired. Management determines the classification of its investments at initial recognition.

The Department assesses at each end of reporting period whether a financial asset or group of financial assets is impaired.

### Loans and receivables

Term deposits with maturity greater than three months, trade receivables and other receivables are recognised initially at fair value plus any attributable transaction costs. Subsequent to initial recognition loans and receivables are measured 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.

### Impairment of financial assets

The Department assesses at the end of each reporting period whether there is objective evidence that a financial asset or group of financial assets is impaired. All financial assets are subject to annual review for impairment.

Bad and doubtful debts for receivables are assessed on a regular basis. Those bad debts considered as written off by mutual consent are classified as a transaction expense. The bad debts not written off by mutual consent and the allowance for doubtful receivables are classified as 'other economic flows'.

In assessing impairment of statutory (non-contractual) financial assets which are not financial instruments, the Department applies professional judgement in assessing materiality and using estimates, averages and computational shortcuts in accordance with AASB 136 *Impairment of assets*.

## (k) Non-financial assets

### Non-current assets classified as held for sale

Non-financial 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-financial 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.

### Property, plant and equipment

All non-current assets are measured initially at cost, then subsequently at fair value. Plant, equipment and vehicles are measured at fair value less accumulated depreciation and impairment.

Non-current physical assets such as Crown land and heritage assets are 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.

The fair value of 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 replacement cost of 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 and any accumulated impairment.

The fair value of infrastructure systems and plant, equipment and vehicles, is normally determined by reference to the asset's depreciated replacement cost. For plant, equipment and vehicles, existing depreciated historical cost is generally a reasonable proxy for depreciated replacement cost because of the short lives of the assets concerned.

## Note 1 Summary of significant accounting policies (continued)

### Leasehold improvements

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.

### Restrictive nature of cultural and heritage assets, Crown land and infrastructure

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

### Non-current physical assets arising from finance leases

Refer to note 1(m) *Leases*.

### Non-current physical assets constructed by the Department

The cost of non-current physical assets constructed by the Department includes the cost of all materials used in construction, direct labour on the project, and an appropriate proportion of variable and fixed overheads.

### Revaluations of non-current physical assets

Non-current physical assets are measured at fair value in accordance with FRD 103D *Non-current physical assets* issued by the Minister for Finance. A full revaluation normally occurs every five years, with the next scheduled revaluation to occur in 2013, based on the asset's government purpose classification. The Department conducts fair value assessments based upon the cumulative indices supplied by the Valuer-General since the last formal revaluation. Where fair value assessments indicate that material changes in valuations have occurred using the trigger in FRD103D of 10 per cent, a management valuation would be undertaken. Independent valuers are used to conduct these scheduled revaluations and any interim revaluations are determined in accordance with the requirements of FRD103D.

Revaluation increases or decreases arise from differences between an asset's carrying value and fair value.

Net revaluation increases (where the carrying amount of a class of assets is increased as a result of a revaluation) are recognised in other comprehensive income and accumulated in equity under the revaluation surplus, except that the net revaluation increase shall be recognised in the net result to the extent that it reverses a net revaluation decrease in respect of the same class of property, plant and equipment previously recognised as an expense (other economic flows) in the net result.

Net revaluation decreases are recognised immediately as expenses (other economic flows) in the net result, except that the net revaluation decrease shall be recognised in other comprehensive income to the extent that a credit balance exists in the revaluation surplus in respect of the same class of property, plant and equipment. The net revaluation decrease recognised in other comprehensive income reduces the amount accumulated in equity under revaluation surplus.

Revaluation increases and decreases relating to individual assets within a class of property, plant and equipment, are offset against one another within that class but are not offset in respect of assets in different classes. Any revaluation surplus is not normally transferred to accumulated funds on de-recognition of the relevant asset.

### 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

### Other non-financial assets

#### Prepayments

Other non-financial assets include prepayments which represent payments in advance of receipt of goods or services or that part of expenditure made in one accounting period covering a term extending beyond that period.

#### Impairment of non-financial assets

Refer to note 1(h) *Other economic flows included in net result*.

## (I) Liabilities

### Payables

Payables consist predominantly of accounts payable and other sundry liabilities. Accounts payable represent liabilities for goods and services provided to the Department prior to the end of the financial year that are unpaid, and arise when the Department becomes obliged to make future payments in respect of the purchase of those goods and services.

Other liabilities included in payables mainly consist of unearned/prepaid income, goods and services tax and fringe benefits tax payables.

Payables are initially recognised at fair value, being the cost of the goods and services, and subsequently measured at amortised cost.

## Note 1 Summary of significant accounting policies (continued)

### Borrowings

Borrowings are initially measured at fair value, being the cost of the interest bearing liabilities, net of transaction costs (refer to note 1(m) *Leases*).

Subsequent to initial recognition, borrowings 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 borrowing 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.

### Employee benefits

Provision is made for benefits accruing to employees in respect of wages and salaries, annual leave and long service leave for services rendered to the reporting date.

#### (i) Salaries and wages, annual leave and sick leave

Liabilities for salaries and wages, 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. These liabilities are 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* is disclosed in the notes to the financial statements 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:

- nominal value – component that the Department expects to settle within 12 months; and
- present value – component that the Department does not expect to settle within 12 months.

*Non-current liability – conditional LSL* 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 is measured at present value. Any gain or loss following revaluation of the present value of non-current LSL liability due to changes in bond interest rates is recognised as an other economic flow (refer to note 1(h) *Other economic flows included in net result*).

### (iii) Sabbatical leave

The Department's sabbatical leave scheme provides an arrangement for staff members to fund their own leave. The scheme consists of two components:

- a work period (of four times the leave period requested) during which the staff member receives annual salary at a reduced rate of 80 per cent; and
- a leave period, immediately following the completion of the work period, during which the staff member receives the accumulated salary.

Liability for sabbatical leave is recognised in the provision for sabbatical leave. The provision is calculated by adding up the unpaid portion of the accrued salaries of all staff members who have commenced the scheme, plus on-costs. It is updated each year to reflect the increase in salary accruals during the year less the amount of salaries paid out to staff that have commenced sabbatical leave.

### (iv) Termination benefits

Termination benefits are payable when employment is terminated before the normal retirement date, or when an employee accepts voluntary redundancy in exchange for these benefits. The Department recognises termination benefits when it is demonstrably committed to either terminating the employment of current employees according to a detailed formal plan without possibility of withdrawal or providing termination benefits as a result of an offer made to encourage voluntary redundancy. Benefits falling due more than 12 months after the end of the reporting period are discounted to present value.

### Employee benefits on-costs

Employee benefits on-costs (payroll tax, workers compensation, superannuation, annual leave and LSL accrued while on LSL taken in service) are recognised separately from provision for employee benefits.

## (m) Leases

A lease is a right to use an asset for an agreed period of time in exchange for payment.

Leases are classified at their inception as either operating or finance leases based on the economic substance of the agreement so as to reflect the risks and rewards incidental to ownership. Leases of property, plant and equipment are classified as finance infrastructure leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership from the lessor to the lessee. All other leases are classified as operating leases.

### Finance leases

#### Department as lessee

At the commencement of the lease term, finance leases are initially 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 finance lease payments are apportioned between reduction of the outstanding lease liability, and periodic finance expense which is calculated using the interest rate implicit in the lease and charged directly to the comprehensive operating statement. Contingent rentals associated with finance leases are recognised as an expense in the period in which they are incurred.

### Operating leases

#### Department as lessee

Operating lease payments, including any contingent rentals, are recognised as an expense in the comprehensive 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 leased asset is not recognised in the balance sheet.

## Note 1 Summary of significant accounting policies (continued)

All incentives for the agreement of a new or renewed operating lease are recognised as an integral part of the net consideration agreed for the use of the leased asset, irrespective of the incentive's nature or form or the timing of payments.

In the event that lease incentives are received to enter into operating leases, the aggregate cost of incentives are recognised as a reduction of rental expense over the lease term on a straight-line basis, unless another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

### Department as lessor

Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease.

Any incentives for the agreement of a new or renewed operating lease are recognised as an integral part of the net consideration agreed for the use of the leased asset, irrespective of the incentive's nature or form or the timing of payments.

In the event that lease incentives are given to the lessee, the aggregate cost of incentives are recognised as a reduction of rental income over the lease term, on a straight-line basis, unless another systematic basis is more representative of the time pattern over which the economic benefit of the leased asset is diminished.

## (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) Commitments

Commitments are disclosed at their nominal value and exclusive of the goods and services tax (GST) payable. In addition, where it is considered appropriate and provides additional relevant information to users, the net present values of significant individual projects are stated.

## (p) 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. Contingent assets and liabilities are presented exclusive of GST receivable or payable respectively.

## (q) Service concession arrangements

The State enters into arrangements to design and construct or upgrade an asset used to provide public services. These arrangements are typically complex and usually include the provision of operational and maintenance services for a specified period of time. These arrangements are often referred to as either public private partnerships (PPPs) or service concession arrangements (SCAs).

These SCAs usually take one of two main forms. In the more common form, the State pays the operator over the period of the arrangement, subject to specified performance criteria being met. At the date of commitment to the principal provisions of the arrangement, these estimated periodic payments are allocated between a component related to the design and construction or upgrading of the asset and components related to the ongoing operation and maintenance of the asset. The former component is accounted for as a lease payment (see note 1 (m) *Leases*). The remaining components are accounted for as commitments for operating costs which are expensed in the comprehensive operating statement as they are incurred.

In December 2008 the State of Victoria entered into a 27-year agreement with Axiom Education Victoria Pty Ltd, under the Partnerships Victoria policy, for the financing, design, construction, and maintenance of 12 schools.

Five schools opened in 2010 and the State assumed responsibility for education provision, staffing, curriculum and teacher practice, and a commitment in regard to these assets will be recognised as a finance lease with related finance lease assets. The remaining seven schools will open in 2011.

The commitment for maintenance is treated as another expenditure commitment.

### **(r) Accounting for 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.

Commitments and contingent assets or liabilities are presented on a net basis.

### **(s) 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 conditions which arose after the reporting date and which may have a material impact on the results of subsequent years.

### **(t) Foreign currency**

All foreign currency transactions during the financial year are brought to account using the exchange rate in effect at the date of the transaction. Foreign monetary items at reporting date are translated at the exchange rate existing at reporting date. Non-monetary assets carried at fair value that are denominated in foreign currencies are translated at the rates prevailing at the date when the fair value was determined.

Exchange differences are recognised in other economic flows in comprehensive income and accumulated in a separate component of equity, in the period in which they arise.

### **(u) Rounding of amounts**

Amounts in the financial statements have been rounded to the nearest 100,000 dollars, unless otherwise stated. All totals are rounded additions of unrounded amounts; discrepancies between totals and sums of components are due to rounding.

## Note 1 Summary of significant accounting policies (continued)

### (v) New accounting standards (AAS) and interpretations that are not yet effective

Certain new accounting standards and interpretations have been published that are not mandatory for the 30 June 2010 reporting period. DTF 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 2010, the following standards and interpretations (applicable to departments) had been issued but were not mandatory for financial year ending 30 June 2010. 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
AASB 2009-5 Further Amendments to Australian Accounting Standards arising from the Annual Improvements Project [AASB 5, 8, 101, 107, 117, 118, 136 and 139]	Some amendments will result in accounting changes for presentation, recognition or measurement purposes, while some amendments relate to terminology and editorial changes.	Beginning 1 Jan 2010	Terminology and editorial changes. Impact minor.
AASB 2009-8 Amendments to Australian Accounting Standards – group cash-settled share-based payment transactions [AASB 2]	The amendments clarify the scope of AASB 2.	Beginning 1 Jan 2010	No impact. AASB 2 does not apply to government departments or entities; consequently this standard does not apply.
AASB 2009-9 Amendments to Australian Accounting Standards – additional exemptions for first-time adopters [AASB 1]	Applies to entities adopting Australian Accounting Standards for the first time, to ensure entities will not face undue cost or effort in the transition process in particular situations.	Beginning 1 Jan 2010	No impact. Relates only to first time adopters of Australian Accounting Standards.
Erratum <i>General Terminology changes</i>	Editorial amendments to a range of Australian Accounting Standards and Interpretations.	Beginning 1 Jan 2010	Terminology and editorial changes. Impact minor.
AASB 2009-10 Amendments to Australian Accounting Standards – classification of rights issues [AASB 132]	The Standard makes amendments to AASB 132, stating that rights issues must now be classed as equity rather than derivative liabilities.	Beginning 1 Feb 2010	No impact. Departments do not issue rights, warrants and options, consequently the amendment does not impact on the statements.
AASB 2009-13 Amendments to Australian Accounting Standards arising from interpretation 19 [AASB 1]	Consequential amendment to AASB 1 arising from publication of Interpretation 19.	Beginning 1 Jul 2010	Departments do not extinguish financial liabilities with equity instruments, therefore requirements of Interpretation 19 and related amendments have no impact.
AASB 2010-1 Amendments to Australian Accounting Standards – Limited Exemption from Comparative AASB 7 Disclosures for First-time Adopters [AASB 1 and AASB 7]	This amendment provides limited exemptions from the requirements of adhering to AASB 1 and AASB 7 that arise from AASB 2009-2.	Beginning 1 Jul 2010	No impact. Relates only to first time adopters of AASB7.
Interpretation 19 Extinguishing Financial Liabilities with Equity Instruments	Guidance to assist entity in accounting for transactions that involves extinguishing a liability fully or partially by issuing equity instruments to the creditor.	Beginning 1 Jul 2010	Expected to have no significant impact.
AASB 2010-3 Amendments to Australian Accounting Standards arising from the Annual Improvements Project [AASB 3, AASB 7, AASB 121, AASB 128, AASB 131, AASB 132 and AASB 139]	This standard makes amendments to AASB 3, AASB 7, AASB 132 and AASB 139 as a consequence of changes to AASB 3. It also makes amendments to AASB121, ASB128 and AASB131 for transition requirements for amendments arising as a result of AASB 127.	Beginning 1 Jul 2010	Expected to have no significant impact.

Standard/Interpretation	Summary	Applicable for annual reporting periods beginning or ending on	Impact on departmental financial statements
AASB 124 Related party disclosures (Dec 2009)	Government related entities have been granted partial exemption with certain disclosure requirements.	Beginning 1 Jan 2011	Preliminary assessment suggests that impact is insignificant. However, the Department is still assessing the detailed impact and whether to early adopt.
AASB 2009-12 Amendments to Australian Accounting Standards [AASB 5, 8, 108, 110, 112, 119, 133, 137, 139, 1023 and 1031 and Interpretations 2, 4, 16, 1039 and 1052]	This standard amends AASB 8 to require an entity to exercise judgement in assessing whether a government and entities known to be under the control of that government are considered a single customer for purposes of certain operating segment disclosures.  This standard also makes numerous editorial amendments to other AASs.	Beginning 1 Jan 2011	AASB 8 does not apply to departments therefore no impact expected. Otherwise, only editorial changes arising from amendments to other standards, no major impact.  Impacts of editorial amendments are not expected to be significant.
AASB 2009-14 Amendments to Australian Interpretation – Prepayments of a minimum funding requirement [AASB Interpretation 14]	Amendment to Interpretation 14 arising from the issuance of <i>Prepayments of a minimum funding requirement</i> .	Beginning 1 Jan 2011	Expected to have no significant impact.
AASB 2010-4 Further Amendments to Australian Accounting Standards arising from the Annual Improvements Project [AASB 1, AASB 7, AASB 101 and AASB 134 and Interpretation 13]	This standard make various changes as a consequence of the Annual Improvements Project.	Beginning 1 Jan 2011	Expected to have no significant impact.
AASB 9 Financial instruments	This standard simplifies requirements for the classification and measurement of financial assets resulting from Phase 1 of the IASB's project to replace IAS 39 <i>Financial instruments: recognition and measurement</i> (AASB 139 <i>Financial Instruments: recognition and measurement</i> ).	Beginning 1 Jan 2013	Detail of impact is still being assessed.
AASB 1053 Application of Different Tiers of Australian Accounting Standards	This Standard establishes a differential financial reporting framework consisting of two tiers of reporting requirements for preparing general purpose financial statements.	Beginning 1 Jan 2013	No impact.  AASB 1053 does not apply to government departments.
AASB 2009-11 Amendments to Australian Accounting Standards arising from AASB 9 [AASB 1, 3, 4, 5, 7, 101, 102, 108, 112, 118, 121, 127, 128, 131, 132, 136, 139, 1023 and 1038 and Interpretations 10 and 12]	This gives effect to consequential changes arising from the issuance of AASB 9.	Beginning 1 Jan 2013	Detail of impact is still being assessed.
AASB 2010-2 Amendments to Australian Accounting Standards arising from Reduced Disclosure Requirements	This Standard makes amendments to many Australian Accounting Standards, including Interpretations, to introduce reduced disclosure requirements to the pronouncements for application by certain types of entities.	Beginning 1 Jan 2013	Does not affect financial measurement or recognition, so is not expected to have any impact on financial result or position. May reduce some note disclosures in financial statements.

## Note 2 Departmental (controlled) outputs

A description of departmental outputs performed during the year ended 30 June 2010, and the objectives of these outputs, are summarised below.

### Early childhood services

Early childhood services outputs, through the funding of a range of services, provide support to children in the early years, including kindergarten and child care, maternal and child health, school nursing for primary school aged children, and early intervention services for children with a disability. It comprises:

#### Child health and support services

This output involves provision of community-based maternal and child health services to all families with children aged 0 to 6 years, and school nursing services for primary school aged children, that include developmental health surveillance, early intervention, parenting support and health education.

#### Early childhood education and care

This output involves provision of kindergarten and child care services including the licensing and monitoring of centre-based children's services, and specialist services to improve access to kindergartens for disadvantaged children.

#### Early childhood intervention services

This output involves provision of a range of services and support for children with a developmental delay or disability and their families.

### Compulsory years

The outputs for compulsory years 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 (schools)

This output involves provision of education and other associated services designed to improve the quality of student learning of those in Prep–Year 4 in government and non-government schools. The early years of schooling output 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. This output includes the development and management of education programs and curriculum.

#### Middle years (schools)

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. The middle years of schooling output refers to 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. This output includes the development and management of education programs and curriculum.

## Later years and youth transitions

The later years and youth transitions 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. It also covers the provision of cross-sectoral services to improve the transition of young people to further education, training and employment.

### Services to students

This output covers student welfare and support, services to students with disabilities, education maintenance allowance, school start bonus payments and student transport. It involves the 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 for 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
- the school start bonus payment to students in the Preparatory year and Year 7
- administration of student conveyance allowances and the transport of government and non-government school students, including those attending specialist schools
- school focused youth services.

### Adolescent health services (schools)

This output involves provision of school nursing services for secondary school-aged children.

### Policy and regulation

The policy and regulation output involves provision of policy, administrative support and strategy advice to the Ministers in relation to their parliamentary and legislative responsibilities. It also covers provision of administrative support services for the various statutory authorities including the Victorian Curriculum and Assessment Authority and Victorian Registration and Qualifications Authority, regulation and advisory bodies and for international education. It includes provision of information services about education to the community, including dissemination of information through public promotions, telephone services, publications and advertising services.

## Note 2 Departmental (controlled) outputs (continued)

Departmental outputs schedule – controlled income and expenses for the year ended 30 June 2010

	Early childhood services	Compulsory years	Later years and youth transitions	Services to students	Adolescent health services	Policy and regulation	Departmental total
	2010 \$m	2010 \$m	2010 \$m	2010 \$m	2010 \$m	2010 \$m	2010 \$m
<b>Income from transactions</b>							
Output appropriations	333.8	4,724.2	1,471.2	762.5	10.4	40.8	<b>7,342.9</b>
Special appropriations	18.9	115.4	44.9	–	–	–	<b>179.2</b>
Interest	–	16.8	5.3	2.6	–	–	<b>24.8</b>
Grants	13.2	33.5	22.4	0.9	–	1.1	<b>71.1</b>
Sales of goods and services	0.3	408.6	128.9	58.7	–	–	<b>596.5</b>
Other income	–	8.8	2.8	1.4	–	–	<b>13.0</b>
<b>Total income from transactions</b>	<b>366.2</b>	<b>5,307.4</b>	<b>1,675.6</b>	<b>826.0</b>	<b>10.4</b>	<b>41.9</b>	<b>8,227.5</b>
<b>Expenses from transactions</b>							
Employee expenses	(46.1)	(3,131.7)	(829.5)	(530.6)	(9.8)	(12.2)	<b>(4,559.9)</b>
Depreciation and amortisation	(0.3)	(153.0)	(40.8)	(14.0)	–	(0.1)	<b>(208.1)</b>
Interest expenses	–	(2.4)	(0.7)	–	–	–	<b>(3.1)</b>
Grants and other payments	(2.3)	(407.1)	(189.4)	(164.6)	–	(14.5)	<b>(777.9)</b>
Capital asset charge	(1.5)	(535.7)	(238.7)	(32.0)	–	(0.2)	<b>(808.2)</b>
Other operating expenses	(315.9)	(1,060.2)	(371.1)	(84.9)	(0.6)	(14.9)	<b>(1,847.5)</b>
<b>Total expenses from transactions</b>	<b>(366.2)</b>	<b>(5,290.0)</b>	<b>(1,670.1)</b>	<b>(826.0)</b>	<b>(10.4)</b>	<b>(41.9)</b>	<b>(8,204.6)</b>
<b>Net result from transactions (net operating balance)</b>	<b>–</b>	<b>17.4</b>	<b>5.5</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>22.9</b>
<b>Other economic flows included in net result</b>							
Net gain/(loss) on non-financial assets	0.2	2.7	0.8	0.4	–	–	<b>4.1</b>
Net gain/(loss) on financial instruments and statutory receivables/payables	–	(0.4)	(0.1)	–	–	–	<b>(0.5)</b>
Other gains/(losses) from other economic flows	–	(3.2)	(1.0)	–	–	–	<b>(4.2)</b>
<b>Total other economic flows</b>	<b>0.2</b>	<b>(0.9)</b>	<b>(0.3)</b>	<b>0.4</b>	<b>–</b>	<b>–</b>	<b>(0.6)</b>
<b>Net result</b>	<b>0.2</b>	<b>16.5</b>	<b>5.2</b>	<b>0.4</b>	<b>–</b>	<b>–</b>	<b>22.3</b>
<b>Other economic flows – other non-owner changes in equity</b>							
Changes in physical asset revaluation surplus	–	(120.1)	(37.9)	–	–	–	<b>(158.0)</b>
<b>Total other economic flows – other non-owner changes in equity</b>	<b>–</b>	<b>(120.1)</b>	<b>(37.9)</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>(158.0)</b>
<b>Comprehensive result</b>	<b>0.2</b>	<b>(103.6)</b>	<b>(32.7)</b>	<b>0.4</b>	<b>–</b>	<b>–</b>	<b>(135.7)</b>

## Departmental outputs schedule – controlled assets and liabilities as at 30 June 2010

	Early childhood services	Compulsory years	Later years and youth transitions	Services to students	Adolescent health services	Policy and regulation	Departmental total
	2010 \$m	2010 \$m	2010 \$m	2010 \$m	2010 \$m	2010 \$m	2010 \$m
<b>Assets and liabilities</b>							
<b>Assets</b>							
Financial assets	52.0	1,199.0	378.3	186.9	1.5	6.0	<b>1,823.7</b>
Non-financial assets	108.4	8,468.6	2,672.1	1,320.2	16.6	66.9	<b>12,652.8</b>
<b>Total assets</b>	<b>160.4</b>	<b>9,667.6</b>	<b>3,050.5</b>	<b>1,507.1</b>	<b>18.1</b>	<b>72.9</b>	<b>14,476.5</b>
<b>Liabilities</b>							
Liabilities	58.9	1,213.4	382.9	175.0	1.7	6.7	<b>1,838.7</b>
<b>Total liabilities</b>	<b>58.9</b>	<b>1,213.4</b>	<b>382.9</b>	<b>175.0</b>	<b>1.7</b>	<b>6.7</b>	<b>1,838.7</b>
<b>Net assets/(liabilities)</b>	<b>101.5</b>	<b>8,454.1</b>	<b>2,667.6</b>	<b>1,332.1</b>	<b>16.4</b>	<b>66.1</b>	<b>12,637.8</b>

## Note 2 Departmental (controlled) outputs (continued)

Departmental outputs schedule - controlled income and expenses for the year ended 30 June 2009

	Early childhood services	Compulsory years	Later years and youth transitions	Services to students	Adolescent health services	Policy and regulation	Departmental total
	2009 \$m	2009 \$m	2009 \$m	2009 \$m	2009 \$m	2009 \$m	2009 \$m
<b>Income from transactions</b>							
Output appropriations	322.8	4,582.6	1,460.7	714.1	10.3	39.1	<b>7,129.6</b>
Special appropriations	–	0.2	0.1	–	–	–	<b>0.3</b>
Interest	–	27.0	8.3	–	–	–	<b>35.3</b>
Grants	9.2	19.9	6.1	3.0	–	–	<b>38.2</b>
Sales of goods and services	0.4	382.2	117.5	58.1	–	1.7	<b>559.9</b>
Other income	1.4	6.2	1.9	0.9	–	–	<b>10.5</b>
<b>Total income from transactions</b>	<b>333.9</b>	<b>5,018.0</b>	<b>1,594.5</b>	<b>776.2</b>	<b>10.3</b>	<b>40.8</b>	<b>7,773.6</b>
<b>Expenses from transactions</b>							
Employee expenses	(37.9)	(2,996.9)	(791.9)	(482.7)	(9.5)	(11.9)	<b>(4,330.7)</b>
Depreciation and amortisation	(0.3)	(157.6)	(42.1)	(13.8)	–	(0.1)	<b>(214.0)</b>
Interest expenses	–	(0.6)	–	–	–	–	<b>(0.6)</b>
Grants and other payments	(1.0)	(379.2)	(181.6)	(161.2)	–	(14.2)	<b>(737.1)</b>
Capital asset charge	(1.5)	(499.9)	(228.7)	(31.7)	–	(0.2)	<b>(762.0)</b>
Other operating expenses	(293.1)	(980.8)	(349.1)	(86.4)	(0.8)	(14.5)	<b>(1,724.6)</b>
<b>Total expenses from transactions</b>	<b>(333.9)</b>	<b>(5,015.0)</b>	<b>(1,593.3)</b>	<b>(775.8)</b>	<b>(10.3)</b>	<b>(40.8)</b>	<b>(7,769.0)</b>
<b>Net result from transactions (net operating balance)</b>	<b>–</b>	<b>3.0</b>	<b>1.2</b>	<b>0.4</b>	<b>–</b>	<b>–</b>	<b>4.6</b>
<b>Other economic flows included in net result</b>							
Net gain/(loss) on non-financial assets	0.1	1.2	0.4	0.2	–	–	<b>1.8</b>
Net gain/(loss) on financial instruments and statutory receivables/payables	–	(0.8)	(0.3)	–	–	–	<b>(1.0)</b>
Other gains/(losses) from other economic flows	(0.5)	(41.2)	(12.7)	(6.3)	(0.1)	(0.2)	<b>(60.9)</b>
<b>Total other economic flows</b>	<b>(0.5)</b>	<b>(40.8)</b>	<b>(12.5)</b>	<b>(6.1)</b>	<b>(0.1)</b>	<b>(0.2)</b>	<b>(60.1)</b>
<b>Net result</b>	<b>(0.5)</b>	<b>(37.8)</b>	<b>(11.4)</b>	<b>(5.7)</b>	<b>(0.1)</b>	<b>(0.2)</b>	<b>(55.5)</b>
<b>Other economic flows – other non- owner changes in equity</b>							
Changes in physical asset revaluation surplus	–	(153.6)	(47.1)	(17.9)	–	–	<b>(218.7)</b>
<b>Total other economic flows – other non-owner changes in equity</b>	<b>–</b>	<b>(153.6)</b>	<b>(47.1)</b>	<b>(17.9)</b>	<b>–</b>	<b>–</b>	<b>(218.7)</b>
<b>Comprehensive result</b>	<b>(0.5)</b>	<b>(191.4)</b>	<b>(58.5)</b>	<b>(23.6)</b>	<b>(0.1)</b>	<b>(0.2)</b>	<b>(274.2)</b>

## Departmental outputs schedule – controlled assets and liabilities as at 30 June 2009

	Early childhood services	Compulsory years	Later years and youth transitions	Services to students	Adolescent health services	Policy and regulation	Departmental total
	2009 \$m	2009 \$m	2009 \$m	2009 \$m	2009 \$m	2009 \$m	2009 \$m
<b>Assets and liabilities</b>							
<b>Assets</b>							
Financial assets	1.8	1,166.4	359.6	137.5	–	6.7	<b>1,672.0</b>
Non-financial assets	0.1	7,976.7	2,633.6	924.1	–	0.2	<b>11,534.7</b>
<b>Total assets</b>	<b>1.9</b>	<b>9,143.1</b>	<b>2,993.2</b>	<b>1,061.6</b>	<b>–</b>	<b>7.0</b>	<b>13,206.7</b>
<b>Liabilities</b>							
Liabilities	2.0	1,108.7	344.4	130.7	0.5	6.2	<b>1,592.5</b>
<b>Total liabilities</b>	<b>2.0</b>	<b>1,108.7</b>	<b>344.4</b>	<b>130.7</b>	<b>0.5</b>	<b>6.2</b>	<b>1,592.5</b>
<b>Net assets/(liabilities)</b>	<b>(0.1)</b>	<b>8,034.4</b>	<b>2,648.8</b>	<b>930.8</b>	<b>(0.5)</b>	<b>0.8</b>	<b>11,614.2</b>

## Note 3 Administered (non-controlled) items

In addition to the specific departmental operations which are included in the operating statement, balance sheets, 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 rent and the proceeds from the sale of administered surplus land and buildings. Administered assets include government incomes earned but yet to be collected. Administered liabilities include government expenses incurred but yet to be paid. Although presented here as administered items, they are consolidated and presented within the financial results of the whole of government and general government sector.

	School education		Early childhood services		Departmental total	
	2010 \$m	2009 \$m	2010 \$m	2009 \$m	2010 \$m	2009 \$m
<b>Administered income from transactions</b>						
Commonwealth on-passing to non-government schools:						
General recurrent grant	1,704.3	1,611.1	–	–	1,704.3	1,611.1
Other	955.4	288.3	–	–	955.4	288.3
Prizes and scholarships	0.3	0.3	–	–	0.3	0.3
Commonwealth general recurrent grants to government schools	–	221.5	–	–	–	221.5
Other grants	6.6	112.6	–	4.4	6.6	117.0
<b>Total administered income from transactions</b>	<b>2,666.6</b>	<b>2,233.8</b>	<b>–</b>	<b>4.4</b>	<b>2,666.6</b>	<b>2,238.2</b>
<b>Administered expenses from transactions</b>						
Commonwealth on-passing to non-government schools:						
General recurrent grant	(1,704.2)	(1,613.9)	–	–	(1,704.2)	(1,613.9)
Other	(955.3)	(285.5)	–	–	(955.3)	(285.5)
Prizes and scholarships	(0.2)	(0.3)	–	–	(0.2)	(0.3)
Amounts paid to Consolidated Fund	28.1	(330.4)	–	(4.4)	28.1	(334.9)
Other	(0.9)	(0.7)	–	–	(0.9)	(0.7)
<b>Total administered expenses from transactions</b>	<b>(2,632.4)</b>	<b>(2,230.7)</b>	<b>–</b>	<b>(4.4)</b>	<b>(2,632.4)</b>	<b>(2,235.2)</b>
<b>Total administered net result from transactions</b>	<b>34.1</b>	<b>3.1</b>	<b>–</b>	<b>–</b>	<b>34.1</b>	<b>3.1</b>
<b>Administered other economic flows included in the administered net result</b>						
Net gain/(loss) on non-financial assets	(32.8)	(4.5)	–	–	(32.8)	(4.5)
<b>Total administered other economic flows</b>	<b>(32.8)</b>	<b>(4.5)</b>	<b>–</b>	<b>–</b>	<b>(32.8)</b>	<b>(4.5)</b>
<b>Administered net result</b>	<b>1.4</b>	<b>(1.5)</b>	<b>–</b>	<b>–</b>	<b>1.4</b>	<b>(1.5)</b>

**Administered financial assets**

	School education		Early childhood services		Departmental total	
	2010 \$m	2009 \$m	2010 \$m	2009 \$m	2010 \$m	2009 \$m
Receivables	2.1	22.6	–	–	2.1	22.6
Investments	1.7	1.7	–	–	1.7	1.7
<b>Total administered financial assets</b>	<b>3.8</b>	<b>24.3</b>	<b>–</b>	<b>–</b>	<b>3.8</b>	<b>24.3</b>
<b>Total administered non-financial assets</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>
<b>Total administered assets</b>	<b>3.8</b>	<b>24.3</b>	<b>–</b>	<b>–</b>	<b>3.8</b>	<b>24.3</b>

**Administered liabilities**

Creditors and accruals	–	21.8	–	–	–	21.8
<b>Total administered liabilities</b>	<b>–</b>	<b>21.8</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>21.8</b>
<b>Total administered net assets</b>	<b>3.8</b>	<b>2.5</b>	<b>–</b>	<b>–</b>	<b>3.8</b>	<b>2.5</b>

## Note 4 Net result from transactions (net operating balance)

	2010 \$m	2009 \$m
<b>Income from transactions</b>		
(a) <b>Grants</b>		
Other public bodies	71.1	38.2
<b>Total grants</b>	<b>71.1</b>	<b>38.2</b>
(b) <b>Sales of goods and services</b>		
Schools revenue	552.1	518.3
Provision of services	44.4	41.5
<b>Total sales of goods and services</b>	<b>596.5</b>	<b>559.9</b>
(c) <b>Other income</b>		
Fair value of assets received free of charge or for nominal consideration	–	1.4
Other revenue	13.0	9.0
<b>Total other income</b>	<b>13.0</b>	<b>10.5</b>
<b>Expenses from transactions</b>		
(d) <b>Employee expenses</b>		
Salaries and wages – Departmental employees	3,528.2	3,316.3
Salaries and wages – staff employed by school councils	201.5	195.6
Superannuation	370.6	352.1
Annual leave and long service leave expense	205.7	226.7
Other on-costs (fringe benefits tax, payroll tax and workcover levy)	253.9	240.1
<b>Total employee benefits</b>	<b>4,559.9</b>	<b>4,330.7</b>
(e) <b>Depreciation and amortisation</b>		
<b>Depreciation</b>		
Buildings	140.5	148.5
Plant and equipment	46.7	51.1
	<b>187.2</b>	<b>199.6</b>
<b>Amortisation</b>		
Plant and leasehold improvements	13.7	–
Software	7.2	14.4
	<b>20.9</b>	<b>14.4</b>
<b>Total depreciation and amortisation</b>	<b>208.1</b>	<b>214.0</b>

	2010 \$m	2009 \$m
<b>Expenses from transactions (continued)</b>		
<b>(f) Grants and other expense transfers</b>		
Grants to Victorian Curriculum and Assessment Authority	46.1	44.9
Grants to Victorian Registration and Qualifications Authority	5.6	8.5
Grants to Victorian Institute of Teaching	0.6	1.4
Grants to non-government schools		
– primary	169.1	160.0
– secondary	267.9	253.7
– other	53.7	57.1
Grants to external organisations	175.6	153.5
Conveyance and Education Maintenance Allowance payments	59.3	57.9
<b>Total grants and other expense transfers</b>	<b>777.9</b>	<b>737.1</b>
<b>(g) Other operating expenses</b>		
<b>Supplies and services</b>		
Administration	243.5	192.9
Maintenance	407.8	403.2
School requisites	815.5	789.7
Service agreement payments	299.3	262.4
Rental expense relating to operating leases – minimum lease payments	26.2	30.7
<b>Total supplies and services</b>	<b>1,792.3</b>	<b>1,679.0</b>
<b>Fair value of assets and services provided free of charge or for nominal consideration</b>		
Rent provided free of charge – Victorian Curriculum and Assessment Authority	1.7	1.7
Rent provided free of charge – Victorian Registration and Qualifications Authority	0.2	0.2
Motor vehicles under VicFleet – Office for Children	–	1.1
<b>Total fair value of assets and services provided free of charge or for nominal consideration</b>	<b>1.9</b>	<b>2.9</b>
<b>Victorian Auditor-General's Office audit fees</b>		
Audit or review of the financial statements	0.4	0.4
<b>Total audit fees</b>	<b>0.4</b>	<b>0.4</b>
<b>Ex-gratia payments</b>	<b>2.3</b>	<b>1.1</b>
<b>Other expenses</b>	<b>50.6</b>	<b>41.1</b>
<b>Total other operating expenses</b>	<b>1,847.5</b>	<b>1,724.6</b>

## Note 5 Other economic flows included in net result

	2010 \$m	2009 \$m
<b>(a) Net gain/(loss) on non-financial assets</b>		
Consideration from disposals	3.3	3.5
Carrying amount of assets disposed	(2.4)	(1.7)
Assets not previously recognised	3.1	–
<b>Total net gain/(loss) on non-financial assets</b>	<b>4.1</b>	<b>1.8</b>
<b>(b) Net gain/(loss) on financial instruments and statutory receivables/payables</b>		
Impairment of loans and receivables	(0.5)	(1.0)
<b>Total net gain/(loss) on financial instruments</b>	<b>(0.5)</b>	<b>(1.0)</b>
<b>(c) Other gains/(losses) from other economic flows</b>		
Net gain/(loss) arising from revaluation of long service leave liability	(4.2)	(60.9)
<b>Total other gains/(losses) from other economic flows</b>	<b>(4.2)</b>	<b>(60.9)</b>

## Note 6 Summary of compliance with annual parliamentary and special 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.

	Appropriation Act			Financial Management Act 1994					Total parliamentary authority	Appropriations applied	Variance
	Annual appropriation	Advance from Treasurer	Section 3(2)	Section 29	Section 30	Section 32	Section 35 advances				
2010	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m
<b>Controlled</b>											
Provision for outputs	7,321.5	62.4	-	208.1	(158.5)	206.0	-	7,639.4	7,342.9	296.5	
Additions to net assets	189.9	28.8	-	1,423.5	158.5	200.0	-	2,000.7	1,127.6	873.1	
<b>Total</b>	<b>7,511.4</b>	<b>91.2</b>	<b>-</b>	<b>1,631.6</b>	<b>-</b>	<b>405.9</b>	<b>-</b>	<b>9,640.1</b>	<b>8,470.5</b>	<b>1,169.6</b>	

The provision of outputs variance of \$296.5 million is made up as follows:

- Carryover of provision of outputs appropriation for projects totalling \$163.8 million;
- 2009-10 lapsed carryover for the on-costs relating to the Digital Education Revolution of \$103.0 million;
- CPI adjustments to reflect the change in 2009-10 of \$20.9 million; and
- Drought savings of \$8.8 million.

The additions to net assets variance of \$873.1 million is made up as follows:

- Carryover of additions to net assets projects totalling \$838.3 million;
- Appropriation for capital programs re-phased to 2010-11 financial year of \$29.4 million; and
- Late changes to the ERC approved program in the 2009-10 Budget of \$5.3 million.

	Appropriation Act			Financial Management Act 1994					Total parliamentary authority	Appropriations applied	Variance
	Annual appropriation	Advance from Treasurer	Section 3(2)	Section 29	Section 30	Section 32	Section 35 advances				
2009	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m
<b>Controlled</b>											
Provision for outputs	6,654.5	76.0	267.9	341.5	(56.2)	58.5	-	7,342.2	7,129.6	212.7	
Additions to net assets	227.2	-	-	206.6	56.2	45.0	-	535.0	326.8	208.2	
<b>Total</b>	<b>6,881.7</b>	<b>76.0</b>	<b>267.9</b>	<b>548.1</b>	<b>-</b>	<b>103.5</b>	<b>-</b>	<b>7,877.2</b>	<b>7,456.4</b>	<b>420.8</b>	

## Note 6 Summary of compliance with annual parliamentary and special appropriations (continued)

### (b) Summary of compliance with special appropriations

Authority	Purpose	Appropriations applied	
		2010 \$m	2009 \$m
Controlled			
Section 5.6.8 of the <i>Education and Training Reform Act 2006</i>	Volunteers workers compensation	0.2	0.3
Section 10 of the <i>Financial Management Act 1994</i>	Early childhood development Special Purpose Payments	2.8	–
Section 10 of the <i>Financial Management Act 1994</i>	National Partnership Payments for improved educational outcomes for children of all ages	33.2	–
Section 10 of the <i>Financial Management Act 1994</i>	National Education Agreement	143.0	–
Section 10 of the <i>Financial Management Act 1994</i>	National Education Agreement - additions to net assets	82.2	–
Total		261.5	0.3

## Note 7 Cash and cash equivalents

	2010 \$m	2009 \$m
Amounts held by schools	537.8	609.6
Departmental operating bank accounts	94.6	105.2
Other bank accounts	9.0	4.0
<b>Total cash and cash equivalents</b>	<b>641.4</b>	<b>718.9</b>

### 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. The departmental operating bank accounts hold funds on behalf of trusts. 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 payments for goods and services to the Department's 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 to cover its transactions. This remittance by the Public Account occurs upon the electronic transfer of funds and the presentation of the cheques by the Department's suppliers or creditors.

During the financial year amounts held by schools include short term investments of less than three months of \$122.8 million (2009: \$138.1 million) are treated as cash and cash equivalents. Amounts held by schools of three months or more of \$118.8 million (2009: \$58.2 million) are treated as other financial assets.

## Note 8 Receivables

	2010 \$m	2009 \$m
<b>Current receivables</b>		
<b>Statutory</b>		
Amounts owing from Victorian Government (i)	787.0	692.1
GST receivables	61.1	31.5
	<b>848.0</b>	<b>723.5</b>
<b>Contractual</b>		
Schools' receivables	81.7	74.0
Other debtors (ii)	17.7	12.7
	<b>99.4</b>	<b>86.7</b>
Allowance for doubtful debts (ii)	(13.1)	(12.6)
<b>Total current receivables</b>	<b>934.3</b>	<b>797.6</b>
<b>Non-current receivables</b>		
<b>Statutory</b>		
Amounts owing from Victorian Government (i)	128.9	96.9
<b>Contractual</b>		
Other debtors (ii)	0.5	0.6
	<b>(0.2)</b>	<b>(0.1)</b>
Allowance for doubtful debts (ii)		
<b>Total non-current receivables</b>	<b>129.2</b>	<b>97.3</b>
<b>Aggregate carrying amount of receivables</b>		
Current	934.3	797.6
Non-current	129.2	97.3
<b>Total aggregate carrying amount of receivables</b>	<b>1,063.5</b>	<b>894.9</b>

(i) The amounts recognised from Victorian Government represent funding for all commitments incurred through the appropriations and are drawn from the Consolidated Fund as the commitments fall due.

(ii) The average credit period on sales of goods is 30 days. No interest is charged on other receivables for the first 30 days from the date of the invoice. An allowance has been made for estimated irrecoverable amounts from the sale of goods, salary overpayments and WorkCover debtors, determined by reference to past default experience. The increase was recognised in the operating result for the current financial year.

### (a) Movement in the allowance for doubtful debts

	2010 \$m	2009 \$m
<b>Balance at beginning of the year</b>	<b>(12.8)</b>	<b>(8.8)</b>
Increase/(decrease) in allowance recognised in profit or loss	(0.5)	(3.9)
<b>Balance at end of the year</b>	<b>(13.3)</b>	<b>(12.8)</b>

### (b) Ageing analysis of contractual receivables

Please refer to table 17.2 in note 17 for the ageing analysis of contractual receivables.

### (c) Nature and extent of risk arising from contractual receivables

Please refer to note 17 for the nature and extent of credit risk arising from contractual receivables.

## Note 9 Non-current assets classified as held for sale

	2010 \$m	2009 \$m
Buildings	16.3	11.5
Land	24.6	18.0
Plant and equipment	0.3	0.3
<b>Total non-current assets classified as held for sale</b>	<b>41.2</b>	<b>29.8</b>

## Note 10 Intangible assets

	Note	2010 \$m	2009 \$m
<b>Software (at cost)</b>			
Opening balance		5.6	13.3
Additions		15.4	17.9
Disposals		(5.0)	(25.6)
<b>Closing balance</b>		<b>16.0</b>	<b>5.6</b>
<b>Accumulated amortisation</b>			
Opening balance		(3.3)	(13.3)
Amortisation expense	4(e)	(7.2)	(14.4)
Disposals		4.9	24.4
<b>Closing balance</b>		<b>(5.5)</b>	<b>(3.3)</b>
<b>Net book value at end of financial year</b>		<b>10.5</b>	<b>2.3</b>

## Note 11 Property, plant and equipment – Education purpose group<sup>(i)</sup>

	2010 \$m	2009 \$m
<b>Land</b>		
Crown land		
At cost	142.4	113.9
At independent valuation	6,325.7	6,349.9
<b>Total land</b>	<b>6,468.1</b>	<b>6,463.7</b>
<b>Buildings</b>		
At cost	722.4	213.5
Less accumulated depreciation	(5.6)	(1.2)
	716.8	212.2
At valuation	4,033.2	4,175.2
Less accumulated depreciation	(284.7)	(144.2)
	3,748.5	4,031.0
Leasehold buildings – at cost	72.2	–
Leasehold improvements – at cost	–	0.9
	72.2	0.9
Total buildings	4,827.8	4,389.6
Less total accumulated depreciation	(290.3)	(145.5)
<b>Total written down value of buildings</b>	<b>4,537.5</b>	<b>4,244.1</b>
<b>Plant and equipment</b>		
At cost	608.3	603.2
Less accumulated depreciation	(489.0)	(471.6)
	119.2	131.6
Plant and equipment under finance lease	12.5	10.5
Less accumulated amortisation	(2.7)	(2.9)
	9.7	7.7
<b>Total plant and equipment</b>	<b>129.0</b>	<b>139.3</b>
<b>Work in progress</b>		
Buildings	1,340.1	585.3
Plant and equipment	88.0	58.7
<b>Total work in progress</b>	<b>1,428.1</b>	<b>644.1</b>
<b>Total property, plant and equipment</b>	<b>12,562.8</b>	<b>11,491.2</b>

(i) Property, plant and equipment are classified primarily by the 'purpose' for which the assets are used, according to one of six 'Purpose Groups' based upon Government Purpose Classifications (GPC). All assets within a 'Purpose Group' are further sub-categorised according to the asset's 'nature' (i.e. buildings, plant and equipment, etc), with each sub-category being classified as a separate class of asset for financial reporting purposes.

### Valuations of land and buildings

An independent valuation of the Department's land and buildings was performed by the Victorian Valuer-General to determine the fair value of the land and buildings. The effective date of the valuation is 30 June 2008. The valuation, which conforms to Australian Valuation Standards, was determined by reference to the amounts for which assets could be exchanged between knowledgeable willing parties in an arm's length transaction. The valuation 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:

	Land	Buildings	Plant & equipment	Work in progress	Total
2010	\$m	\$m	\$m	\$m	\$m
Opening balance	6,463.7	4,244.1	139.3	644.1	11,491.2
Additions	38.3	77.6	38.7	1,347.2	1,501.9
Impairment adjustment	–	(116.4)	–	–	(116.4)
Transfers to completed assets/intangibles	–	555.9	–	(563.1)	(7.2)
Disposals	(17.6)	(32.9)	(2.4)	–	(52.8)
Revaluation increments/(decrements)	(9.7)	(31.9)	–	–	(41.6)
Re-classified as held for sale	(6.6)	(4.8)	–	–	(11.4)
Depreciation/amortisation	–	(154.3)	(46.7)	–	(200.9)
<b>Closing balance</b>	<b>6,468.1</b>	<b>4,537.5</b>	<b>129.0</b>	<b>1,428.1</b>	<b>12,562.7</b>

	Land	Buildings	Plant & equipment	Work in progress	Total
2009	\$m	\$m	\$m	\$m	\$m
Opening balance	6,414.1	4,272.0	124.0	604.3	11,414.4
Additions	42.2	5.9	67.9	429.7	545.6
Impairment adjustment	–	(39.2)	–	–	(39.2)
Transfers to completed assets/intangibles	–	376.9	–	(389.9)	(13.0)
Disposals	(28.2)	(16.5)	(1.7)	–	(46.4)
Revaluation increments/(decrements)	22.2	(201.6)	–	–	(179.4)
Re-classified as held for sale	13.4	(4.8)	0.2	–	8.9
Depreciation/amortisation	–	(148.5)	(51.1)	–	(199.6)
<b>Closing balance</b>	<b>6,463.7</b>	<b>4,244.1</b>	<b>139.3</b>	<b>644.1</b>	<b>11,491.2</b>

## Note 12 Payables

	2010 \$m	2009 \$m
<b>Current payables</b>		
<b>Contractual</b>		
Salaries, wages and on-costs	91.0	144.1
Accrued payments to non-government schools	115.4	119.2
Accrued grants and transfer payments	4.1	1.2
Schools' creditors	8.3	8.0
Capital expenditure	224.1	92.5
Operating expenditure	76.6	21.1
	<b>519.4</b>	<b>386.0</b>
<b>Statutory</b>		
Taxes payable	62.2	48.7
<b>Total payables</b>	<b>581.6</b>	<b>434.8</b>

### (a) Maturity analysis of contractual payables

Please refer to table 17.3 in note 17 for the ageing analysis of contractual payables.

### (b) Nature and extent of risk arising from contractual payables

Please refer to note 17 for the nature and extent of risks arising from contractual payables.

## Note 13 Borrowings

	2010 \$m	2009 \$m
<b>Finance lease liabilities – secured</b>		
Current	5.4	4.0
Non-current	76.5	3.7
<b>Total aggregate carrying amount of borrowings</b>	<b>81.9</b>	<b>7.7</b>

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	7.4	7.7
Partnership Victoria in Schools assets	74.4	–
<b>Total non-current assets pledged as security</b>	<b>81.9</b>	<b>7.7</b>

### (a) Maturity analysis of borrowings

Please refer to table 17.3 in note 17 for the ageing analysis of borrowings.

### (b) Nature and extent of risk arising from borrowings

Please refer to note 17 for the nature and extent of risks arising from borrowings.

### (c) Defaults and breaches

During the current and prior year, there were no defaults and breaches of any of the loans.

## Note 14 Provisions

	Note	2010 \$m	2009 \$m
<b>Current provisions</b>			
Employee benefits (i) – annual leave			
Unconditional and expected to be settled within 12 months (ii)		51.5	46.2
Employee benefits (i) – long service leave			
Unconditional and expected to be settled within 12 months (ii)		93.1	91.1
Unconditional and expected to be settled after 12 months (iii)		659.3	663.1
		752.5	754.3
Employee benefits (i) – other			
Unconditional and expected to be settled within 12 months (ii)		6.9	6.7
	14(a)	810.9	807.2
Provisions related to employee benefit on-cost			
Unconditional and expected to be settled within 12 months (ii)		29.4	28.1
Unconditional and expected to be settled after 12 months (iii)		106.3	135.9
	14(a)	135.7	164.0
Legal expenses	14(b)	0.2	0.2
Sabbatical leave	14(b)	1.1	1.4
<b>Total current provisions</b>		<b>947.9</b>	<b>972.8</b>
<b>Non-current provisions</b>			
Employee benefits (i) (iii)	14(a)	110.3	80.4
Employee benefit on-costs (iii)	14(a)	18.4	16.5
<b>Total non-current provisions</b>		<b>128.7</b>	<b>96.9</b>
<b>Total provisions</b>		<b>1,076.6</b>	<b>1,069.7</b>

(i) Provisions for employee benefits consist of amounts for annual leave, long service leave and other employee benefits accrued by employees, not including on-costs.

(ii) The amounts disclosed are nominal amounts.

(iii) The amounts disclosed are discounted to present values.

## Note 14 Provisions (continued)

### (a) Employee benefits and related on-costs

	Note	2010 \$m	2009 \$m
<b>Current employee benefits</b>			
Annual leave entitlements		51.5	46.2
Long service leave entitlements		752.5	754.3
Others		6.9	6.7
		<b>810.9</b>	807.2
<b>Non-current employee benefits</b>			
Long service leave entitlements		110.3	80.4
		<b>921.1</b>	887.6
<b>On-costs</b>			
Current on-costs		135.7	164.0
Non-current on-costs		18.4	16.5
<b>Total on-costs</b>	14(b)	<b>154.1</b>	180.5
<b>Total employee benefits and related on-costs</b>		<b>1,075.3</b>	1,068.1

### (b) Movements in provisions

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

	On-costs	Legal expenses	Sabbatical leave	Total
	\$m	\$m	\$m	\$m
Carrying amount at start of year	180.5	0.2	1.4	<b>182.1</b>
Increase/(decrease) in provision recognised in profit or loss	14.7	–	(0.3)	<b>14.4</b>
Payments and other sacrifices of economic benefits	(41.0)	–	–	<b>(41.0)</b>
<b>Carrying amount at end of year</b>	<b>154.1</b>	<b>0.2</b>	<b>1.1</b>	<b>155.5</b>

## Note 15 Superannuation

Employees of the Department are entitled to receive superannuation benefits and the Department contributes to both defined benefit and defined contribution plans. The defined benefit plans provide benefits based on years of service and final average salary.

The Department does not recognise any defined benefit liability in respect of the plans because the entity has no legal or constructive obligation to pay future benefits relating to its employees; its only obligation is to pay superannuation contributions as they fall due. DTF recognises and discloses the State's defined benefit liabilities in its financial statements.

However, superannuation contributions paid or payable for the reporting period are included as part of employee benefits in the comprehensive operating statement of the Department.

The bases for contributions are determined by the various schemes.

The amounts below are measured as at 30 June of each year. Employer contributions relate to the years ended 30 June.

All employees of the Department are entitled to benefits on retirement, disability or death from the above super schemes.

The name, details and amounts expensed in relation to the major employee superannuation funds and contributions made by the Department are as follows:

Funds	Contribution for the year		Contribution outstanding at year end	
	2010 \$m	2009 \$m	2010 \$m	2009 \$m
State Superannuation Schemes (defined benefit scheme)	<b>148.6</b>	144.0	–	–
VicSuper (accumulation scheme)	<b>192.9</b>	169.3	–	–
State Employees Retirement Benefits Scheme (defined benefit scheme)	<b>1.1</b>	3.0	–	–
Other private schemes	<b>17.0</b>	15.6	–	–
<b>Total</b>	<b>359.7</b>	331.9	–	–

## Note 16 Movements in physical asset revaluation surplus

	2010 \$m	2009 \$m
<b>Physical asset revaluation surplus</b>		
Balance at beginning of financial year	4,865.0	5,083.7
Revaluation increment/(decrement) of land during the year	(9.7)	22.2
Revaluation increment/(decrement) of buildings during the year	(31.9)	(201.6)
Impairment adjustment to building values	(116.4)	(39.2)
<b>Balance at end of financial year</b>	<b>4,707.1</b>	<b>4,865.0</b>

The physical asset revaluation surplus used to record increments and decrements on the revaluation of non-current assets.

## Note 17 Financial instruments

### (a) Financial risk management objectives and policies

The Department's principal financial instruments comprise cash assets, term deposits, receivables (excluding statutory receivables), payables (excluding statutory payables) and finance lease payables.

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.

The main purpose in holding financial instruments is to prudentially manage the Department's financial risks within the Government policy parameters.

The carrying amounts of the Department's financial assets and financial liabilities by category are in table 17.1 below:

Table 17.1: Categorisation of financial instruments

	Note	2010 \$m	2009 \$m
<b>Contractual financial assets – loans and receivables</b>			
Cash and cash equivalents – Department	7	103.6	109.3
Cash and cash equivalents – Schools	7	537.8	609.6
Receivables	8	86.5	74.5
Term deposits		118.8	58.2
<b>Total contractual financial assets</b>		<b>846.7</b>	<b>851.6</b>
<b>Contractual financial liabilities at amortised cost</b>			
Payables	12	519.4	386.0
Lease liabilities	13	81.9	7.7
<b>Total contractual financial liabilities</b>		<b>601.3</b>	<b>393.7</b>

## (b) Credit risk

Credit risk arises from the financial assets of the Department, which comprise cash and deposits, non-statutory receivables, available-for-sale contractual financial assets and derivative instruments. The Department's exposure to credit risk arises from the potential default of counter party on their contractual obligations resulting in financial loss to the Department. Credit risk is measured at fair value and is monitored on a regular basis.

Credit risk associated with the Department's contractual financial assets is minimal because the main debtor is the Victorian Government. For debtors other than government, it is the Department's policy to only deal with entities with high credit ratings of a minimum BBB rating and to obtain sufficient collateral or credit enhancements where appropriate.

In addition, the Department does not engage in hedging for its contractual financial assets and mainly obtains contractual financial assets that are on fixed interest, except for cash assets, which are mainly cash at bank. As with the policy for debtors, the Department's policy is to only deal with high credit ratings of a minimum BBB rating.

Provision of impairment for contractual financial assets is calculated based on past experience, and current and expected changes in client credit ratings.

Except as otherwise detailed in the following table, the carrying amount of contractual financial assets recorded in the financial statements, net of any allowances for losses, represents the Department's maximum exposure to credit risk without taking account of the value of any collateral obtained.

### Contractual financial assets that are either past due or impaired

Currently the Department does not hold any collateral as security nor credit enhancements relating to any of its financial assets.

There are no financial assets that have had their terms renegotiated so as to prevent them from being past due or impaired, and they are stated at the carrying amounts as indicated. The following table discloses the ageing only of contractual financial assets that are past due but not impaired:

Table 17.2 Ageing analysis of contractual financial assets<sup>(i)</sup>

	Carrying amount	Not past due and not impaired	Past due but not impaired			Impaired financial assets
			Less than 1 month	1–3 months	3 months–1 year	
2010	\$m	\$m	\$m	\$m	\$m	\$m
Receivables	86.5	83.0	2.7	–	0.8	–
Term deposits	118.8	118.8	–	–	–	–
	<b>205.3</b>	<b>201.7</b>	<b>2.7</b>	<b>–</b>	<b>0.8</b>	<b>–</b>
2009						
Receivables	74.5	72.5	0.9	–	1.1	–
Term deposits	58.2	58.2	–	–	–	–
	<b>132.7</b>	<b>130.7</b>	<b>0.9</b>	<b>–</b>	<b>1.1</b>	<b>–</b>

(i) Ageing analysis of financial assets must exclude the types of statutory receivables (e.g. amounts owing from Victorian Government and GST input tax credit recoverable).

## Note 17 Financial instruments (continued)

### (c) Liquidity risk

Liquidity risk is the risk that the Department would be unable to meet its financial obligations as and when they fall due. The Department operates under the Government fair payments policy of settling financial obligations within 30 days and in the event of a dispute, making payments within 30 days from the date of resolution.

The Department's maximum exposure to liquidity risk is the carrying amounts of financial liabilities as disclosed in the face of the balance sheet. The Department manages its liquidity risk via:

- close monitoring of its short-term and long-term borrowings by senior management, including monthly reviews on current and future borrowing levels and requirements;
- maintaining an adequate level of uncommitted funds that can be drawn at short notice to meet its short-term obligations;
- holding investments and other contractual financial assets that are readily tradeable in the financial markets;
- careful maturity planning of its financial obligations based on forecasts of future cash flows; and
- a high credit rating for the State of Victoria (Moody's Investor Services and Standard and Poor's triple-A, which assists in assessing debt market at a lower interest rate.

The Department's exposure to liquidity risk is deemed insignificant based on prior periods' data and current assessment of risk.

The following table discloses the contractual maturity analysis for the Department's contractual financial liabilities:

Table 17.3 Maturity analysis of contractual financial liabilities

	Carrying amount	Nominal Amount	Maturity dates				
			Less than 1 month	1–3 months	3 months – 1 year	1–5 years	> 5 years
2010	\$m	\$m	\$m	\$m	\$m	\$m	\$m
Payables	519.4	519.4	519.4	–	–	–	–
Lease liabilities	81.9	81.9	0.9	0.8	3.7	8.7	67.8
	<b>601.3</b>	<b>601.3</b>	<b>520.3</b>	<b>0.8</b>	<b>3.7</b>	<b>8.7</b>	<b>67.8</b>
<b>2009</b>							
Payables	386.0	386.0	386.0	–	–	–	–
Lease liabilities	7.7	7.7	0.9	0.6	2.8	3.5	–
	<b>393.7</b>	<b>393.7</b>	<b>386.9</b>	<b>0.6</b>	<b>2.8</b>	<b>3.5</b>	<b>–</b>

## (d) Market risk

The Department's exposure to market risk is primarily through interest rate risk with no exposure to foreign currency and other price risks. Objectives, policies and processes used to manage each of these risks are disclosed in the paragraphs below.

### Foreign currency risk

The Department is exposed to insignificant foreign currency risk through its payables relating to purchases of supplies and consumables from overseas. This is because of a limited amount of purchases denominated in foreign currencies and a short timeframe between commitment and settlement.

The Department is also exposed to foreign currency risk through purchases that are linked to currency other than the functional currency. Where the clauses of such purchases contracts are deemed to be an embedded derivatives requiring separate accounting treatment from the purchase contract, these have been disclosed as foreign exchange forwards.

The Department manages its risk through continuous monitoring of movements in exchange rates against the US dollar and ensures availability of funds through rigorous cash flow planning and monitoring. Based on past and current assessment of economic outlook, it is deemed unnecessary for the Department to enter into any hedging arrangements to manage the risk.

The Department's sensitivity to foreign currency risk is set out in the table 17.5.

### Interest rate risk

Fair value interest rate risk is the risk that the fair value of a financial instrument will fluctuate because of changes in market interest rates. The Department does not hold any interest bearing financial instruments that are measured at fair value, therefore has nil exposure to fair value interest rate risk.

Cash flow interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The Department has minimal exposure to cash flow interest rate risks through its cash and deposits, term deposits and bank overdrafts that are at floating rate.

The Department manages this risk by mainly undertaking fixed rate or non-interest bearing financial instruments with relatively even maturity profiles, with only insignificant amounts of financial instruments at floating rate. Management has concluded for cash at bank, as financial assets that can be left at floating rate without necessarily exposing the Department to significant bad risk, management monitors movement in interest rates on a daily basis.

The carrying amounts of financial assets and financial liabilities that are exposed to interest rates are set out in table 17.4. In addition, the Department's sensitivity to interest rate risk is set out in the table 17.5.

## Note 17 Financial instruments (continued)

Table 17.4 Interest rate exposure of financial instruments

	Weighted average effective interest rate	Carrying amount	Interest rate exposure		
			Fixed interest rate	Variable interest rate	Non-interest bearing
2010	%	\$m	\$m	\$m	\$m
<b>Financial assets</b>					
Cash and cash equivalents – Department	–	103.6	–	–	103.6
Cash and cash equivalents – Schools	3.6%	537.8	122.9	414.9	–
Receivables	–	86.5	–	–	86.5
Term deposits	4.8%	118.8	116.4	2.3	0.1
		<b>846.7</b>	<b>239.3</b>	<b>417.2</b>	<b>190.2</b>
<b>Financial liabilities</b>					
Payables	–	519.4	–	–	519.4
Lease liabilities	6.9%	81.9	81.9	–	–
		<b>601.3</b>	<b>81.9</b>	<b>–</b>	<b>519.4</b>
<b>2009</b>					
<b>Financial assets</b>					
Cash and cash equivalents – Department	–	109.3	–	–	109.3
Cash and cash equivalents – Schools	4.9%	609.6	138.1	471.5	–
Receivables	–	74.5	–	–	74.5
Term deposits	5.9%	58.2	55.8	2.4	0.1
		<b>851.6</b>	<b>193.9</b>	<b>473.8</b>	<b>183.9</b>
<b>Financial liabilities</b>					
Payables	–	386.0	–	–	386.0
Lease liabilities	7.3%	7.7	7.7	–	–
		<b>393.7</b>	<b>7.7</b>	<b>–</b>	<b>386.0</b>

## Sensitivity disclosure analysis and assumptions

The Department's sensitivity to market risk is determined based on the observed range of actual historical data for the preceding five year period, with all variables other than the primary risk variable held constant. The Department's fund managers cannot be expected to predict movements in market rates and prices, sensitivity analyses shown are for illustrative purposes only. The following movements are 'reasonably possible' over the next 12 months:

- a movement of 100 basis points up and down (2009: 0 down and 100 up) in market interest rates (AUD);
- proportional exchange rate movement of 10 per cent down (2009: 10 per cent, depreciation of AUD) and 10 per cent up (2009: 10 per cent, appreciation of AUD) against the USD, from the year end rate of 0.85 (2009: 0.81).

Table 17.5 following discloses the impact on the Department's net result and equity for each category of financial instrument held by the Department at year end as presented to key management personnel, if the above movements were to occur.

DTF has obtained expert advice on the applicability of the AASB 7 paragraph 40 sensitivity analysis disclosure in relation to VicFleet financial leases. The expert advice is that, because the interest rates applied to the vehicle leases are not variable or floating in nature, the vehicle leases are not subject to the sensitivity analysis prescribed under this standard. The adjustment to the interest rate that is made upon the settlement of the VicFleet leases is regarded as nothing more than a recovery by the lessor of their borrowing costs. Hence the underlying interest rates in these leases are based on fixed interest rate exposure.

## Note 17 Financial instruments (continued)

Table 17.5: Market risk exposure

	Carrying amount	Interest rate risk		Foreign exchange risk	
		(–100 basis points) Net result	(+100 basis points) Net result	(–10 per cent) Net result	(+10 per cent) Net result
2010	\$m	\$m	\$m	\$m	\$m
<b>Financial assets</b>					
Cash and cash equivalents – Department	103.6	–	–	–	–
Cash and cash equivalents – Schools (ii)	537.8	(5.4)	5.4	–	–
Receivables	86.5	–	–	–	–
Term deposits (iii)	118.8	(1.2)	1.2	–	–
<b>Financial liabilities</b>					
Payables	519.4	–	–	–	–
Lease liabilities	81.9	–	–	–	–
Foreign exchange forwards (iv)	22.1	–	–	(2.2)	2.2
<b>Total increase/(decrease)</b>		<b>(6.6)</b>	<b>6.6</b>	<b>(2.2)</b>	<b>2.2</b>

(ii) Sensitivity of cash and equivalents: sensitivity impact on net result due to a +/–100 basis points movement in market interest rate is \$537.8 million x +/– 1 per cent = +/– \$5.4 million.

(iii) Sensitivity of term deposits: sensitivity impact on net result due to a +/–100 basis points movement in market interest rate is \$118.8 million x +/– 1 per cent = +/– \$1.2 million.

(iv) Sensitivity of FX forwards: sensitivity impact on net result due to appreciation/(depreciation) of AUD by 10 per cent is \$2.2 million – (\$22.1 million x 10 per cent) = +/– AUD \$2.2 million.

	Carrying amount	Interest rate risk		Foreign exchange risk	
		(– 0 basis points) Net result	(+100 basis points) Net result	(– 10 per cent) Net result	(+10 per cent) Net result
2009	\$m	\$m	\$m	\$m	\$m
<b>Financial assets</b>					
Cash and cash equivalents – Department	109.3	–	–	–	–
Cash and cash equivalents – Schools (v)	609.6	–	6.1	–	–
Receivables	74.5	–	–	–	–
Term deposits	58.2	–	–	–	–
<b>Financial liabilities</b>					
Payables	386.0	–	–	–	–
Lease liabilities	7.7	–	–	–	–
Foreign exchange forwards (vi)	34.1	–	–	(3.4)	3.4
<b>Total increase/(decrease)</b>		<b>–</b>	<b>6.1</b>	<b>(3.4)</b>	<b>3.4</b>

(v) Sensitivity of cash and equivalents: sensitivity impact on net result due to a +100 basis points movement in market interest rate is \$609.6 million x 1 per cent = + \$6.1 million.

(vi) Sensitivity of FX forwards: sensitivity impact on net result due to appreciation/(depreciation) of AUD by 10 per cent is \$3.4 million – (\$34.1 million x 10 per cent) = +/- AUD \$3.4 million.

### (e) Net fair value of financial assets and liabilities

The fair values and net fair values of financial assets and financial liabilities are determined as follows:

- the fair value of financial assets and financial liabilities with standard terms and conditions and traded in active liquid markets are determined with reference to quoted market prices; and
- the fair value of other financial assets and financial liabilities are determined in accordance with generally accepted pricing models based on discounted cash flow analysis.

The Department considers that the carrying amount of financial instrument assets and liabilities recorded in the financial statements to be a fair approximation of their fair values, because of the short-term nature of the financial instruments and the expectation that they will be paid in full.

## Note 18 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 from 1 July 2009 to 30 June 2010 unless otherwise stated are as follows:

Bronwyn Pike MP	Minister for Education
Maxine Morand MP	Minister for Children and Early Childhood Development
Peter Dawkins	Secretary

Peter Batchelor MP, Maxine Morand MP, Jacinta Allan MP and John Brumby MP, Premier acted in the office of Minister for Education during absences of Bronwyn Pike MP.

Jacinta Allan MP and Bronwyn Pike MP acted in the office of Minister for Children and Early Childhood Development during absences of Maxine Morand MP.

Jeff Rosewarne and Darrell Fraser acted in the position of Secretary during absences of Peter Dawkins.

### 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:

	2010	2009
\$420,000 – \$429,999	–	1
\$430,000 – \$439,999	1	–

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

### Related Party transactions included in the reconciliation amount:

The Secretary is an ex-officio member of the board of Victorian Registration and Qualifications Authority and Victorian Curriculum and Assessment Authority to which the Department paid grants, on normal commercial terms, during the financial year. As these roles are ex officio the Secretary receives no remuneration to perform these roles.

### Grants paid during the year:

	2010 \$m	2009 \$m
Victorian Registration and Qualification Authority	5.6	8.5
Victorian Curriculum and Assessment Authority	46.1	44.9

### 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 19 Remuneration of executives

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

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

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

Income Band	Total remuneration		Base remuneration	
	2010 Number	2009 Number	2010 Number	2009 Number
\$110,000 – \$119,999	2	–	1	–
\$120,000 – \$129,999	–	2	–	3
\$130,000 – \$139,999	1	3	4	3
\$140,000 – \$149,999	4	8	6	10
\$150,000 – \$159,999	4	2	4	2
\$160,000 – \$169,999	6	3	10	7
\$170,000 – \$179,999	4	9	3	8
\$180,000 – \$189,999	2	6	8	14
\$190,000 – \$199,999	9	10	9	5
\$200,000 – \$209,999	8	7	3	–
\$210,000 – \$219,999	6	1	1	–
\$220,000 – \$229,999	3	–	–	–
\$230,000 – \$239,999	1	1	–	–
\$240,000 – \$249,999	2	–	1	1
\$250,000 – \$259,999	–	1	1	1
\$270,000 – \$279,999	–	1	–	–
\$280,000 – \$289,999	1	–	1	2
\$290,000 – \$299,999	–	–	2	–
\$300,000 – \$309,999	–	1	–	–
\$320,000 – \$329,999	1	–	–	–
\$330,000 – \$339,999	1	–	–	–
\$340,000 – \$349,999	1	–	–	–
\$350,000 – \$359,999	–	1	–	–
<b>Total number</b>	<b>56</b>	<b>56</b>	<b>54</b>	<b>56</b>
<b>Total remuneration \$m</b>	<b>11.0</b>	<b>10.3</b>	<b>9.8</b>	<b>9.7</b>

## Note 20 Contingent assets and contingent liabilities

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

### Quantifiable contingent assets

	2010 \$m	2009 \$m
Legal dispute in relation to rental arrears on Departmental property	–	0.1
<b>Total quantifiable contingent assets</b>	<b>–</b>	<b>0.1</b>

### Unquantifiable contingent assets

The Department does not have any unquantifiable contingent assets.

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

### Quantifiable contingent liabilities

	2010 \$m	2009 \$m
Claims for damages	7.9	12.0
<b>Total quantifiable contingent liabilities</b>	<b>7.9</b>	<b>12.0</b>

### Unquantifiable contingent liabilities

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

- Indemnities provided by Department of Education and Early Childhood Development 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 and Early Childhood Development to teachers, volunteer workers, school chaplains and school councils. This indemnity for teachers protects them against liability for personal injuries to students provided the teacher was not intoxicated, or engaged in a criminal offence, or engaged in outrageous conduct, and was incurred in the course of the teacher's employment.
- Indemnities provided by Department of Education and Early Childhood Development to members of schools councils. The *Education and Training Reform Act 2006* 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 Administration Act 2004*.

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.

## Note 21 Commitments for expenditure

Commitments are payable as follows:

### (a) Service concession (PPP) related commitments

The Department, has entered into a 27-year Public Private Partnership (PPP) arrangement under Partnerships Victoria in Schools with Axiom Consortium for the financing, design, construction, and maintenance of 12 schools. Five schools (Tranche 1) opened in 2010 and the remaining seven schools (Tranche 2) will open in 2011. The schools are constructed on sites that have been purchased by the Department.

Under the arrangement, the portions of the payments, initially for Tranche 1, that relate to the right to use the assets are accounted for as finance leases and are disclosed in note 21(d). The Department pays a base charge for delivery of contracted services (subject to the performance criteria set out in the agreement). Where the contract is amended to provide for additional services, such as an extension to the facilities, which are at the Department's discretion, this is charged at a rate agreed between the Department and the consortium. The nominal amounts for the operation and maintenance commitment below represents the charges payable under the agreement at the end of the reporting period.

	Net present value	Nominal value	Net present value	Nominal value
	2010 \$m	2010 \$m	2009 \$m	2009 \$m
<b>Service concession arrangements</b>				
Tranche 1 – five schools opened in 2010	118.9	309.4	115.7	318.3
Tranche 2 – seven schools to be opened in 2011*	176.6	469.8	166.0	477.4
<b>Total service concession commitments</b>	<b>295.6</b>	<b>779.2</b>	<b>281.7</b>	<b>795.7</b>

\* Increased from six schools due to the split of Cranbourne East P-12 into a primary school and secondary college.

### Nominal value of service concession commitments are as follows:

	Note	2010 \$m	2009 \$m
<b>Minimum lease payments</b>	21(d)	<b>156.2</b>	–
<b>Contingent rental commitments</b>		<b>173.9</b>	184.4
Operation and maintenance commitments are payable as follows:			
Within one year		4.4	1.3
Later than one year and not longer than five years		24.4	21.3
Later than five years		175.9	184.1
<b>Total operation and maintenance commitments</b>		<b>206.3</b>	209.3
Commitments to build unopened schools are payable as follows:			
Within one year		4.9	3.1
Later than one year and not longer than five years		38.9	58.5
Later than five years		199.1	340.5
<b>Total commitments to build unopened schools</b>		<b>242.8</b>	402.1
<b>Total nominal value of service concession commitments</b>		<b>779.2</b>	<b>795.7</b>

## Note 21 Commitments for expenditure (continued)

### (b) Capital commitments

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

	2010 \$m	2009 \$m
Within one year	1,238.1	243.6
Later than one year but not later than five years	26.2	11.5
<b>Total capital commitments</b>	<b>1,264.3</b>	<b>255.1</b>

### (c) Operating leases

The Department leases equipment including photocopiers, computers, motor vehicles and property with varying lease terms. All operating lease contracts contain market review clauses in the event that the Department exercises its option to renew. The Department does not have an option to purchase the leased asset at the expiry of the lease period.

Commitments for minimum lease payments in relation to non-cancellable operating leases but not recognised as liabilities, are payable as follows:

	2010 \$m	2009 \$m
Within one year	45.6	35.7
Later than one year but not later than five years	38.6	50.3
Later than five years	9.4	7.9
<b>Total operating leases</b>	<b>93.6</b>	<b>94.0</b>

## (d) Finance leases

Commitments for payments in relation to finance lease contracts are recognised as lease liabilities:

	Note	2010 \$m	2009 \$m
Current (note 13)		5.4	4.0
Non-current (note 13)		76.5	3.7
		<b>81.9</b>	<b>7.7</b>

The weighted average interest rate implicit in the leases is 6.94 per cent (2009:7.28 per cent).

### PPP related finance lease liabilities payable

The PPP arrangements have been detailed in note 21(a) above.

Commitments in relation to PPP finance lease are payable as follows:

Within one year		6.1	–
Later than one year but not later than five years		24.5	–
Later than five years		125.6	–
Minimum lease payments	21(a)	156.2	–
Less: future finance charges		(81.8)	–
Present value of minimum lease payments		74.4	–
<b>Total PPP related finance lease liabilities</b>		<b>74.4</b>	<b>–</b>

### Other finance lease liabilities payable

The other finance leases entered into by the Department relate to equipment with lease terms of six years. The Department has options to purchase the equipment for a nominal amount at the conclusion of the lease agreements. Some leases provide for additional rent payments that are based on changes in a local price index.

Commitments in relation to finance leases are payable as follows:

Within one year		4.4	4.4
Later than one year but not later than five years		3.6	3.9
Minimum lease payments		8.0	8.3
Less: future finance charges		(0.5)	(0.6)
Present value of minimum lease payments		7.5	7.7
<b>Total other finance lease liabilities</b>		<b>7.5</b>	<b>7.7</b>
<b>Total finance lease liabilities</b>		<b>81.9</b>	<b>7.7</b>

All amounts shown in the commitments note above are nominal amounts exclusive of GST.

## Note 22 Cash flow information

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

	2010 \$m	2009 \$m
Net result for the reporting period	22.3	(55.5)
<b>Non-cash movements</b>		
Net (gain)/loss on sale of non-current assets	(4.1)	(1.8)
Depreciation and amortisation	208.1	214.0
Net transfers of resources provided free of charge or for nominal consideration	–	1.5
<b>Movements in operating assets and liabilities</b>		
Decrease/(increase) in current receivables	(136.8)	(27.1)
Decrease/(increase) in other current operating assets	(27.0)	21.5
Decrease/(increase) in non-current receivables	(31.8)	(49.2)
Increase/(decrease) in current payables	15.2	(18.3)
Increase/(decrease) in other liabilities	18.3	30.9
Increase/(decrease) in current employee entitlements	(24.9)	66.3
Increase/(decrease) in non-current employee entitlements	31.8	19.1
<b>Net cash inflow from operating activities</b>	<b>71.1</b>	<b>201.4</b>

## Note 23 Subsequent events

The Department has no material or significant events occurring after the reporting date to the date of these financial statements that would affect significantly the figures included in them.

## Note 24 Annotated receipt agreements

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

	2010 \$m	2009 \$m
<b>Sales of goods and services</b>		
Alarms	0.3	0.3
Housing rent (input taxed)	1.0	1.0
Copyright	–	0.2
Registered Schools Board fees	–	0.1
	<b>1.3</b>	<b>1.5</b>
<b>Asset sales</b>		
Sale of land	<b>17.7</b>	<b>13.4</b>
	<b>17.7</b>	<b>13.4</b>
<b>Commonwealth Specific Purpose Payments</b>		
Indigenous education strategic initiatives	–	4.0
Literacy and numeracy special learning needs	–	73.9
Commonwealth capital	–	78.7
Investing in our Schools	–	8.3
English as a Second Language New Arrivals	–	34.9
Language other than English (LOTE)	–	4.3
Country Areas program (CAP)	–	2.8
Special Education program	–	7.2
Take a Break Child Care program	–	1.0
Universal Access to Early Childhood Education	–	0.2
Digital Education Revolution	<b>61.8</b>	<b>148.8</b>
Building the Education Revolution	<b>1,482.9</b>	<b>160.5</b>
Trade Training Centres	<b>68.0</b>	<b>8.6</b>
	<b>1,612.6</b>	<b>533.3</b>
<b>Total annotated receipt agreements</b>	<b>1,631.6</b>	<b>548.1</b>

## Note 25 Trust account balances

The following is a listing of trust account balances relating to trust accounts controlled or administered by the Department:

	2010 \$m	2009 \$m
<b>Controlled trusts</b>		
Suspense	0.9	0.2
State Treasury Trust	94.9	84.0
Commonwealth Treasury Trust	19.2	21.1
<b>Total controlled trusts</b>	<b>115.0</b>	<b>105.2</b>
<b>Administered trusts</b>		
Prizes and scholarships	1.7	1.6
Commuter club	(0.1)	(0.1)
On-passing from the Commonwealth	0.6	22.2
<b>Total administered trusts</b>	<b>2.1</b>	<b>23.7</b>

There were no trust accounts opened and closed by the Department during 2010.

## Note 26 Glossary of terms

### Actuarial gains or losses on superannuation defined benefit plans

Actuarial gains or losses reflect movements in the superannuation liability resulting from differences between the assumptions used to calculate the superannuation expense from transactions and actual experience.

### Comprehensive result

Total comprehensive result is the change in equity for the period other than changes arising from transactions with owners. It is the aggregate of net result and other non-owner changes in equity.

### 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.

### Commitments

Commitments include those operating, capital and other outsourcing commitments arising from non-cancellable contractual or statutory sources.

### Employee expenses

Employee benefits expenses include all costs related to employment including wages and salaries, leave entitlements, redundancy payments and superannuation contributions.

### Financial asset

A financial asset is any asset that is:

- (a) cash;
- (b) an equity instrument of another entity;
- (c) a contractual right:
  - to receive cash or another financial asset from another entity; or
  - to exchange financial assets or financial liabilities with another entity under conditions that are potentially favourable to the entity; or
- (d) a contract that will or may be settled in the entity's own equity instruments and is:
  - a non-derivative for which the entity is or may be obliged to receive a variable number of the entity's own equity instruments; or
  - a derivative that will or may be settled other than by the exchange of a fixed amount of cash or another financial asset for a fixed number of the entity's own equity instruments.

## Note 26 Glossary of terms (continued)

### Financial liability

A financial liability is any liability that is:

(a) A contractual or statutory obligation:

- To deliver cash or another financial asset to another entity; or
- To exchange financial assets or financial liabilities with another entity under conditions that are potentially unfavourable to the entity; or

(b) A contract that will or may be settled in the entity's own equity instruments and is:

- A non-derivative for which the entity is or may be obliged to deliver a variable number of the entity's own equity instruments; or
- A derivative that will or may be settled other than by the exchange of a fixed amount of cash or another financial asset for a fixed number of the entity's own equity instruments. For this purpose the entity's own equity instruments do not include instruments that are themselves contracts for the future receipt or delivery of the entity's own equity instruments.

### Financial statements

Depending on the context of the sentence where the term 'financial statements' is used, it may include only the main financial statements (i.e. comprehensive operating statement, balance sheet, cash flow statement, and statement of changes in equity); or it may also be used to replace the old term 'financial report' under the revised AASB 101 (Sept 2007), which means it may include the main financial statements and the notes.

### Grants and other transfers

Transactions in which one unit provides goods, services, assets (or extinguishes a liability) or labour to another unit without receiving approximately equal value in return. Grants can either be operating or capital in nature. While grants to governments may result in the provision of some goods or services to the transferor, they do not give the transferor a claim to receive directly benefits of approximately equal value. For this reason, grants are referred to by the AASB as involuntary transfers and are termed non-reciprocal transfers. Receipt and sacrifice of approximately equal value may occur, but only by coincidence. For example, governments are not obliged to provide commensurate benefits, in the form of goods or services, to particular taxpayers in return for their taxes.

Grants can be paid as general purpose grants which refer to grants that are not subject to conditions regarding their use. Alternatively, they may be paid as specific purpose grants which are paid for a particular purpose and/or have conditions attached regarding their use.

### Grants for on-passing

All grants paid to one institutional sector (e.g. a State general government entity) to be passed on to another institutional sector (e.g. local government or a private non-profit institution).

### Intangible assets

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

### Interest expense

Costs incurred in connection with the borrowing of funds. Interest expenses include interest on bank overdrafts and short term and long term borrowings, amortisation of discounts or premiums relating to borrowings, interest component of finance leases repayments, and the increase in financial liabilities and non-employee provisions due to the unwinding of discounts to reflect the passage of time.

## Interest income

Interest income includes unwinding over time of discounts on financial assets and interest received on bank term deposits and other investments.

## Investment properties

Investment properties represent properties held to earn rentals or for capital appreciation or both. Investment properties exclude properties held to meet service delivery objectives of the State of Victoria.

## Net acquisition of non-financial assets (from transactions)

Purchases (and other acquisitions) of non-financial assets less sales (or disposals) of non-financial assets less depreciation plus changes in inventories and other movements in non-financial assets. Includes only those increases or decreases in non-financial assets resulting from transactions and therefore excludes write-offs, impairment write-downs and revaluations.

## Net result

Net result is a measure of financial performance of the operations for the period. It is the net result of items of revenue, gains and expenses (including losses) recognised for the period, excluding those that are classified as 'other non-owner changes in equity'.

## Net result from transactions/net operating balance

Net result from transactions or net operating balance is a key fiscal aggregate and is revenue from transactions minus expenses from transactions. It is a summary measure of the ongoing sustainability of operations. It excludes gains and losses resulting from changes in price levels and other changes in the volume of assets. It is the component of the change in net worth that is due to transactions and can be attributed directly to government policies.

## Non-financial assets

Non-financial assets are all assets that are not 'financial assets'.

## Non-produced assets

Non-produced assets are assets needed for production that have not themselves been produced. They include land, subsoil assets, and certain intangible assets.

## Non-produced intangibles

Non-produced intangibles are intangible assets needed for production that have not themselves been produced. They include constructs of society such as patents.

## Other economic flows

Other economic flows are changes in the volume or value of an asset or liability that do not result from transactions. It includes gains and losses from disposals; revaluations and impairments of non-current physical and intangible assets; actuarial gains and losses arising from defined benefit superannuation plans; fair value changes of financial instruments and agricultural assets; and depletion of natural assets (non-produced) from their use or removal. In simple terms, other economic flows are changes arising from market re-measurements.

## Note 26 Glossary of terms (continued)

### Payables

Includes short and long term trade debt and accounts payable, grants, taxes and interest payable.

### Receivables

Includes amounts owing from government through appropriation receivable, short and long term trade credit and accounts receivable, accrued investment income, grants, taxes and interest receivable.

### Sales of goods and services

Refers to income from the direct provision of goods and services and includes fees and charges for services rendered, sales of goods and services, fees from regulatory services and work done as an agent for private enterprises. It also includes rental income under operating leases and on produced assets such as buildings and entertainment, but excludes rent income from the use of non-produced assets such as land. User charges includes sale of goods and services income.

### 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.

### Transactions

Transactions are those economic flows that are considered to arise as a result of policy decisions, usually an interaction between two entities by mutual agreement. They also include flows within an entity such as depreciation where the owner is simultaneously acting as the owner of the depreciating asset and as the consumer of the service provided by the asset. Taxation is regarded as mutually agreed interactions between the government and taxpayers. Transactions can be in kind (e.g. assets provided/given free of charge or for nominal consideration) or where the final consideration is cash. In simple terms, transactions arise from the policy decisions of the government.

## 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 Comprehensive Operating Statement, Balance Sheet, Statement of Changes in Equity, Cash Flow Statement and notes forming part of the financial statements, presents fairly the financial transactions during the year ended 30 June 2010 and financial position of the Department at 30 June 2010.

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

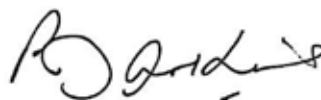
We authorise the attached financial statements for issue on 12 August 2010.



C Britchford  
Chief Finance and Accounting Officer

Department of Education and Early  
Childhood Development

Melbourne  
12 August 2010



P Dawkins  
Secretary

Department of Education and Early  
Childhood Development

Melbourne  
12 August 2010

# VAGO

Victorian Auditor-General's Office

## INDEPENDENT AUDITOR'S REPORT

**To the Secretary, Department of Education and Early Childhood Development**

### *The Financial Report*

The accompanying financial report for the year ended 30 June 2010 of Department of Education and Early Childhood Development which comprises comprehensive operating statement, balance sheet, statement of changes in equity, cash flow statement, a summary of significant accounting policies and other 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 Secretary's Responsibility for the Financial Report*

The Secretary is responsible for the preparation and 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.

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 the internal control relevant to the entity'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 entity'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 I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

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*Auditing in the Public Interest*

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Victorian Auditor-General's Office

## Independent Auditor's Report (continued)

### *Matters Relating to the Electronic Presentation of the Audited Financial Report*

This auditor's report relates to the financial report published in both the annual report and on the website of the Department of Education and Early Childhood Development for the year ended 30 June 2010. The Secretary is responsible for the integrity of the website. I have not been engaged to report on the integrity of the website. The auditor's report refers only to the statements named above. 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 the Department's website.

### *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. In conducting the audit, the Auditor-General, his staff and delegates complied with all applicable independence requirements of the Australian accounting profession.

### *Auditor's Opinion*

In my opinion, the financial report presents fairly, in all material respects, the financial position of the Department of Education and Early Childhood Development as at 30 June 2010 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  
12 August 2010



D D R Pearson  
Auditor-General

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*Auditing in the Public Interest*

# Appendices

## Appendix 1 Budget portfolio outcomes

The budget portfolio outcomes provides a comparison between the actual financial statements of all general government sector entities within the portfolio and the forecast financial information published in the Budget Papers No. 4 2009–10 Statement of Finances (BP4). The budget portfolio outcomes comprise the operating statements, balance sheets, cash flow statements, statements of equity and administered item statements.

The budget portfolio outcomes have been prepared on a consolidated basis and include all general government sector entities within the portfolio. Financial transactions and balances are classified into either controlled or administered categories as agreed with the Treasurer in the context of the published statements in BP4.

The following budget portfolio outcomes statements are not subject to audit by the Victorian Auditor-General's Office and are not prepared on the same basis as the Department's financial statements as they include the consolidated financial information of the following entities:

- Department of Education and Early Childhood Development (including government schools)
- Victorian Curriculum and Assessment Authority
- Victorian Registration and Qualifications Authority.

## Comprehensive operating statement for the year ended 30 June 2010

Controlled items	2009–10 Actual \$m	2009–10 Budget \$m	Variation (a) (%)
<b>Income from transactions</b>			
Output appropriations	7,342.9	7,757.6	–5.3
Special appropriations	179.2	0.3	n/a
Interest	25.2	45.5	–44.6
Sale of goods and services	151.8	196.7	–22.8
Grants	72.5	8.7	733.3
Other income	466.2	383.8	21.4
<b>Total</b>	<b>8,237.8</b>	<b>8,392.6</b>	<b>–1.8</b>
<b>Expenses from transactions</b>			
Employee benefits	4,595.2	4,542.8	1.2
Depreciation and amortisation	209.6	238.6	–12.2
Interest expense	3.1	0.2	1,450.0
Grants and other transfers	727.6	666.1	9.2
Capital asset charge	808.2	808.2	–
Other operating expenses	1,871.3	2,117.8	–11.6
<b>Total</b>	<b>8,215.0</b>	<b>8,373.6</b>	<b>–1.9</b>
<b>Net result from transactions (net operating balance)</b>	<b>22.8</b>	<b>19.0</b>	<b>20.3</b>
Net gain/(loss) on non-financial assets	4.1	(9.4)	–143.6
Net gain/(loss) on financial instruments and statutory receivables/ payables	(0.5)	–	n/a
Other gains/(losses) from other economic flows	(4.2)	–	n/a
<b>Total other economic flows included in net result</b>	<b>(0.6)</b>	<b>(9.4)</b>	<b>–93.6</b>
<b>Net result</b>	<b>22.2</b>	<b>9.6</b>	<b>131.8</b>
<b>Other economic flows – other non-owner changes in equity</b>			
Asset revaluation reserve	(158.0)	(9.2)	1,617.4
<b>Total other economic flows – other non-owner changes in equity</b>	<b>(158.0)</b>	<b>(9.2)</b>	<b>1,617.4</b>
<b>Comprehensive result</b>	<b>(135.8)</b>	<b>0.4</b>	<b>n/a</b>

Note

(a) Variation between 2009–10 Actual and 2009–10 Budget.

## Balance sheet as at 30 June 2010

Controlled items	2009–10 Actual \$m	2009–10 Budget \$m	Variation (a) (%)
<b>Financial assets</b>			
Cash and deposits	652.9	713.1	–8.4
Receivables	151.1	129.1	17.2
Other financial assets	1,001.1	837.8	19.5
<b>Total financial assets</b>	<b>1,805.1</b>	<b>1,680.0</b>	<b>7.4</b>
<b>Non-financial assets</b>			
Non-financial assets classified as held for sale including disposal group assets	41.2	12.1	240.1
Property, plant and equipment	12,572.3	13,740.9	–8.5
Intangible assets	7.5	0.7	916.1
Other	38.9	33.5	16.1
<b>Total non-financial assets</b>	<b>12,659.9</b>	<b>13,787.2</b>	<b>–8.2</b>
<b>Total assets</b>	<b>14,464.9</b>	<b>15,467.1</b>	<b>–6.5</b>
<b>Liabilities</b>			
Payables	592.1	294.9	100.8
Interest-bearing liabilities	82.0	81.3	0.8
Provisions	1,136.9	1,416.7	–19.8
<b>Total liabilities</b>	<b>1,811.0</b>	<b>1,793.0</b>	<b>1.0</b>
<b>Net assets</b>	<b>12,653.9</b>	<b>13,674.2</b>	<b>–7.5</b>
<b>Equity</b>			
Accumulated surplus/(deficit)	1,258.4	1,289.0	–2.4
Reserves	4,707.1	5,065.3	–7.1
Contributed capital	6,688.5	7,319.8	–8.6
<b>Total equity</b>	<b>12,653.9</b>	<b>13,764.2</b>	<b>–7.5</b>

Note:

(a) Variation between 2009–10 Actual and 2009–10 Budget.

## Cash flow statement for the year ended 30 June 2010

Controlled items	2009–10 Actual \$m	2009–10 Budget \$m	Variation (a) (%)
<b>Cash flows from operating activities</b>			
<b>Receipts</b>			
Receipts from Government	7,558.5	7,764.5	–2.7
Receipts from other entities	176.4	194.9	–9.5
Goods and Services Tax recovered from the ATO	(29.1)	–	n/a
Interest received	25.2	45.5	–44.6
Other receipts	482.4	380.8	26.7
<b>Total receipts</b>	<b>8,213.3</b>	<b>8,385.7</b>	<b>–2.1</b>
<b>Payments</b>			
Payments of grants and other transfers	(734.0)	(664.3)	10.5
Payments to suppliers and employers	(6,483.2)	(6,600.8)	–1.8
Goods and Services Tax paid to the ATO	(0.5)	–	n/a
Capital asset charge	(808.2)	(808.2)	–
Interest and other costs of finance	(3.1)	(0.2)	1,435.0
<b>Total payments</b>	<b>(8,029.0)</b>	<b>(8,073.4)</b>	<b>–0.5</b>
<b>Net cash flows from operating activities</b>	<b>184.3</b>	<b>312.3</b>	<b>–41.0</b>
<b>Cash flows from investing activities</b>			
Net investments	(187.4)	(64.3)	191.5
Payments for non-financial assets	(1,298.6)	(1,925.8)	–32.6
Proceeds from sale of non-financial assets	3.4	2.4	41.4
Net loans to other parties	(0.1)	–	n/a
<b>Net cash flows from investing activities</b>	<b>(1,482.8)</b>	<b>(1,987.7)</b>	<b>–25.4</b>
<b>Cash flows from financing activities</b>			
Owner contributions by State Government (b)	1,209.8	1,640.7	–26.3
Net borrowings	9.2	–	n/a
<b>Net cash flows from financing activities</b>	<b>1,219.0</b>	<b>1,640.7</b>	<b>–25.7</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>(79.4)</b>	<b>(34.7)</b>	<b>128.5</b>
Cash and cash equivalents at beginning of financial year	732.3	747.8	–2.1
<b>Cash and cash equivalents at end of financial year</b>	<b>652.9</b>	<b>713.1</b>	<b>–8.4</b>

Note:

(a) Variation between 2009–10 Actual and 2009–10 Budget.

(b) Excludes the effect of any equity transfers to other government entities. Such entity transfers are classified as payments for non-financial assets in this statement.

## Statement of changes in equity for the year ended 30 June 2010

	Accumulated surplus/ (deficit)	Contributions by owner (a)	Other reserves	Asset revaluation reserve	Total equity
	\$m	\$m	\$m	\$m	\$m
<b>Opening balance 1 July 2009 (Actual)</b>	<b>1,236.6</b>	<b>5,528.7</b>	–	<b>4,865.0</b>	<b>11,630.3</b>
Comprehensive result	22.2	–	–	(158.0)	<b>(135.8)</b>
Transactions with owners in their capacity as owners	–	1,159.8	–	–	<b>1,159.8</b>
Other	(0.4)	0.4	–	–	–
<b>Closing balance 30 June 2010 (Actual)</b>	<b>1,285.4</b>	<b>6,688.9</b>	–	<b>4,707.1</b>	<b>12,654.3</b>
<b>Opening balance 1 July 2009 (Published Budget)</b>	<b>1,279.5</b>	<b>5,679.1</b>	–	<b>5,074.5</b>	<b>12,033.1</b>
Comprehensive result	9.6	–	–	(9.2)	<b>0.4</b>
Transactions with owners in their capacity as owners	–	1,640.7	–	–	<b>1,640.7</b>
<b>Closing balance 30 June 2010 (Published Budget)</b>	<b>1,289.1</b>	<b>7,319.8</b>	–	<b>5,065.3</b>	<b>13,674.2</b>
Variation (%) (b)	–2.4	–8.6	–	–7.1	–7.5

Note:

(a) Represents net contributions by owner, including the effect of any equity transfers to other government entities.

(b) Variation between 2009–10 Actual and 2009–10 Budget.

## Administered items statement for the year ended 30 June 2010

Controlled items	2009–10 Actual \$m	2009–10 Budget \$m	Variation (a) (%)
<b>Administered income</b>			
Sale of goods and services	1.3	1.8	–25.7
Grants	2,663.7	2,659.7	0.2
Interest	0.1	0.1	–35.3
Other income	1.4	0.6	141.9
<b>Total administered income</b>	<b>2,666.6</b>	<b>2,662.2</b>	<b>0.2</b>
<b>Administered expenses</b>			
Expenses on behalf of the State	0.9	–	n/a
Grants and other payments	2,659.7	2,542.5	4.6
Payments into the Consolidated Fund	(28.1)	127.6	–122.0
<b>Total administered expenses</b>	<b>2,632.4</b>	<b>2,670.1</b>	<b>–1.4</b>
<b>Income less expenses</b>	<b>34.1</b>	<b>(8.0)</b>	<b>–523.9</b>
<b>Other economic flows included in net result</b>			
Net gain/(loss) on non-financial assets	(32.8)	8.0	–510.0
<b>Total other economic flows included in net result</b>	<b>(32.8)</b>	<b>8.0</b>	<b>–510.0</b>
<b>Net result</b>	<b>1.4</b>	<b>0.1</b>	<b>2,566.0</b>
<b>Administered assets</b>			
Cash and deposits	2.1	0.4	425.0
Receivables	–	2.1	–100.0
Other financial assets	1.7	1.6	6.2
Other	–	3.9	–100.0
<b>Total administered assets</b>	<b>3.8</b>	<b>7.9</b>	<b>–51.9</b>
<b>Liabilities</b>			
Payables	–	3.9	–100.0
<b>Total administered liabilities</b>	<b>–</b>	<b>3.9</b>	<b>–100.0</b>
<b>Net assets</b>	<b>3.8</b>	<b>4.0</b>	<b>–5.0</b>
<b>Equity</b>			
Contributed capital	–	–	–
Accumulated surplus	3.8	4.0	–5.0
<b>Total equity</b>	<b>3.8</b>	<b>4.0</b>	<b>–5.0</b>

Note:

(a) Variation between 2009–10 Actual and 2009–10 Budget.

## Appendix 2 Portfolio statistics

The following portfolio data on school education includes:

- the number of enrolments in government schools by year level, as at February 2009 and February 2010
- the number of enrolments in all school sectors, 2007–10

### School education

Full-time equivalent government school enrolments by year level, February 2009 and February 2010		
Year level	2010	2009
Preparatory	44,944.5	45,037.9
Year 1	44,468.7	43,676.5
Year 2	43,672.9	43,109.6
Year 3	43,150.2	43,456.1
Year 4	43,502.9	43,975.3
Year 5	43,592.9	43,360.8
Year 6	43,352.7	43,686.9
Ungraded	0.0	1.2
<b>Primary total</b>	<b>306,684.8</b>	<b>306,304.3</b>
Year 7	37,015.2	37,406.4
Year 8	37,661.5	38,258.6
Year 9	38,778.9	39,726.6
Year 10	39,564.8	39,116.6
Year 11	38,124.6	37,989.4
Year 12	32,081.6	30,802.0
Ungraded	187.8	123.0
<b>Secondary total</b>	<b>223,414.4</b>	<b>223,422.6</b>
Special	9,562.1	9,012.3
Language	1,253.0	1,314.0
<b>Total</b>	<b>540,914.3</b>	<b>540,053.2</b>

## Appendix 2 Portfolio statistics (continued)

Full-time equivalent enrolments by student type and sector, February 2007–10

Student type	Government				Catholic				Independent				All schools			
	2007	2008	2009	2010	2007	2008	2009	2010	2007	2008	2009	2010	2007	2008	2009	2010
Primary	306,223.2	305,005.9	306,304.3	306,684.8	98,307.1	98,978.9	100,256.7	101,554.3	43,282.0	44,706.8	45,786.2	47,045.9	447,812.3	448,691.6	452,347.2	455,285.0
Secondary	223,290.4	223,331.1	223,422.6	223,414.4	85,604.2	87,016.0	87,964.3	89,192.5	70,293.1	72,622.6	73,628.8	73,808.0	379,187.7	382,969.7	385,015.7	386,414.9
Special	8,005.3	8,579.2	9,012.3	9,562.1	153.6	182.3	185.0	210.2	445.6	430.4	428.8	396.4	8,604.5	9,191.9	9,626.1	10,168.7
Language	1,339.0	1,200.0	1,314.0	1,253.0	–	–	–	–	–	–	–	–	1,339.0	1,200.0	1,314.0	1,253.0
Total	538,857.9	538,116.2	540,053.2	540,914.3	184,064.9	186,177.2	188,406.0	190,957.0	114,020.7	117,759.8	119,843.8	121,250.3	836,943.5	842,053.2	848,303.0	853,421.6
% of all students	64.4	63.9	63.7	63.4	22.0	22.1	22.2	22.4	13.6	14.0	14.1	14.2	100.0	100.0	100.0	100.0

Number of schools by school type and sector, February 2007–10

School type	Government				Catholic				Independent				All schools			
	2007	2008	2009	2010	2007	2008	2009	2010	2007	2008	2009	2010	2007	2008	2009	2010
Primary	1,206	1,201	1,183	1,159	378	379	379	381	51	47	46	43	1,635	1,627	1,608	1,583
Primary–secondary	50	53	61	65	13	12	13	13	133	139	141	146	196	204	215	224
Secondary	258	253	250	250	86	87	86	86	21	21	22	18	365	361	358	354
Special	76	76	76	77	7	8	8	9	12	13	13	11	95	97	97	97
Language	4	4	4	4	–	–	–	–	–	–	–	–	4	4	4	4
Total	1,594	1,587	1,574	1,555	484	486	486	489	217	220	222	218	2,295	2,293	2,282	2,262
% of all schools	69.5	69.2	69.0	68.7	21.1	21.2	21.3	21.6	9.5	9.6	9.7	9.6	100	100	100	100

## Appendix 3 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 February 2010, a total of 707 registered non-government schools – 489 Catholic and 218 independent – were educating over 312,000 students statewide, or approximately 36.6 per cent of all Victorian school students. Of these students, 61.2 per cent attended Catholic schools and 38.8 per cent attended independent schools.

In 2009–10, the Department provided \$440 million in financial assistance to non-government schools in untied recurrent funding allocated through the Financial Assistance Model (FAM). A further \$8 million was provided to the Catholic Education Commission of Victoria (CECV) and Independent Schools Victoria (ISV) in specific-purpose grants for targeted programs, including for students with special needs and suicide prevention, and for interest subsidies.

The Department also provided \$19.9 million (of a total of \$53.5 million over two years) to assist needy non-government schools undertake small-scale capital works. This funding was additional to the \$7.5 million in capital grants (of a total of \$30 million committed in the 2006–07 State Budget) to assist needy non-government schools upgrade educational facilities.

Non-government schools are also 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.

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

\*Note that funding for non-government schools referred to above excludes Departmental overheads.

## 2009–10 Highlights

- The Department's first four-year funding agreement with the non-government school sector expired on 31 December 2009. In late 2009, the Department successfully negotiated the new Victorian Non-Government Schools Funding Agreement 2010–2013, providing approximately \$2.1 billion to Victorian non-government schools over four years from 1 January 2010. New funding of \$239 million provides additional support over the four years for students with disabilities, school improvement and enhanced equity in the FAM.
- Victoria's non-government school sector participated in the development of the Bilateral Agreement and Victorian Implementation Plan (VIP) for the Smarter Schools National Partnerships (NPs). These documents were endorsed by both the Commonwealth and Victorian Ministers for Education in February 2010. The two relevant peak bodies, CECV and ISV, are integrated into Victoria's governance arrangements for the NPs. The NPs provide CECV and ISV with approximately \$76 million to improve the quality of schooling and student outcomes in non-government schools. All school sectors continue to work together on the implementation of the Smarter Schools NPs.
- Victoria's non-government school sector participated in the development of the Victorian Implementation Plan for the National Partnership on Youth Attainment and Transitions. This partnership provides \$135 million over four years to support young people to complete Year 12 or equivalent and make a successful transition from school to further education or employment. The CECV and ISV are integrated into the governance structure of this partnership.
- The non-government school sector continues to work in partnership with government schools in applying for funding through the Commonwealth Trade Training Centres in Schools program. In Round 2 of the program, non-government schools were involved in all the major successful government school-led clusters. Three projects involving 33 government schools and nine non-government schools will receive approximately \$59 million to build or upgrade trade training facilities. An additional five non-government schools were successful in Round 2 and will receive approximately \$7 million in funding.
- \$23 million was provided for student transport for non-government school students, mainly in outlying metropolitan and regional areas, and \$4.75 million was provided in public transport subsidies through the Department of Transport.
- Collaboration with the non-government school sector continued across a range of curriculum initiatives, including strategies to improve literacy and numeracy outcomes, and for specific cross-sectoral initiatives such as values education; studies of Asia; traffic safety education; and the ResourceSmart Australian Sustainable Schools Victoria initiative, which supports all schools and their communities to learn to live and work more sustainably.

## Appendix 4 Human resources

Effective human resources, policies and 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.

The Department applies the standards issued by the Public Sector Standards Commissioner, which set out the essential requirements for managers and principals to apply the public sector values and employment principles, under the *Public Administration Act 2004*. The standards stipulate that:

- employment decisions are based on merit
- public sector employees are treated fairly and reasonably
- equal employment opportunity is provided
- human rights as set out in the Charter of Human Rights and Responsibilities 2006 are upheld
- public sector employees have a reasonable avenue of redress against unfair or unreasonable treatment
- a career public service is fostered (in the case of the public service bodies).

The Department's human resources policies go beyond the minimum requirements set by these standards and reflect best practice, consistent with the Commissioner's non-binding guidelines.

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

Through the development of its Victorian Public Service (VPS) staff, the Department aims to produce strong leadership and a capable and engaged workforce. A range of learning and development opportunities are provided to staff, with greater emphasis being placed on development through on-the-job, experience-based activities and the building of beneficial working relationships. Individual development plans are documented as an integral part of the performance enhancement system.

VPS staff have access to skills enhancement programs that focus on policy skills, project management, presentation skills and computer courses such as Excel and Career Development/Enhancement Workshops. These workshops have been tailored to meet the learning and development needs of employees in the VPSG 1–4 classification levels. As the Department's OD Framework is implemented, learning and development programs will be aligned more closely with organisational priorities in order to effectively build organisational capacity.

The Department provides staff with opportunities to develop leadership skills and broaden their public sector management experience through the award of internal scholarships for the Executive Fellows program and the Executive Master of Public Administration. These are offered through the Australia and New Zealand School of Government, the Davos Future Summit, the Cranlana Executive Colloquium and Emerging Leader Symposia, and the Williamson Community Leadership program. The Department also participated in the establishment of the Victorian Leadership Development Centre, welcoming this initiative to strengthen leadership capability across VPS executive officers.

### Women in leadership

Women represented 74.5 per cent of the Department's total workforce in June 2010.

The Department's aim to strengthen leadership capacity involves providing improved leadership opportunities and career pathways for women, together with the targeting of initiatives to accelerate leadership development and cultural change.

Women represented 70.5 per cent of teaching service staff and 88.0 per cent of non-teaching service staff in government schools in June 2010. The percentage of women in the principal class in government schools changed from 53.9 per cent in June 2009 to 55.3 per cent in June 2010.

Women represented 73.0 per cent of VPS staff in central and regional offices. The percentage of women at executive officer level decreased by 2.1 per cent from June 2009 to 36.2 per cent in June 2010.

To support the increased participation of women in VPS leadership roles, the Julia Flynn Leadership program was established in 2002 to provide women with development opportunities to assist them in preparing to move to critical (senior) roles. Since its inception, 59 women have completed the program, 11 are currently participating in the program (the 2010 intake) and a further 15 places will be offered in 2011. The program includes completion of a graduate certificate specialising in public sector management, participation in workshops to explore leadership capabilities, individual career coaching and pairing with a senior Departmental manager as mentor.

The Eleanor Davis School Leadership program is a leadership development, mentoring and shadowing program designed for women who have potential to become school principals.

Open annually to approximately 30 leading teachers and assistant principals, it continued to attract a high number of applicants. Participants from the 2009 program reported that the program had a significant impact on their leadership capacity, as well as their ability to contribute to improved school operations and their school's organisational health. The program was successful, with an average of 18 (60 per cent) of the 30 participants each year receiving promotion to the principal class within three years.

## Diversity and equity

The Department's policy commitment to diversity and equity is mandated through human rights and equal opportunity law, the *Public Administration Act 2004* and the Victorian Government's social policy agenda, A Fairer Victoria. These instruments seek to address disadvantage and prohibit discrimination, harassment, sexual harassment, vilification and victimisation.

During 2009–10, the Department continued to pursue a range of policies and activities to embed the principles of diversity and equal opportunity across the organisation, using three key strategies:

- Respectful Workplaces
- Workforce Diversity
- Flexible Work for Work–Life Balance

### Respectful Workplaces

Respectful Workplaces strategy activities involved online learning and inclusion of diversity and equity in all induction programs. The training module 'Workplace Discrimination and Harassment' was updated and promoted to staff across the Department and a new workplace behaviour training module, 'Eliminating Bullying in the Workplace', was launched. This module was developed in two customised components that address staff and managers' responsibilities in the workplace.

A Workplace Contact Officer network was also established to respond to employee queries concerning discrimination, harassment (including sexual harassment) and bullying in the workplace. The Workplace Contact Officer network provides information, referral and support to employees.

### Workforce Diversity

In 2009–10, the Department continued to work towards reflecting the diversity of our community in its workforce in order to foster equity and productivity. This work focused on the Indigenous workforce, people from culturally and linguistically diverse backgrounds, people with a disability, and age diversity. An Indigenous self-identification template was trialled to provide for better access and recording of the Indigenous workforce.

The Workforce Diversity strategy has enabled recruitment and retention of the best people from the widest possible talent pools available in the market. This in turn has driven innovation, with staff embracing the different perspectives, competency and knowledge brought about by diversity management approaches. For example, the Department recruited and worked to retain the employment of people with a disability by using the services of Randstad and Diversity@Work, a specialist disability recruitment provider. This has resulted in job retention and new employment opportunities for people with a disability. The Department also launched the DEECD Disability Action Plan 2009–2012 to further the accessibility and inclusiveness of its services, communications, facilities and people management.

### Flexible Work for Work–Life Balance

Recent changes in federal and state legislation have reflected a shift in community attitudes about the importance of family-friendly workplaces. The Department has long recognised that providing workplace flexibility can assist in developing a diverse and engaged workforce more able to deliver improved education outcomes. After 10 years of operation, the Department launched an evaluation of its highly regarded Flexible Work for Work–Life Balance resources.

The evaluation included research into employee awareness of and levels of access to flexible work. A literature search established international and national best practice in flexible working. The study drew attention to contemporary legislative obligations under the *Fair Work Act 2009* and equal opportunity law and the need for policy alignment as a future focus. The employee survey, which covered all employee groups across the diversity of Department workplaces, received a high response rate (45 per cent) and uncovered a range of employee views and perceptions regarding the implementation of flexible work arrangements.

The evaluation resulted in a plan to upgrade the Flexible Work for Work–Life Balance resources during 2010–11, providing:

- a more flexible work resource guide with information about the benefits of flexible work and Department policies, and some examples of the various types of arrangements in use across the Department
- enhanced guides for employees (both corporate and school-based) who wish to make a flexible work arrangement, including a checklist, case studies and important points for consideration
- improved resources for executives, managers and principals to assist them when working through a request for a flexible work arrangement, and a checklist to ensure all essential matters are considered
- a new communication strategy to inform Department employees of the new policies and materials
- broader professional development opportunities.

### Professional learning

Consistent with one of the reform strategies outlined in the Blueprint for Education and Early Childhood Development, the Department supports principals, teachers and education support staff to undertake professional learning to strengthen their knowledge and skills. Central and regional offices, networks and schools all provide professional learning opportunities for staff in order to improve student learning outcomes.

In 2009, approximately 1680 teachers and principals took part in a suite of 19 leadership programs; approximately 1800 teachers participated in teacher professional leave and mentor training; nearly 300 returning teachers and teachers with international qualifications completed refresher course training; and more than 2200 education support staff undertook structured programs or received grants to support their individual learning needs.

The Department provided professional learning for teachers and school leaders to support the Energising Mathematics and Science strategy to strengthen teaching in these areas. Approximately 800 leaders and teachers participated in 2009–10.

The Department also participated in the national Positive Partnerships professional development program for teachers, parents and carers to improve the educational outcomes for school-aged children with autism spectrum disorders.

Evaluation of professional learning activities and feedback from individuals and teams indicated the learning activities increased participants' capacity to perform their roles more effectively.

## Employee relations

The Victorian Government Schools Agreement 2008 between the Department and the Australian Education Union came into operation on 30 July 2008. The Agreement provided for four annual salary increases for principals and teachers and operates until 31 December 2011.

The Victorian Government Schools – School Services Officers Agreement 2004 was varied and extended on 9 December 2008 following agreement between the Department; the Community and Public Sector Union; the Liquor, Hospitality and Miscellaneous Union; and the Australian Education Union. This varied Agreement introduced the Education Support Class structure. The Agreement provided for four annual salary increases of the same quantum as the Victorian Government Schools Agreement 2008. The dates of the last two increases align with the dates of increases for teachers. The Agreement operates until 1 December 2011.

The Nurses (Department of Education and Early Childhood Development) Agreement 2009 came into operation on 8 December 2009 following agreement between the Department and the Australian Nursing Federation. This is a nexus agreement aligned with the Victorian Public Service Agreement 2006 (VPS Agreement) (as varied on 30 June 2009). The alignment with the VPS Agreement includes the same salary increases, dates of effect of the salary increases and a period of operation that concludes on 30 June 2011.

The Department facilitated a Heads of Agreement (signed 3 May 2009) between Kindergarten Parents Victoria; the Municipal Association of Victoria; the Australian Education Union; and the Liquor, Hospitality and Miscellaneous Union in relation to new enterprise agreements for kindergarten teachers and assistants. The Local Government Early Childhood Education Employees' Agreement 2009 came into operation on 18 December 2009. The Victorian Early Childhood Teachers and Assistants Agreement 2009 came into operation on 26 January 2010. These agreements provided a new salary structure for kindergarten teachers and assistants and delivered a productivity improvement of an additional one and half hours of child contact time per week, effective from 2011, to support the Commonwealth Government commitment to deliver 15 hours per week of preschool education by 2013.

The Department has complied with current human rights, equal opportunity and anti-discrimination legislation. This incorporates policy updates and preventative measures such as the provision of an up-to-date statewide network of workplace contact officers to address employee queries or concerns regarding discrimination, sexual harassment, bullying or victimisation in the workplace.

## School workforce planning

The Department continued work to enhance the capacity and capability of its current and future teaching workforce.

- The implementation of the Teacher Career Transition program supported the Department's workforce reform agenda outlined in the Blueprint for Education and Early Childhood Development. The program enabled 226 teachers who had lost the passion for teaching to leave the profession and establish new careers.
- The Department continued to focus on developing the number of qualified teachers in mathematics and science education. Seventy mathematics and science graduate scholarships were made available to graduates to undertake studies in teacher education courses in 2010.
- The Career Change program continued in 2010 with a sixth intake of 30 professionals from other industries beginning on-the-job training to become teachers. Priority was given to filling vacancies in mathematics and science. The program combines supervised classroom teaching experience with two years of part-time study for a teaching qualification.
- One hundred and twenty-one of the 156 trainees from the five Career Change program intakes between 2005 and 2009 have successfully completed the program, while 25 trainees from the 2009 intake continued into the second year of their program.

- The Special Education Scholarships program, which enables trained teachers to retrain in special education, continued. A total of 50 participants commenced their studies in 2010 while a further 36 teachers from preceding intakes continued their studies in 2010.
- A total of 46 teachers are continuing with their studies under the Rural Retraining Scheme in 2010. The program has enabled current teachers to gain additional qualifications in subject areas of need.
- A total of 288 student teachers have benefited from the Student Teacher Practicum Scheme. The scheme 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 was pursued via an extensive internet, radio and print promotion campaign, and career fairs, university career expos and campus visits.
- Links continued to be strengthened between the Department and universities, particularly education faculties delivering pre-service teacher education courses. These links occurred through regular forums, such as the Teacher Supply and Demand Reference Group and the Victorian Council of Deans of Education meetings, and informal dialogue on a range of teacher supply issues. These links are important, as they enable the Department to provide advice to universities about current and future areas of teacher shortage.
- 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 1550 recent teacher graduates through the Teacher Graduate Recruitment program to positions commencing in 2010
  - 151 scholarships being awarded to student teachers and new graduates under the Teaching Scholarship Scheme.

## Conduct and ethics

In 2009–10, the Department conducted 1973 criminal record checks in collaboration with the Commonwealth CrimTrac Agency via the Department's online criminal record check system. Of these checks, approximately 29 per cent were for people wishing to perform volunteer work in schools. The number of criminal record checks conducted through the Department has decreased due to the introduction of the Working with Children Check (WWC Check).

The *Working with Children Act 2005* introduced a minimum mandatory checking standard, the WWC Check, for those who are employed or volunteer in child-related work in educational institutions, kindergartens and preschools, and counselling and other support services in Victoria.

Since 31 December 2007, suitability for employment in a non-teaching role, volunteer work in government schools or child-related work within the Department has been demonstrated by presentation of a Working with Children Card issued by the Department of Justice.

However, the Department has continued to conduct criminal record checks of non-teaching, school-based employees and volunteers when a Criminal Record Check conducted through the Department has been required in addition to a WWC Check. Such circumstances may include the need to consider offences that are relevant to the duties the employee or volunteer is performing, for example dishonesty offences, which are not considered in a WWC Check.

Criminal record checks for teachers in government schools are conducted through the Victorian Institute of Teaching.

## Employee health, safety and wellbeing

The Health, Safety and Wellbeing Strategy 2008–11 continues to support the integration of employee health and safety in schools and other departmental workplaces. The strategy focuses on occupational health and safety (OHS) and WorkCover accountability through the development and implementation of OHS and WorkCover management systems, training, and targeted hazard and risk reduction programs. This Strategy aims to ensure that the Department meets legislative compliance requirements and builds capacity to manage OHS and WorkCover at a local level.

The Department is committed to reporting on the Victorian WorkCover Authority's lag and lead indicators. The table on page 137 reports measurements against the 12 agreed OHS key performance indicators.

The main OHS achievements in the Department during 2009–10 were as follows.

- Following the development of the Department's Occupational Health and Safety Management System (OHSMS), over 600 Victorian government schools have taken part in OHSMS coaching visits since August 2009. The coaching visit program is designed to assist principals and management OHS nominees with the implementation of the OHSMS.
- A complete risk and compliance audit commenced of all powered plant and equipment in secondary school technology rooms.
- The Department's Occupational Rehabilitation Provider (ORP) panel was aligned with the panel of the WorkCover Agent CGU to improve accountability, performance and return-to-work outcomes for the Department.
- The Employer Performance Management Program (EPMP), a joint initiative with WorkSafe Victoria, was initiated, to improve the ongoing management of OHS and return-to-work outcomes for the Department.

## Occupational Health and Safety measures

Measure	OHS lag key performance indicators	2009–10 target	2009–10 actual	
			Number	Rate
<b>Claims</b>	Number and rate of standardised WorkCover claims <sup>1</sup> , including sprains and strains, stress, other	805	903	1.610
	Number and rate of time loss WorkCover claims <sup>2</sup>	310	366	0.654
	Number and rate of claims exceeding 13 weeks <sup>3</sup>	175	171	0.317
<b>Fatalities</b>	Fatality claims <sup>4</sup>	No fatalities	0	
<b>Claims costs</b>	Average cost per WorkCover claim <sup>4</sup>	\$43,349	\$48,149	

Measure	OHS lead key performance indicators	2009–10 target	2009–10 actual	
<b>Management commitment</b>	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 DEECD OHS Website	
	Regular reporting to senior management of OHS, and OHS plans (signed by CEO or equivalent)		Monthly OHS and WorkCover reports to Departmental Management Team regarding OHS and WorkCover trends, issues and project plans, achievements and milestones	
	Evidence of OHS criteria 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 See OHSMS – OHS Purchasing Guidelines	
<b>Consultation and participation</b>	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	
<b>Risk management</b>	Per cent of internal audits/inspections conducted as planned	80 per cent of planned internal audits conducted	100 per cent	
<b>Training</b>	Per cent of OHS representatives trained	75 per cent of representatives trained	100 per cent	
	Percentage of managers and staff who have received OHS training		Information unavailable	

<sup>1</sup> 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.

<sup>2</sup> A Time Loss claim is a claim with one or more days compensated by WorkSafe (that is, once the employer has paid the ten-day excess) at the time of extraction. Time Loss claims are a sub-set of standardised claims.

<sup>3</sup> 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.

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

## Appendix 5 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 pay period of June 2010
- ongoing and fixed term staff.

It excludes:

- VPS and Government Teaching Service staff who ceased from the Department during the last pay period of June 2010
- staff on leave without pay (including Family Leave) or absent on secondment
- external contractors/consultants and temporary staff employed by employment agencies
- staff employed directly by individual school councils.

### FTE of staff on pay as at June 2010

Location	FTE
<b>School</b>	
Government Teaching Service	
Principal Class	2,858.7
Teacher Class	37,998.6
Education Support Class	12,206.5
Victorian Public Service	509.3
<b>Subtotal</b>	<b>53,573.1</b>
<b>Central office and regions</b>	<b>2,390.8</b>
<b>Total</b>	<b>55,963.9</b>

# FTE of staff in schools by classification and sex on pay as at June 2010

Classification	Males	Females	Total
<b>Government Teaching Service</b>			
<b>Teachers and principals</b>			
<b>Primary</b>			
Principal class	769.5	1,085.6	1,855.1
Teaching staff	3,448.8	15,496.3	18,945.1
Paraprofessional	9.1	15.9	25.0
<b>Subtotal</b>	<b>4,227.4</b>	<b>16,597.8</b>	<b>20,825.2</b>
<b>Secondary</b>			
Principal class	508.6	495.0	1,003.6
Teaching staff	7,156.8	11,599.5	18,756.3
Paraprofessional	168.5	103.7	272.2
<b>Subtotal</b>	<b>7,833.9</b>	<b>12,198.2</b>	<b>20,032.1</b>
<b>Total</b>	<b>12,061.3</b>	<b>28,796.0</b>	<b>40,857.3</b>
<b>Education support class</b>			
ES2-5	30.9	84.4	115.3
ES2-4	105.6	459.1	564.7
ES2-3	236.3	1,216.2	1,452.5
ES1-2	484.9	3,101.9	3,586.8
ES1-1	588.5	5,898.7	6,487.2
<b>Subtotal</b>	<b>1,446.2</b>	<b>10,760.3</b>	<b>12,206.5</b>
<b>Total</b>	<b>13,507.5</b>	<b>39,556.3</b>	<b>53,063.8</b>
<b>Victorian Public Service</b>			
Allied health 4	27.5	84.8	112.3
Allied health 3	26.8	203.4	230.2
Allied health 2	7.0	71.3	78.3
VPSG6	3.0	11.8	14.8
VPSG5	13.6	34.7	48.3
VPSG4	1.0	6.2	7.2
VPSG3	–	8.0	8.0
VPSG2	0.4	8.8	9.2
VPSG1	1.0	–	1.0
<b>Total</b>	<b>80.3</b>	<b>429.0</b>	<b>509.3</b>
<b>Total staff in schools</b>	<b>13,587.8</b>	<b>39,985.3</b>	<b>53,573.1</b>

FTE of non-school staff in central office, regions and statutory authorities by classification and sex on pay as at June 2010

	Classification	Males	Females	Total
<b>Victorian Public Service</b>				
Executive officer	Secretary	1.0	–	1.0
	EO1	3.0	–	3.0
	EO2	26.0	15.0	41.0
	EO3	13.0	9.0	22.0
	<b>Subtotal</b>	<b>43.0</b>	<b>24.0</b>	<b>67.0</b>
Victorian Public Service classified staff	Senior technical specialist	4.0	5.8	9.8
	VPSG6	127.9	141.4	269.3
	VPSG5	202.0	425.5	627.5
	VPSG4	111.4	236.5	347.9
	VPSG3	77.3	260.2	337.5
	VPSG2	34.4	136.5	170.9
	VPSG1	3.8	11.0	14.8
	Graduate recruit	2.0	6.0	8.0
	<b>Subtotal</b>	<b>562.7</b>	<b>1,222.9</b>	<b>1,785.6</b>
Allied health staff	Allied Health 4	1.0	10.3	11.3
	Allied Health 3	2.4	70.8	73.2
	Allied Health 2	0.6	63.5	64.1
	Allied Health 1	–	1.6	1.6
	<b>Subtotal</b>	<b>4.0</b>	<b>146.2</b>	<b>150.2</b>
Nurse		8.0	184.2	192.2
Other VPS aligned		–	2.0	2.0
Ministerial driver		2.0	–	2.0
<b>Total VPS</b>		<b>619.7</b>	<b>1,579.3</b>	<b>2,199.0</b>
<b>Government Teaching Service</b>	School Support/Early Childhood	78.0	113.8	191.8
<b>Total non-school</b>		<b>697.7</b>	<b>1,693.1</b>	<b>2,390.8</b>
Senior officer		1.0	–	1.0
Casual staff		14.7	10.7	25.4

Other VPS aligned' includes youth justice workers and senior medical advisors.

'Senior Officer' is a Governor In Council appointee to a statutory office, as defined in the *Public Administration Act 2004*. GIC appointees are not included in the total staff count. A total of 25.4 FTE 'Casual Staff', who were employed for the last pay period in June in central and regional locations and classified as VPSG1–6, have not been included in the total staff count.

## Victorian Public Service staff on pay as at June 2010

	Ongoing				Fixed-term and casual
	Employee (Number)	Full-time (Number)	Part-time (Number)	FTE	FTE
<b>June 2010</b>	2,589	1,905	684	2,333	401
<b>June 2009</b>	2,467	1,843	624	2,236	407

	June 2010			June 2009		
	Ongoing		Fixed-term and casual	Ongoing		Fixed-term and casual
	Employee (Number)	FTE	FTE	Employee (Number)	FTE	FTE
<b>Gender</b>						
Male	646	629	86	639	621	84
Female	1,943	1,704	315	1,828	1,615	323
<b>Age</b>						
Under 25	39	38	51	43	40	53
25-34	482	441	137	422	391	152
35-44	588	511	81	556	492	74
45-54	878	800	66	919	837	65
55-64	554	505	65	487	443	62
Over 64	48	39	1	40	33	1
<b>Classification</b>						
VPSG1	11	10	6	12	10	5
VPSG2	155	141	55	166	153	56
VPSG3	312	290	63	319	301	56
VPSG4	319	302	56	302	288	52
VPSG5	611	581	100	579	555	92
VPSG6	263	256	29	246	243	23
Senior technical specialist	9	9	1	6	6	1
Executive officer	67	67	–	68	68	–
Allied Health	610	497	74	546	439	101
Nurse	227	175	17	218	169	20
Other	5	4	–	5	4	1

'Number' refers to the number of people employed where each person counts as an employee regardless of the number of hours engaged to work. FTE have been rounded to the nearest whole number.

'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.

'Other' includes youth justice workers, senior medical advisors and Ministerial drivers.

Age of staff for 2010 is calculated as at pay date 17 June 2010 and for 2009 as at 18 June 2009.

Graduate Recruits are included as VPSG2 staff.

### Number of executive officer positions classified by 'Ongoing' and 'Special projects' excluding portfolio entities

Class	All		Ongoing		Special projects	
	Number	Variation	Number	Variation	Number	Variation
Secretary	1	–	1	–	–	–
EO1	3	+1	3	+1	–	–
EO2	42	+6	39	+5	3	+1
EO3	21	–6	21	–5	0	–1
<b>Total*</b>	<b>67</b>	<b>+1</b>	<b>64</b>	<b>+1</b>	<b>3</b>	<b>–</b>

\* Includes vacancies as at last full pay in June 2010.

### Number of executive officers by sex for 'Ongoing' and 'Special projects' excluding portfolio entities

Class	Ongoing					Special projects				
	Male		Female		Vacancies	Male		Female		Vacancies
	Number	Variation	Number	Variation	Number	Number	Variation	Number	Variation	Number
Secretary	1	–	–	–	–	–	–	–	–	–
EO1	3	+1	–	–	–	–	–	–	–	–
EO2	21	–1	13	+2	5	2	–	1	+1	–
EO3	12	–	7	–2	2	–	–	–	–1	–
<b>Total</b>	<b>37</b>	<b>–</b>	<b>20</b>	<b>–</b>	<b>7</b>	<b>2</b>	<b>–</b>	<b>1</b>	<b>–</b>	<b>–</b>

### Reconciliation of Department executive officer numbers excluding portfolio entities

	2010	2009
Executives with remuneration over \$100,000 (refer to note 19 of the financial statements)	56	56
Add vacancies (see table above)	7	6
Executives employed with total remuneration below \$100,000	14	8
Accountable officer (Secretary)	1	1
Less separations	11	5
<b>Total executive numbers at June</b>	<b>67</b>	<b>66</b>

### Number of executive officers in the Department's portfolio entities

Portfolio entities	Total		Vacancies		Male		Female	
	Number	Variation	Number	Variation	Number	Variation	Number	Variation
Victorian Curriculum and Assessment Authority	5	+1	–	–1	4	+1	1	–
Victorian Registration and Qualifications Authority	2	–	–	–	–	–1	2	+1
<b>Total</b>	<b>7</b>	<b>+1</b>	<b>–</b>	<b>–1</b>	<b>4</b>	<b>–</b>	<b>3</b>	<b>+1</b>

## Appendix 6 Statutory bodies

Statutory bodies are authorities, boards and other entities established under an Act of Parliament for a specific purpose. Seven statutory bodies fall under the education and early childhood development portfolio. The functions, powers, membership and other details relating to each body are outlined in relevant legislation. The table below lists the statutory bodies within the portfolio as at 30 June 2010, the Act under which each body was established, the responsible Minister and the annual reporting method for each body. Staff of some of these bodies are on the Department's payroll, as reflected in the workforce data on pages 138–142.

Statutory bodies			
Body	Act of Parliament	Minister(s)	Annual report
Children's Services Coordination Board	<i>Child Wellbeing and Safety Act 2005</i>	Children and Early Childhood Development Community Services*	See page 143
Disciplinary Appeals Boards	<i>Education and Training Reform Act 2006</i>	Education	See page 144
Merit Protection Boards	<i>Education and Training Reform Act 2006</i>	Education	See page 146
Victorian Children's Council	<i>Child Wellbeing and Safety Act 2005</i>	Children and Early Childhood Development Community Services*	See page 150
Victorian Curriculum and Assessment Authority	<i>Education and Training Reform Act 2006</i>	Education Children and Early Childhood Development Skills and Workforce Participation*	Separate report to Parliament
Victorian Institute of Teaching	<i>Education and Training Reform Act 2006</i>	Education	Separate report to Parliament
Victorian Registration and Qualifications Authority	<i>Education and Training Reform Act 2006</i>	Education Skills and Workforce Participation*	Separate report to Parliament

\* Refer to the administration of Acts in Appendix 11 for details regarding the allocation of responsibilities.

### Children's Services Coordination Board

The Children's Services Coordination Board was established in 2005 under the *Child Wellbeing and Safety Act 2005*. It brings together key decision-makers in government departments to ensure the coordination of activities affecting children. Membership of the Board is shown on the next page.

The role of the Children's Services Coordination Board is to coordinate the efforts of different programs and consider how to best deal with cross-portfolio issues. The Board's work therefore includes identifying strategic opportunities for cross-agency collaboration, particularly regarding more integrated service delivery and monitoring activities across government.

The Children's Services Coordination Board met four times in 2009–10.

The Board reports annually to the Minister for Children and Early Childhood Development and the Minister for Community Services on how Victoria's children and young people are faring.

#### Children's Services Coordination Board members as at 30 June 2010

Professor Peter Dawkins (Chairperson)	Secretary, Department of Education and Early Childhood Development
Ms Penny Armytage	Secretary, Department of Justice
Mr Yehudi Blacher	Secretary, Department of Planning and Community Development
Mr Grant Hehir	Secretary, Department of Treasury and Finance
Mr Simon Overland	Chief Commissioner of Police, Victoria Police
Ms Helen Silver	Secretary, Department of Premier and Cabinet
Ms Fran Thorn	Secretary, Department of Health
Ms Gill Callister	Secretary, Department of Human Services

## Disciplinary Appeals Boards

The Disciplinary Appeals Boards were established in 2005 following an amendment to the *Teaching Service Act 1981* and are empowered under the *Education and Training Reform Act 2006* to hear and determine appeals in relation to decisions of the Secretary made under section 2.4.6.1 of the Act.

The Senior Chairperson of the Disciplinary Appeals Boards is the Senior Chairperson of the Merit Protection Boards. In this role the Senior Chairperson administers the Disciplinary Appeals Boards and selects members to constitute the Boards as required. The Merit Protection Boards staff provide administrative support to the Disciplinary Appeals Boards.

In May 2005, Board members were appointed for a five-year period after advertisements calling for expressions of interest were placed. All members are called upon on a sessional basis. Advertisements calling for expressions of interest led to the appointment of new Board members who took office on 1 May 2010 for a five-year period.

The Disciplinary Appeals Boards had four appeals pending at the start of 2009 and received a further five appeals in 2009.

### Members of the Disciplinary Appeals Boards

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.

Chairpersons of the Disciplinary Appeals Boards		
	Date first appointed	Date term expires
Mr Peter Condliffe	May 2010	April 2015
Ms Anne Dalton	May 2010	April 2015
Ms Leneen Forde	May 2010	April 2015
Mr Murray Gerkens	May 2010	April 2015
Mr Peter Harris	May 2010	April 2015
Mr Robert Howard	May 2010	April 2015
Ms Jo-Anne Mazzeo	May 2010	April 2015
Ms Silvana Mortale-Wilson	May 2010	April 2015
Ms Paula Robinson	May 2010	April 2015
Mr Ian Scott	May 2010	April 2015
Ms Janice Slatery	May 2010	April 2015
Dr Ian Turnbull	May 2010	April 2015

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

Secretary's nominees to the Disciplinary Appeals Boards		
	Date first appointed	Date term expires
Ms Claire Bolster	May 2010	April 2015
Ms Dianne Foggo	May 2010	April 2015
Dr Richard Gould	May 2010	April 2015
Ms Avis Grahame	May 2010	April 2015
Mr Russell Isaac	May 2010	April 2015
Mr Robert Loader	May 2010	April 2015
Mr Peter Norden	May 2010	April 2015
Mr Brian O'Dea	May 2010	April 2015
Ms Cheryl Vardon	May 2010	April 2015
Ms Helen Worlidge	May 2010	April 2015

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*.

Minister's nominees to the Disciplinary Appeals Boards		
	Date first appointed	Date term expires
Ms Margaret Bates	May 2010	April 2015
Mr Peter Brown	May 2010	April 2015
Ms Enza Calabro	May 2010	April 2015
Ms Kate Christensen	May 2010	April 2015
Ms Lorrie Dell	May 2010	April 2015
Ms Janet Evison	May 2010	April 2015
Ms Moria Findlay	May 2010	April 2015
Mr David Finnerty	May 2010	April 2015
Ms Debra Fischer	May 2010	April 2015
Ms Leonie Fitzgerald	May 2010	April 2015
Ms Sandra Greenhill	May 2010	April 2015
Mr Wayne Hill	May 2010	April 2015
Ms Angeliki Karvouni	May 2010	April 2015
Ms Karen O'Dowd	May 2010	April 2015
Ms Maureen O'Flaherty	May 2010	April 2015
Ms Mary-Anne Pontikis	May 2010	April 2015
Mr Paul Rose	May 2010	April 2015
Mr Steven Silestean	May 2010	April 2015
Ms Cassandra Walters	May 2010	April 2015
Mr Tim Ward	May 2010	April 2015

## Merit Protection Boards

The Merit Protection Boards were established in 1993 under the *Teaching Service Act 1981* and are currently empowered by the *Education and Training Reform Act 2006* 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 *Education Training and Reform Act 2006* (except Part 2.4, Divisions 9A and 10) 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 or Ministerial Order, as appropriate
- to hear reviews and appeals in relation to any decision of the Secretary if the Secretary has delegated his or her function or power to hear reviews and appeals to a Merit Protection Board.

The Senior Chairperson, Mr Peter Hibbins, and the Secretary's nominee, Mr Gavan Schwartz, are full-time members of the Merit Protection Boards. Ms June Weir was appointed as the Registrar in December 2009.

There are seven Merit Protection Boards, each comprising a chairperson, nominated by the Minister, a nominee of the Secretary and a teacher nominated by the Minister. Most Board members are engaged on a sessional basis.

The Senior Chairperson establishes Review of Action Boards to hear and determine grievances from members of the VPS in the Department. These boards comprise three members appointed by the Senior Chairperson and include suitably trained and experienced members of the VPS. The Review of Action Boards make recommendations to the Senior Chairperson who, in turn, makes recommendations to the Secretary of the Department.

The Merit Protection Boards and Review of Action 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 can be heard in the metropolitan area and regional centres, as appropriate.

Access to the Merit Protection Boards is available to employees in the Department, including principals, teachers and school-based non-teaching staff. Public servants, excluding executive officers, have access to Review of Action Boards.

## Members of the Merit Protection Boards

Members of the Merit Protection Boards and Review of Action 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 both Boards are consistent with the principles of procedural fairness.

Members of the Merit Protection Boards			
	School	Date first appointed	Date term expires
<b>Senior Chairperson (full-time)</b>			
Mr Peter Hibbins		3 March 2008	31 July 2011
<b>Secretary's nominee (full-time)</b>			
Mr Gavan Schwartz		22 September 2004	21 September 2010
<b>Chairpersons</b>			
Ms Debbie Mierisch	Milgate Primary School	15 April 1997	21 September 2010
Ms Lorraine Dell	Ormond Primary School	1 January 2000	21 September 2010
Ms Catherine Christensen	Rosamond Special School	22 September 2004	21 September 2010
Ms Leonie Fitzgerald	Dandenong South Primary School	22 September 2004	21 September 2010
Mr Wayne Hill	Merrilands College	22 September 2004	21 September 2010
Ms Sharon Walker	Wembley Primary School	22 September 2004	21 September 2010
<b>Secretary's nominees</b>			
Ms Vincenzina Calabro	Noble Park English Language School	22 September 2004	21 September 2010
Ms Cheryl Judd	Preston Girls Secondary College	22 September 2004	21 September 2010
Ms Angeliki Karvouni	Southern Metropolitan Region	22 September 2004	21 September 2010
Ms Karen O'Dowd	Altona Green Primary School	22 September 2004	21 September 2010
Mr Wayne Smith	Fountain Gate Secondary College	22 September 2004	21 September 2010
Mr Peter Rock	Cobden Technical School	22 September 2007	21 September 2010
<b>Minister's nominees</b>			
Mr Robert Bertagnolio	Brimbank College	22 September 2004	21 September 2010
Ms Mary-Anne Pontikis	Meadow Heights Primary School	22 September 2004	21 September 2010
Ms Gail Shaw	Sunshine North Primary School	22 September 2004	21 September 2010
Ms Sandra Greenhill	Koonung Secondary College	22 September 2007	21 September 2010
Mr Nuccio Gurciullo	MacRobertson Girls High School	22 September 2007	21 September 2010
Ms Joanna Young	Sunshine College	22 September 2007	21 September 2010
<b>Secretary's emergency nominees</b>			
Ms Sheryl Skewes	Sandringham Primary School	1 January 2000	21 September 2010
Mr John Baston	Croydon Secondary College	22 September 2004	21 September 2010
Mr Ian Hall	Gippsland Region	22 September 2004	21 September 2010
Mr Mathew Underwood	Campbells Creek Primary School	22 September 2007	30 April 2010
<b>Minister's emergency nominees</b>			
Ms Clare Berger	Keilor Downs Secondary College	22 September 2007	21 September 2010
Mr Shane Crerar	Gisborne Secondary College	22 September 2007	30 April 2010
Ms Janet Evison	Kunyang Primary School	22 September 2007	21 September 2010
Mr Michael Rogan	Yarraville West Primary School	22 September 2007	21 September 2010

## Other activities

The Merit Protection Boards provided advice to the Department 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 accepted invitations to address groups of principals, field officers of the principals' associations and the Australian Education Union and regional personnel.

Senior Merit Protection Board personnel deliver statewide training programs for principals, members of the teaching service and VPS staff. These programs focus on the legislative and policy requirements for human resource management within the Department of Education and Early Childhood Development.

Information about the appeal and grievance process, as well as the Merit Protection accreditation programs, is available on the Merit Protection Boards' website at <[www.mpb.vic.gov.au](http://www.mpb.vic.gov.au)>.

## Appeals and grievances

### Teaching service

During the year to 30 June 2010, the Merit Protection Boards for the teaching service received a total of 114 appeals and grievances, including 14 selection grievances, 0 discipline grievances and 100 personal grievances. Of the 114 grievances received, 62 were conciliated, withdrawn, lapsed or pending, or there was no jurisdiction for the Board to hear them. Fifty-two grievances were heard and 22 (42 per cent) were upheld.

Selection grievances received for this year were approximately the same as in the previous year and, of the 6 heard, 0 per cent were upheld. There were 100 personal grievances received, compared with 147 for the previous year and, of the 46 heard, 48 per cent were upheld.

There was a wide range of issues raised in personal grievances. The majority of grievances concerned teachers and education support class employees and ongoing employment, and compassionate transfer status and excess status not being managed in accordance with Department policy. Other matters related to leave, especially the refusal to grant long service leave and leave without pay. There has been a significant increase in the number of personal grievances relating to time fraction changes. This reflects the *Equal Opportunity Amendment (Family Responsibilities) Act 2008* that came into effect in September 2008.

### Public sector

There were 25 appeals and grievances received from public servants – 11 on the grounds of selection and 14 personal grievances. Of the 25 grievances received from the VPS, 10 were heard and 3 (30 per cent) were upheld. The majority of the issues raised in personal grievances related to leave, range reviews, redeployment and general employment issues.

### Teaching service – appeals and grievances 2009–10

Category	Upheld		Disallowed		Withdrawn		Pending		No jurisdiction, out of time, lapsed, deferred, no further action, abandoned, adjourned, decision		Conciliated		Received		Total
	M	F	M	F	M	F	M	F	M	F	M	F	M	F	
Selection	0	0	0	4	3	0	0	1	2	4	0	0	5	9	14
Personal	7	15	2	17	15	18	0	0	8	14	2	2	34	66	100
Total	7	15	2	21	18	18	0	1	10	18	2	2	39	75	114

### VPS – appeals and grievances 2009–10

Category	Upheld		Disallowed		Withdrawn		Pending		No jurisdiction, out of time, lapsed		Conciliated		Received		Total
	M	F	M	F	M	F	M	F	M	F	M	F	M	F	
Selection	0	2	1	3	0	3	0	0	0	2	0	0	1	10	11
Personal	0	1	1	2	1	4	0	1	1	3	0	0	3	11	14
Total	0	3	2	5	1	7	0	1	1	5	0	0	4	21	25

### Merit protection training

It is a requirement for all selection panels in the Department to include a merit-trained 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 principals, teachers, education support class employees and members of the public service.

These programs are conducted statewide and are supported by the Department through the provision of senior personnel to deliver those sections of the training that focus on human resource policies.

This year the Boards conducted some 35 seminars and provided training for approximately 700 employees.

### Principals

One hundred and twenty principals have been trained by the Boards in metropolitan and country centres and are available to serve on principal selection panels.

### Teachers and education support class employees

A total of 588 members of the teaching service and 98 education support class employees were trained by the Boards in metropolitan and country centres in 2009–10. Teachers and school education support class employees who have been trained are available to assist principals with personnel management decision-making in schools in which panels must include a merit protection-accredited teacher.

### Members of the Victorian Public Service

During 2009–10, 173 VPS employees were trained and are therefore available to assist on panels in decision-making about selection.

Number of employees trained by region (includes reaccreditation)					
Region	Teachers	Principals	ESC	VPS	Total
Barwon South Western	40	7	6	8	61
Central – Corporate	0	0	0	70	70
Eastern Metropolitan	94	17	11	3	125
Gippsland	13	6	4	11	34
Grampians	42	3	5	7	57
Hume	55	14	9	0	78
Loddon Mallee	50	14	20	14	98
Northern Metropolitan	88	27	16	26	157
Southern Metropolitan	118	24	17	20	179
Western Metropolitan	88	8	10	14	120
Total	588	120	98	173	979

## Victorian Children's Council

The Victorian Children's Council was established by the Victorian Government under the *Child Wellbeing and Safety Act 2005*. The Council supports the Premier, the Minister for Children and Early Childhood Development and the Minister for Community Services with expert independent advice relating to policies and services that enhance the health, wellbeing, development and safety of children.

Council members are recognised experts in children's policies and services. They have been selected as individuals and not as representatives of their organisations or interest groups. The Council's mandate is to be forward-looking, acting as an adviser to Government on how to meet key challenges facing Victorian families and improve outcomes for children. The Council is particularly concerned with the problems faced by children who are vulnerable and at risk of poor outcomes.

In 2009–10, the Council had 13 members. Mr Paul Linossier resigned in June 2009 to take up the role of Executive Director, Early Childhood Development. The Council held regular meetings every two months, with additional meetings, subcommittees and working groups when needed. The Department provides secretariat support to the Victorian Children's Council.

Key issues considered by the Council over the 12-month period were:

- place-based reform
- reporting to government and local communities on how children are faring
- cyber-bullying
- disability reform
- the child protection system and family support services
- introduction of the Victorian Early Years Learning and Development Framework and the national Early Years Learning Framework
- new Children's Services Regulations.

### Victorian Children's Council members as at 30 June 2010

Ms Sherryl Garbutt (Chair)	Former Victorian Minister for Children
Professor Frank Oberklaid (Deputy Chair)	Director, Centre for Community Child Health
Mr Bernie Geary (Ex-Officio Member)	Child Safety Commissioner
Dr Maria Apostolopoulos	Parent advocate and Board member, Kalparrin Early Child Intervention program
Ms Muriel Bamblett	Chief Executive Officer, Victorian Aboriginal Child Care Agency
Dr Ray Cleary	Chief Executive Officer, Anglicare Victoria
Dr Don Edgar	Social policy and research consultant
Professor Gay Edgecombe	Department of Nursing and Midwifery, RMIT University
Ms Sue Harper	National President, Organisation Mondiale pour l'Education Prescolaire Australia
Mr David Murray	Chief Executive Officer, Youth Substances Abuse Service
Mr David Pugh	Chief Executive Officer, St Luke's Anglicare
Mr Rob Spence	Chief Executive Officer, Municipal Association of Victoria
Ms Sandie de Wolf	Chief Executive Officer, Berry Street Victoria

## Appendix 7 Diversity reporting

The Department embraces the principles of diversity and participation for all and works to ensure positive economic, social and cultural outcomes for all Victorian communities. The Department's commitment to diversity, access and inclusion is implemented in its workplaces and in the community through the development and delivery of appropriate policies, programs and services.

During 2009–10, the Department focused on four key communities: culturally and linguistically diverse (CALD) communities, Indigenous communities, women and young people.

### Culturally and linguistically diverse communities

The Department recognises that some individuals or communities can face particular challenges in education, the community or the workplace and supports Victoria's CALD communities by providing accessible and culturally inclusive education and early childhood services and workplaces.

The Government is committed to supporting families and parents in order to achieve the best results for children. A key component of this support is information that is timely, accessible and available in a wide number of languages. The Department is committed to ensuring that this continues to occur.

A full report on the Department's achievements in multicultural affairs is provided annually to the Victorian Multicultural Commission. This report helps to inform the annual Victorian Government Achievements in Multicultural Affairs report.

### 2009–10 Highlights

- Education for Global and Multicultural Citizenship: A Strategy for Victorian Government Schools 2009–2013 provides leadership and direction in developing inter-cultural literacy in schools, and the inclusion of multicultural and global education perspectives across the curriculum and whole-of-school practice. Since the launch in March 2009, the implementation highlights have included:
  - the annual Cultural Diversity Quest, which celebrates the excellent work schools are doing to promote cultural diversity as one of Victoria's richest resources. In 2010, the Department received 315 entries from 101 schools, a significant increase in the number of entries, as well as the number of participating schools
  - over 90 principals across school sectors taking part in the Leading 21st Century Schools program, which commenced in November 2009 and aims to support principals in leading change that will result in a whole-of-school approach to delivering an engaging Asia-literate curriculum.
- The Languages and Multicultural Education Resource Centre (LMERC) continued to provide advice and quality resources to support culturally and linguistically inclusive teaching and learning. In the period July 2009 to March 2010, there was an increase of 10 per cent in the number of LMERC borrowers and 15 per cent in the number of items borrowed from the collection.
- In the May 2008 State Budget, \$6.5 million over four years was allocated to strengthen support for newly arrived refugee students in schools. The initiative has two funded programs with the Department – the Out of School Hours Learning Support program (OSHLSP) coordinated by the Centre for Multicultural Youth (CMY) and the Refugee School Support Program (RSSP) coordinated by Foundation House.
- The CMY provides regional coordination, volunteer coordination and training, network support and resources for providers of OSHLSP. In 2009, 20 Learning Beyond the Bell best practice grants for 2010–12 of \$15,000 per annum were awarded to successful applicants. A further 45 non-recurrent Resourcing the Future grants of \$5000 were awarded to purchase resources and computers to support students in programs. An evaluation of the Learning Beyond the Bell programs will be conducted over the coming three years to identify features of best-practice models and benefits for students attending programs.

- In 2009, Refugee Action Networks of schools were established in partnership with regional offices to address the support of refugee students and their families through the RSSP. The networks focused on improvement of family and community engagement, the strengthening of partnerships with community organisations and non-government agencies, and a supported review of school policies and practices in collaboration with ESL regional program officers. The RSSP provides professional development for teachers in all metropolitan regions and one non-metropolitan region, and also assists teachers to access the full range of support available for their students.
- In 2009, the New Arrivals Program, which provides intensive English language classes for newly arrived migrant and refugee children, expanded in response to the settlement patterns of newly arrived families. New English Language Centres were opened in Ballarat and the Latrobe Valley. Four new campuses attached to English Language Schools were opened in Maroondah, Galvin Park, Springvale and Hampton Park. Purpose-built relocatable classrooms were provided to these new centres.
- The Department provides schools with access to qualified or accredited interpreters and translators, in line with Victorian Government policy to help Victorians from culturally and linguistically diverse communities deal with government departments and agencies. In government schools in 2009:
  - onsite interpreting was provided on 9333 occasions in 99 languages, an increase of 18 per cent compared with 2008 (excluding cancellations)
  - telephone interpreting was provided on 1995 occasions for 248 schools in 63 languages, an increase of approximately 13 per cent compared with 2008 (excluding cancellations)
  - translations were provided on 333 occasions in 36 languages, a slight increase from 2008.

## Indigenous communities

The Department has been actively working in partnership with the Victorian Aboriginal community on initiatives to improve the experiences, rates of participation and levels of achievement of Aboriginal children and young people in education and early childhood services. Efforts are also underway to increase the knowledge and understanding of all students about Aboriginal culture and history. By providing a range of training and awareness-raising opportunities to staff, the Department seeks to foster a culture that supports Aboriginal communities by delivering culturally sensitive services and practices that are free of discrimination, harassment and racism. The Department also strives to develop a workforce that embraces and supports Aboriginal staff, and is committed to culturally respectful workplaces that attract and sustain the long-term employment of Aboriginal people.

### 2009–10 Highlights

- Aboriginal Best Start programs are operating in six sites across Victoria, working to empower communities and families, and develop broad cross-sectoral partnerships across all early years services to improve outcomes for Aboriginal children and their families. The Djillay Lidji Aboriginal Best Start Partnership in Gippsland presented at the Best Start Forum in May 2010, winning an Early Years Award for their successful work.
- The Njernda Aboriginal Corporation received a \$500,000 Children's Capital Grant to rebuild and expand the Berrimba Children's Centre in Echuca. This major redevelopment will increase long day care places, create a dedicated kindergarten space, and enable co-location of maternal and child health, early childhood intervention and family support services.
- The National Partnership Agreement on Indigenous Early Childhood Development, which commenced in January 2009, will deliver \$547.2 million in joint State and Commonwealth funding over six years to improve outcomes for Indigenous children and their families in the early years. As part of the National Partnership:
  - planning is underway for new Aboriginal Children and Family Centres in the City of Whittlesea and Bairnsdale. Interim kindergartens for 3- and 4-year-old Aboriginal children have been established, with 17 to 25 children enrolled in each location
  - Victoria will continue to support efforts to improve use of Maternal and Child Health Services by Aboriginal families through targeted Enhanced Maternal and Child Health and Healthy Mothers and Babies initiatives.
- In 2009, the Victorian Government funded the provision of at least 10 hours per week free kindergarten for all 3- and 4-year-old Aboriginal children. In 2009, 237 3-year-old Aboriginal children participated in kindergarten, an increase from 109 children in 2008.
- Through the Wannik Education Strategy for Koorie Students, the Department assisted schools to implement and expand proven initiatives to support students at risk in their education development, including:
  - reforming the Koorie education workforce with 27 new positions created and all existing staff offered the opportunity to upgrade their skills and level of employment. The Koorie education workforce will focus on engagement with families, communities and schools
  - reforming the government school system's education of Aboriginal students. Four new Koorie Pathway Schools have been established to provide individual assistance and support to Aboriginal students aged 12–16 years who are not engaged or are at risk of disengagement in their mainstream school. These schools are continuing to develop new programs to support improved learning outcomes

- providing more literacy and numeracy support through the Wannik Tutorial program. The program was established in 2010 to provide fully funded tutoring for Aboriginal students in Years 2–10 who did not meet the expected VELS standard the previous year, as well as all Aboriginal students in Years 11 and 12. Fifteen Koorie Literacy Coaches have also been employed to offer intensive cultural and literacy professional development for teachers to improve the educational outcomes of Aboriginal students
- supporting greater student engagement through the Managed Individual Pathways program, which supports Aboriginal students in Years 8 and 9 with careers and pathways planning. Three Aboriginal Youth Transition Support Initiative Officers, who focus on Aboriginal students at risk of disengagement from education, have been employed in high-needs areas across Victoria
- developing attendance strategy programs, such as the It's Not OK to Be Away initiative, breakfast programs, a student wellbeing policy framework, supporting resources and teacher professional development
- providing support and encouragement for high-achieving students through Wannik Education Scholarships. Valued at \$5000 per student, these scholarships are awarded each year by the Minister for Education to 20 Aboriginal students, acknowledging their sound academic achievement and strong involvement in the Aboriginal community. Full scholarships were also provided for 17 Aboriginal students to participate in the School for Student Leadership program, a unique residential education experience for Year 9 students that focuses on personal development and team learning projects
- supporting Aboriginal early childhood educators with scholarships to attain an early childhood teaching qualification through the Institute of Koorie Education at Deakin University
- supporting 25 Aboriginal early childhood educators to date, with the first five scholarship recipients graduating in October 2009 and an additional two students commencing their studies in mid-2010
- facilitating the Ministers' Wannik Conference for Principals to provide an opportunity to share what schools and regions have implemented and hear about strategies under development
- providing an opportunity through the Wannik Victorian Aboriginal Teachers Forum in November 2009 for Aboriginal principals, teachers and pre-service teachers to gather for a two-day forum to discuss the Closing the Gap agenda, the Wannik Education Strategy for Koorie students, and issues affecting teachers and educators.
- The Dardee Boorai Art Award, run in partnership with the Victorian Aboriginal Education Association Inc. in 2009, attracted 262 high-quality entries responding to the theme of 'Strong Aboriginal children'. The award is being run again in 2010, with winners to be announced in September.
- The Department allocated significant funding to the Australian Bureau of Statistics to increase the Victorian sample in the National Aboriginal and Torres Strait Islander Social Survey (NATSISS) which collects a range of statistics to monitor the wellbeing of the Aboriginal and Torres Strait Islander populations, with a particular focus on children and families, and enable more accurate reporting against key indicators. NATSISS data are published in the 2009 State of Victoria's Children Report: Aboriginal Children and Young People in Victoria.

Note: Further information about Indigenous programs and achievements is contained in Appendix 4 (see page 130) and in the case studies on page 27.

## Women

The Department supports flexibility at different stages of women's careers and their life cycles. Flexible workplace cultures and family-friendly policies are critical to attracting and retaining talented women in the Department, as well as enhancing their careers and helping them to achieve and sustain leadership positions in schools and across the organisation. Current statistical data (refer Appendix 4) indicates that over 74.5 per cent of the Department's VPS employees are women.

The Department is also committed to developing and delivering services for mothers and babies at the maternal and child health stage and for young girls as they enter education. The Department aims to provide the early years support and education children need in order to have a full and creative life, high-quality jobs and opportunities to contribute to their community.

### 2009–10 Highlights

- Research was conducted on the Department's flexible Work for Work–Life Balance policy, including an employee survey into awareness of, and access to, flexible working arrangements and an international literature review of best practice in this area. The survey findings indicated support for the Department's approach to flexible work to assist employees balance work and family/life responsibilities.
- The Career Enhancement Initiative for Women program, targeting VPSG1–4 women, was developed in response to a perceived need to assist women who have been in a substantive classification for an extended period of time to progress in their careers. Workshop participants were provided with the necessary skills to identify their key strengths and reflect on their career paths. The workshop also addressed practical skills with regard to the VPS job application process in terms of applying for an advertised position, addressing key selection criteria, keeping CVs up to date and identifying and understanding transferable skills.
- On 9 March 2010, the Department celebrated International Women's Day with a morning tea for all central staff. The event was hosted by the Secretary and attended by the Minister for Education and the Minister for Children and Early Childhood Development and Women's Affairs. Both Ministers addressed the audience on the importance of International Women's Day.

Note: Further information about programs and achievements relating to women can be found in Appendix 4 (see page 130).

## Young people

The Department ensures that all young people in Victoria have access to and are supported to pursue educational opportunities. It also recognises the need to focus on disengaged, disadvantaged or vulnerable young people who may miss out on these opportunities or be at risk of harm or causing harm to others.

### 2009–10 Highlights

- The Department provided funding to the Victorian Student Representative Council (VicSRC) to support and strengthen the role of individual student representative councils and further develop the SRC network in Victorian schools. The VicSRC was also given funding to develop resources and deliver training to students involved in student representative councils, and produce resources to assist principals to support the student 'voice'. In 2009–10, the VicSRC published an *Environmental Resource Kit* and a guide for principals entitled *Developing Student Participation, Engagement and Leadership*. VicSRC also developed an extensive resource kit for SRC members and support teachers.
- The Gippsland Youth Commitment, which provides for a regional coordination framework to improve youth attainment and transition support for 15–19-year-olds, was established. This place-based initiative commits to a partnership approach with the Local Learning and Employment Network (LLEN), the region and other key stakeholders to ensure that the key objective of 'Gippsland's youth – everyone's responsibility' is met. The Gippsland Youth Commitment received the 2009 Department Secretary's Award for stakeholder engagement.
- Ucan2, an education-based program designed to increase the capacity of young people from refugee backgrounds to link learning to life was successfully implemented at Noble Park and Western English Language Schools in classes for newly arrived young people from refugee backgrounds. Ucan2 uses mentoring and individual case management to create education, training and employment opportunities. The program is coordinated by the Victorian Foundation for Survivors of Torture (Foundation House) and is supported by a number of community and business organisations.
- The Department, in partnership with the Foundation for Young Australians, supported the Tell Us project, a national web-based survey of secondary school students aged 13–17 on their perspectives on success at school beyond academic achievement. This was complemented by an additional Victoria-specific survey of 1000 students.
- Following the review of alternative education programs, *Pathways to Re-engagement Through Flexible Learning Options: A Policy Direction for Consultation* was released, with 62 responses received from the community with the result that:
  - it was clearly indicated feedback will be essential in creating a shared understanding of how the framework can support enhanced outcomes for children and young people who are most vulnerable to disengagement from schooling
  - in 2010 a proposed policy framework will be prepared, incorporating feedback from the community, with anticipated implementation in 2011.
- Over 10,000 Victorian adolescents participated in the Victorian Adolescent Health and Wellbeing Survey (known as 'HOWRU') to voice their opinion on their own health and wellbeing. The survey was undertaken to provide data on key indicators of adolescent health and wellbeing and designed to facilitate reporting at a state, regional, and local government area level.

## Appendix 8 Office-based environmental impacts

The Department's office-based environmental impacts on energy use, waste production, paper use, water consumption, transportation and green purchasing for its central and regional offices, as required by FRD 24 – Reporting of Office-based Environmental Impacts by Government Departments, are disclosed on the following pages.

The environmental impact data outlined for 2009–10 incorporate all of the Department's offices including those of the former Office for Children and Early Childhood Development which has necessitated an expansion of regional office accommodation.

The Department had an increase in staff numbers due to the rollout of the BER and the Ultranet, and the continuing integration of early childhood development staff, which impacted on energy, gas and water usage for the year.

The Department has implemented a number of initiatives to reduce environmental impacts and collect data more comprehensively for office and non-office facilities. Improvements in data collection and monitoring across all departmental sites have resulted in more accurate figures for 2009–10 over previous years.

School-based initiatives include Australian Sustainable Schools Initiative Victoria (AuSSIVic), the Schools Water Efficiency program, the Schools Lighting and Energy Upgrade program, the National Solar in Schools program, the Upgraded Relocatables program and the Greener Government Buildings program.

## Energy

The Department reports on its energy consumption in office facilities only. Offices include the nine regional offices (and their sub-regional offices which were not previously reported on).

### Targets

- Reduce energy consumption per square metre by 20 per cent of 1999–2000 consumption by 30 June 2011.
- Purchase 25 per cent GreenPower as percentage of total electricity consumption by 30 June 2011.

### Performance

#### Actions undertaken

- A major energy and water efficiency program was undertaken on the Treasury Precinct to increase the efficiency of facilities by an estimated 20 per cent.
- Loddon Mallee regional office moved into a new five-star green-star building in 2010.

	2009–10			2008–09		
	Electricity	Natural gas	GreenPower	Electricity	Natural gas	GreenPower
Total energy usage segmented by primary source (M)	17,229,549	11,331,250	3,507,309	12,007,348	7,819,909	2,190,764
Greenhouse gas emissions associated with energy use, segmented by primary source and offsets (t CO <sub>2</sub> -e)	6,308	633	0	4,369	401	
Percentage of electricity purchased as GreenPower	16.9%			15.4%		
Cost of GreenPower (\$)	\$43,946.33			\$21,959		
Units of energy used per FTE (MJ)/FTE)	13,559			8,781		
Units of energy used per unit of office area (megajoules per m <sup>2</sup> )	1,055			218		

#### Note

Total electricity consumption has increased which is a reflection of more accurate measurement of use since reporting on these figures commenced. The Treasury Precinct energy efficiency program has led to a 20 per cent decrease in electricity consumption in the last three months of the financial year.

The purchase of GreenPower will be increased across all sites to meet the 25 per cent target by the end of 2011.

Increasing energy prices have lifted the total cost of GreenPower.

## Water

The data below is based on mains water meter readings at central office and nine Departmental regional office and sub-regional office sites.

### Target

- Reduce water consumption to 10 kilolitres per FTE by 30 June 2011.

### Performance

#### Action undertaken

- A major energy and water efficiency program was undertaken on the Treasury Precinct that will increase the efficiency of these facilities.

Indicator	2009–10	2008–09
Total units of metered water consumed by usage types (KL)	33,120	15,431
Units of metered water consumed in offices per FTE (KL/FTE)	14	6.6
Units of metered water consumed in offices per unit of office area (KL/m <sup>2</sup> )	1.089	0.1529

#### Note

Total water consumption has increased which is a reflection of more accurate measurement of use since reporting on these figures commenced. Savings from the energy and water efficiency program are expected to be reflected in next year's figures.

Units of water consumed per FTE for 2008–09 has been recalculated using an updated measurement.

## Waste

The triple waste system within the Department's offices facilitates easy segregation of waste materials for recycling, composting or landfill.

The data presented below are derived from a five-day waste audit conducted at the central office site and five one-day audits conducted at regional offices.

### Targets

- Reduce total waste generated per FTE to 70 kg by 30 June 2011.
- Divert 85 per cent of waste from landfill by 30 June 2011.
- Increase e-waste collection facilities to five new Department office locations by 30 June 2011.

### Performance

#### Actions undertaken

- Waste signage audit undertaken for triple waste system resulting in the development of new waste signs for rollout across all Department offices.
- Campaign to promote staff use of reusable coffee cups when ordering takeaway coffees.

Indicator	2009–10				2008–09		
	Landfill	Co-mingled recycling	Compost	Shredded paper	Landfill	Co-mingled recycling	Compost
Total units of waste disposed of by destination (kg/yr)	20,675	13,882	4,581	6,680	31,922	32,963	19,717
Units of waste disposed of per FTE by destinations (kg/FTE)	13.3	8.9	2.9	0	13	13	8
Recycling rate (% of total waste)		61%				83%	

#### Note

The Department exceeded its waste reduction targets. A new category of shredded paper was introduced in 2009–10 to measurements. 2008–09 figures have been reviewed based on further information provided.

## Paper

Paper consumption data are sourced from purchases made through the whole-of-government stationery contract and some independent stationery suppliers (some of the regional offices source paper from independent suppliers to support local business).

The Department has continued to upgrade and enhance its online record management program and information sharing sites to reduce paper consumption.

## Targets

- Reduce paper consumption to 15 reams of A4 or equivalent paper per FTE by 30 June 2011.
- Purchase a minimum of 95 per cent of copy paper with a recycled content of at least 50 per cent by 30 June 2011.

## Performance

### Action undertaken

- Upgraded centralised management of paper purchasing ensuring accurate reporting of paper purchasing data.

Indicator	2009–10	2008–09
Total units of copy paper used (reams)	38,643	40,272
Units of copy paper used per FTE (reams per FTE)	15	16
Percentage 75–100% recycled content copy paper purchased (%)	44%	48%
Percentage 50–74% recycled content copy paper purchased (%)	13%	34%
*Percentage 0–49% recycled content copy paper purchased (%)	42%	18%

### Note

\*The Triotec paper purchased by the Department changed its recycled content from 50 per cent to 30 per cent in May 2008. The manufacturer of this paper did not make the government supplier of paper aware of this change until recently and this change was not confirmed by the supplier to the Department until July 2010.

## Transport

The Department's fleet comprises 341 vehicles, 86 per cent of which are operational vehicles and the remainder are executive fleet. Of the operational vehicles, 33 per cent are LPG, 23 per cent are 4-cylinder petrol-fuelled, 3 per cent are 6-cylinder, 13 per cent are dual petrol/LPG fuelled and 28 per cent are hybrid. The executive fleet comprises 84 per cent 6-cylinder petrol-fuelled, 2 per cent 4-cylinder petrol-fuelled and 14 per cent hybrid/LPG vehicles.

On 1 April 2010, 24 of the Department's fleet cars were transferred to the whole-of-government Shared Services Division for future management.

### Target

- Maintain or reduce emissions associated with air travel to 2008–09 levels.

### Performance

Indicator	2009–10		2008–09	
Operational vehicles	Petrol	LPG	Petrol	LPG
Total energy consumption by vehicles (MJ)	15,256,771	11,291,681	12,964,721	11,678,009
Total vehicle travel associated with entity operations (km)	5,278,681	3,451,285	3,970,479	3,001,334
Total greenhouse gas emissions from vehicle fleet (t CO <sub>2</sub> -e)	1,143	736	948	823
Greenhouse gas emissions from vehicle fleet per 1000 km travelled (t CO <sub>2</sub> -e)	0.24	0.23	0.24	0.27

Indicator	2009–10	2008–09
Total distance travelled by aeroplane (km)	4,460,960	4,306,591

Indicator	2009–10		2008–09	
Operational vehicles	CBD	Regional	CBD	Regional
Percentage of employees regularly (>75 per cent of work attendance days) using public transport, cycling, walking or car pooling to and from work or working from home, by locality	89%	n/a	95%	27%

#### Note

Energy and petrol consumption increased marginally due to increase in staffing at regional offices.

## Purchasing

The Department continued to develop and implement the incorporation of environmental purchasing into procurement planning and tender procedures.

### Target

- To develop and implement the whole-of-government Green ICT Procurement Policy by 30 June 2010.

The Information Technology Division (ITD) utilised 13 state purchase contracts (SPCs) to procure information and communication technology infrastructure, applications and services. These goods and services included environmental sustainability requirements within the tender documentation specifications, as well as environmental sustainability weightings as part of the evaluation. Specific purchases include the computer notebooks program, supply of servers, storage equipment and related products and services.

The Department is continuing to progress its ICT action plan for 2010–11 and has identified some key actions for implementation.

The Department has continued to ensure that its stationery supplier carries a range of environmentally friendly stationery products.

## Greenhouse gas emissions

The data below are taken from the previous sections and brought together to show the Department's greenhouse footprint.

### Target

- To reduce the Department's carbon footprint by 25 per cent of 1999–2000 levels by June 2020.

### Performance

Indicator	2009–10	2008–09
Total greenhouse gas emissions associated with energy use (t CO <sub>2</sub> -e)	6,941	4,771
Total greenhouse gas emissions associated with waste production (t CO <sub>2</sub> -e)	21	41
Total greenhouse gas emissions associated with paper purchases (t CO <sub>2</sub> -e)	183	191
Total greenhouse gas emissions associated with water consumption (t CO <sub>2</sub> -e)	50	36
Total greenhouse gas emissions associated with vehicle fleet (t CO <sub>2</sub> -e)	1,879	1,770
Total greenhouse gas emissions associated with air travel (t CO <sub>2</sub> -e)	1,973	1,315
Greenhouse gas emissions offsets purchased (t CO <sub>2</sub> -e)	*1,879	1,770

#### Note

\* In line with the Victorian Government's commitment outlined in Our Environment, Our Future 2006, the Department of Sustainability and Environment will purchase offsets equivalent to the Department's passenger vehicle emissions for the 2009–10 financial year.

## Appendix 9 Freedom of Information

During 2009–10, 187 requests were received for documents under the *Freedom of Information Act 1982* (the Act). Ninety of the requests were received from members of parliament or representatives of the media and the remainder were received from the general community. For decisions made in 2009–10, full access was granted for 73 requests and partial access for a further 57\*. Access was not granted for 22 requests, and documents could not be located or did not exist for 26 requests. Two requests were not proceeded with by the applicants. At the end of the reporting period, there were 20 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).

Seven applicants sought an internal review. The original decisions of six were fully upheld while for one, documents were publicly available. There was one appeal to the Victorian Civil and Administrative Tribunal for review of a decision made under the Act.

\*Access decisions made in 2009–10 include requests that were outstanding from the previous financial year.

### Publication requirements

The information required to be published pursuant to section 7 of the Act is either contained in the following pages or elsewhere in this report. This information relates to the following agencies:

- Department of Education and Early Childhood Development
- Merit Protection Boards.

Queries about the availability of, and charges for, material prepared under Part II of the Act should be directed to the relevant authorised officer.

(See table on page 165.)

### Categories of documents

The Department produces 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. The Department maintains 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 names.

The Merit Protection Boards maintain records of appeals and grievances received. The Disciplinary Appeals Boards maintain records of appeals lodged.

The following outlines the general categories of documents maintained.

#### Correspondence, administrative and policy documents

The Department has a number of systems in place for recording, sharing and tracking these records. The Merit Protection Boards are responsible for their 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

The Department and the Merit Protection Boards 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 an electronic 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 documents 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 under 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 requests for access to documents in writing.

There is no specific application form. A letter or email clearly describing the document(s) sought is sufficient. The letter or email should specify that the application is a request made under the *Freedom of Information Act 1982* and should not form part of a letter or email on another subject. The applicant should provide the following additional 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).

Where the request is for access to documents about the applicant, personal identification will also be required.

### 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 have made.

### Fees and 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](http://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 a letter advising them of the initial decision. Applicants are advised to consult Part VI of the Act for further information about appeal rights.

Further information about Freedom of Information can be found on the Department's website <[www.education.vic.gov.au](http://www.education.vic.gov.au)>.

Freedom of information authorised officers			
Agency	Authorised officer	Postal address	Telephone
Department of Education and Early Childhood Development	Mr Neil Morrow	GPO Box 4367 Melbourne 3001	(03) 9637 2670
Merit Protection Boards	Ms June Weir	Level 9, 35 Spring Street Melbourne 3000	(03) 9651 0290
Disciplinary Appeals Board	Ms June Weir	Level 9, 35 Spring Street Melbourne 3000	(03) 9651 0290

## Appendix 10 Statement of support to whistleblowers

The Department does not tolerate improper conduct by its employees or officers nor the taking of reprisals against those who come forward to disclose such conduct under the *Whistleblowers Protection Act 2001* (the Act).

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 a substantial risk to public health and safety or the environment. The alleged conduct must be serious enough to constitute, if proven, a criminal offence or reasonable grounds for dismissal to satisfy the Act.

The Department assessed three disclosures under the Act in 2009–10. Of these three disclosures:

- two were protected disclosures
- one was assessed as not being a protected disclosure.

No matters were declined because the complainant could not substantiate them.

No matters were awaiting substantiation by the complainant.

Of the complaints examined during the year:

- two matters were declined by the Department
- one matter is ongoing and has been taken over by the Ombudsman.

### Corrupt conduct

Corrupt conduct means:

- conduct that adversely affects the honest performance of functions
- the dishonest performance of functions or performance with inappropriate partiality
- conduct that amounts to a breach of public trust
- conduct that amounts to the misuse of information or material acquired in the course of one's duties
- a conspiracy or attempt to engage in the above conduct.

## The reporting system

### Contact persons within the Department

Disclosures of improper conduct or detrimental action by employees of the Department of Education and Early Childhood Development may be made directly to the following officers:

#### Protected Disclosure Coordinator

**Mr Colin Twisse**

**General Manager**

**Executive and Ministerial Services**

Telephone (03) 9637 3535

#### Protected Disclosure Officer

**Mr Bryan Sketchley**

**Privacy Officer**

Telephone (03) 9637 3601

#### Protected Disclosure Officer

**Mr Neil Morrow**

**Manager FOI & Privacy**

Telephone (03) 9637 2670

All correspondence, telephone calls and emails from internal or external whistleblowers will be referred to the Protected Disclosure Coordinator. Where a person is contemplating making a disclosure and is concerned about confidentiality, he or she can call the Protected Disclosure Coordinator and request a meeting in a discreet location away from the workplace.

Employees can also obtain information about whistleblower policy and procedures from the Department's regional offices.

### Alternative contact persons

A disclosure about improper conduct or detrimental action by employees of the Department may also be made directly to the Ombudsman.

#### The Ombudsman Victoria

459 Collins Street

Melbourne Victoria 3000 (DX 210174)

Internet: [www.ombudsman.vic.gov.au](http://www.ombudsman.vic.gov.au)

Email: [ombudvic@ombudsman.vic.gov.au](mailto:ombudvic@ombudsman.vic.gov.au)

Telephone (03) 9613 6222

## Appendix 11 Portfolio responsibilities

The Acts of Parliament currently administered by the Minister for Education and the Minister for Children and Early Childhood Development are outlined below.

### Minister for Education

- *Education and Training Reform Act 2006* except:
  - Division 5 of Part 2.2 (these provisions are administered by the Minister for Children and Early Childhood Development)
  - Section 2.5.3 insofar as it relates to early childhood, international education, vocational education and training, and senior secondary certificate delivery by registered education and training organisations and adult, community and further education providers; Chapter 3; sections 4.2.7A and 4.2.7B; Division 3 of Part 4.3 insofar as it relates to courses delivered and qualifications issued to students other than students in schools; Division 4 of Part 4.3; Division 5 of Part 4.3; Division 6 of Part 4.3; sections 4.4.1 and 4.4.2 insofar as they relate to courses delivered and qualifications issued to students other than students in schools; section 4.4.3; section 4.4.4; section 4.4.5 insofar as it relates to courses delivered and qualifications issued to students other than students in schools; Part 4.5 insofar as it relates to courses delivered to overseas students, other than overseas students in schools; section 4.6.3; section 4.6.4; section 4.7.5; section 4.7.6; section 5.2.1(2)(d) (ii); section 5.2.1(2)(d)(iii); section 5.2.1(2)(d) (iv); Divisions 2 and 3 of Part 5.4; Part 5.5; section 6.1.6; Schedules 3 and 4 (these provisions are administered by the Minister for Skills and Workforce Participation)
  - Sections 4.2.4, 4.2.5 and 4.2.8 are jointly administered with the Minister for Skills and Workforce Participation
  - Chapter 1 (except section 1.1.3(1)); Part 4.1; sections 4.2.1, 4.2.2, 4.2.3, 4.2.6, 4.2.7; section 4.6.1; section 4.6.2; Part 4.7 (except sections 4.7.1, 4.7.5 and 4.7.6); Part 4.8; Part 4.9; Part 5.1; Part 5.2 (except subparagraphs (i) to (iv) of section 5.2.1(2)(d) and section 5.2.1(6)); section 5.3.1; section 5.3.2; section 5.3.3; Part 5.3A; Division 1 of Part 5.4; section 5.7.2; Part 5.8 (except section 5.8.5); Part 5.9; Part 5.10; Section 6.1.9 and Schedules 2, 5, 6, 8 and 9 are jointly and severally administered with the Minister for Skills and Workforce Participation
  - Section 1.1.3(1) is jointly and severally administered with the Minister for Skills and Workforce Participation and the Minister for Children and Early Childhood Development
- *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*

### Minister for Children and Early Childhood Development

- *Child Wellbeing and Safety Act 2005* except:
  - Parts 4 and 5 (jointly and severally administered with the Minister for Community Services)
  - Part 6 (administered by the Minister for Community Services)
- *Children's Services Act 1996*
- *Education and Training Reform Act 2006*:
  - Section 1.1.3(1) insofar as it relates to the definition of 'early childhood' (jointly and severally administered with the Minister for Education and the Minister for Skills and Workforce Participation)
  - Division 5 of Part 2.2
  - Sections 2.5.3(2)(ab), (ib), (ic), (p)(ii) & (tb) and section 2.5.3(5) (jointly administered with the Minister for Education and the Minister for Skills and Workforce Participation). The remaining provisions of this Act are administered by the Minister for Education and the Minister for Skills and Workforce Participation
- *Pre-school Teachers and Assistants (Leave) Act 1984*

Source: Administration of Acts General Order of 20 April 2009

## Appendix 12 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 Department but which the Department has decided to outsource.

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 Department.

### Disclosure of major contracts

The Department has disclosed all contracts greater than \$10 million in value that it entered into during 2009–10. The disclosed contracts can be viewed on the Victorian Government contracts publishing system on <[www.contracts.vic.gov.au](http://www.contracts.vic.gov.au)>.

### Compliance with the Victorian Industry Participation policy

The *Victorian Industry Participation Policy Act 2003* requires public bodies and departments to report on the implementation of the Victorian Industry Participation policy.

Departments are required to apply the policy in all tenders over \$3 million in metropolitan Melbourne and \$1 million in regional Victoria.

During 2009–10, the Department commenced and completed contracts under both the Victorian Schools Plan and the Federal Government's Building the Education Revolution program.

Under the Victorian Schools Plan, the Department commenced 24 contracts to which the Victorian Industry Participation policy applied, totalling \$157,282,629 in value. The contracts included 12 metropolitan contracts totalling \$91,004,713 in value and 12 regional contracts totalling \$66,277,916 in value.

The commitments under the policy included:

- an average level of local content of 87 per cent of the total value of the contracts
- 668 full-time equivalent jobs and 99 full-time equivalent apprenticeships
- benefits to the Victorian economy through:
  - development and implementation of technology in schools
  - professional development for staff
  - skills development through work on infrastructure projects and participation in related training in OHS and various trade areas.

Under the Victorian Schools Plan, the Department completed seven contracts to which the Victorian Industry Participation policy applied, totalling \$31,625,025 in value. The contracts included four metropolitan contracts totalling \$17,182,507 and three regional contracts totalling \$14,442,518.

Under the Building the Education Revolution program, the Department commenced 108 contracts to which the Victorian Industry Participation policy applied, totalling \$1,122,776,882 in value. The contracts included 43 metropolitan contracts totalling \$717,288,176 in value and 65 regional contracts totalling \$405,488,707 in value.

The commitments under the policy included:

- an average level of local content of 86 per cent of the total value of the contracts
- 5170 full-time equivalent jobs and 529 full-time equivalent apprenticeships
- benefits to the Victorian economy through:
  - development and implementation of technology in schools
  - professional development for staff
  - skills development through work on infrastructure projects and participation in related training in OHS and various trade areas.

Under the Building the Education Revolution program, the Department completed eight contracts to which the Victorian Industry Participation policy applied, totalling \$41,272,887 in value. The contracts included two metropolitan contracts totalling \$26,379,178 and six regional contracts totalling \$14,893,709.

## Consultancies

In 2009–10, the total for the two consultancies engaged during the year, where the total fees payable to the consultants was less than \$100,000, was \$67,460 (excluding GST). The table below indicates the consultancies the Department entered into which cost \$100,000 or above.

### Details of consultancies over \$100,000

Consultant	Purpose of consultancy	Start date*	End date	\$ thousand		
				Total approved project fee (excluding GST)	Expenditure 2009–10 (excluding GST)	Future expenditure (excluding GST)
<b>Laulon Pty Ltd</b>	Pilot the use of student responses from Teacher Feedback Questionnaires and teacher responses to Teaching and Learning Questionnaires to support a program of work aimed at improving teacher pedagogy (2009–10).	7 Aug 2009	31 Dec 2010	\$285	\$177	\$108
<b>McKinsey Pacific Rim Inc</b>	Determine the effectiveness of Victoria's current approach to improving literacy and numeracy outcomes.	26 Oct 2009	31 Dec 2010	\$486	\$486	Nil
<b>TFG International Pty Ltd</b>	Undertake a study of funding arrangements for the provision of senior secondary certificates to 15–19-year-old students.	24 May 2010	30 Sept 2010	\$308	\$151	\$157
<b>University Of Melbourne</b>	Investigate the strategies that schools are using to tackle under-achievement, their experiences of opportunities and barriers, and the outcomes that they are achieving for their students. It will draw on NAPLAN data, together with data from staff and student opinion surveys, interviews (with school staff) and focus groups (with students).	7 Aug 2009	31 Dec 2010	\$770	\$231	\$539

\* Start date indicates approval date of consultancy by delegate

## Appendix 13 Other statutory requirements and Department policies

### *Building Act 1993*

The Department conforms with the requirements of the *Building Act 1993* and other statutory obligations with respect to the construction of new educational facilities and modernisation. The school modernisation program 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 staff 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 goods and services.

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 2009–10.

#### Assessment of new legislation and regulations

All new legislation and regulations enacted within the portfolio during 2009–10 were subject to assessment against National Competition Policy requirements to ensure continued compliance with the policy.

#### Competitive neutrality

Competitive neutrality requires government businesses to ensure, where services may compete with the private sector, that any advantages arising from their government ownership are removed if they are not in the public interest. The Department was not involved in any complaints for the year 2009–10.

## 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 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 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 Department's Freedom of Information and Privacy Unit investigates and responds to privacy complaints. Complaints are generally resolved at a local level; some privacy complaints may be conciliated at the Office of the Victorian Privacy Commissioner or the Office of the Victorian Health Services Commissioner.

## Appendix 14 Risk management attestation

I, Peter Dawkins, certify that the Department of Education and Early Childhood Development has risk management processes in place consistent with the Australian–New Zealand Risk Management Standard 4360:2004 and that an internal control system is in place that enables the executive to understand, manage and satisfactorily control risk exposures.

The Portfolio Audit Committee verifies this assurance, based on information received about risk management processes and implementation, and that the risk profiles of the Department of Education and Early Childhood Education have been critically reviewed within the last 12 months.



Professor Peter Dawkins

Secretary

11 August 2010

### The Portfolio Audit Committee

The Portfolio Audit Committee is a forum for monitoring and oversight of governance, risk management, audit and business assurance activity across the education and early childhood development portfolio, with a focus on functions and processes affecting the entire portfolio.

The committee comprises four independent members and three internal members.

#### Portfolio Audit Committee Members

##### Independent

Ms Elizabeth Alexander AM (Chair)

Mr Stuart Gooley

Mr John Thomson

##### Internal

Mr John Allman

Mr Jim Miles

Ms Madeleine Smith

The main responsibilities of the committee are to:

- provide advice to the Secretary that key risk areas within the Department and those included in the Portfolio Audit Plan have appropriate management controls in place
- provide information to the statutory authority audit committees to facilitate monitoring and further action on significant risks to the portfolio that are within their sphere of control
- communicate with and receive reports from the statutory authority audit committees on issues of governance, risk management, audit and business assurance for which the committees have common interest
- advise the Secretary that the internal processes of the Department are operating at an acceptable level of risk
- advise the Secretary that appropriate controls are in place to meet external regulatory and public accountability requirements
- use internal audit to achieve appropriate levels of control and risk tolerance.

## Appendix 15 Disclosure index and additional information

The Department's Annual Report is prepared in accordance with all relevant Victorian legislation. This index was prepared to facilitate identification of the Department's compliance with statutory disclosure requirements including Financial Reporting Directions (FRD) and Standing Directions (SD).

### Report of operations

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FRD 22B	Summary of the financial results for the year	32–33
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FRD 22B	Compliance with building and maintenance provisions of the <i>Building Act 1993</i>	171
FRD 22B	Statement on National Competition policy	171
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## Financial report

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FRD 104	Foreign currency	71
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FRD 107	Investment properties	n/a
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FRD 113	Investments in subsidiaries, jointly controlled entities and associates	n/a
FRD 114A	Financial instruments – general government entities and public non-financial corporations	96–103
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<i>Freedom of Information Act 1982</i>		164–165
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<i>Audit Act 1994</i>		118–119
<i>Whistleblowers Protection Act 2001</i>		166–167
<i>Victorian Industry Participation Policy Act 2003</i>		169

## Additional information

Consistent with the requirements of the *Financial Management Act 1994*, the Department has retained material on the following items, which are available on request (subject to freedom of information requirements, if applicable):

- a statement that declarations of pecuniary interests have been duly completed by all relevant officers of the Department
- details of shares held by senior officers as nominees or held beneficially in a statutory authority or subsidiary
- details of publications produced by the Department about the Department and how these can be obtained
- details of changes in prices, fees, charges, rates and levies charged by the Department
- details of any major external reviews carried out on the Department
- details of major research and development activities undertaken by the Department
- details of overseas visits undertaken, including a summary of the objectives and outcomes of each visit
- details of major promotional, public relations and marketing activities undertaken by the Department to develop community awareness of the Department and its services
- details of assessments and measures undertaken to improve the occupational health and safety of employees
- a general statement on industrial relations within the Department and details of time lost through industrial accidents and disputes
- a list of major committees sponsored by the Department, the purpose of each committee and the extent to which those purposes have been achieved.

This information is available on request from:

Secretary

Department of Education and Early Childhood Development

GPO Box 4367

Melbourne Victoria 3001

# Acronyms and abbreviations

AAS	Australian Accounting Standard/s
AHMAC	Australian Health Ministers' Advisory Council
APU	Accredited Purchasing Unit
ATO	Australian Taxation Office
BER	Building the Education Revolution
BP4	Budget Paper No. 4, Statement of Finances 2009–10
CALD	Culturally and linguistically diverse
CAP	Country Area Program
CECV	Catholic Education Commission of Victoria
CERI	Centre for Educational Research and Innovation
CMY	Centre for Multicultural Youth
COAG	Council of Australian Governments
CORE	Collaboration, Outcomes, Respect, Empowerment
DAP	Disability Action Plan
DLT	Departmental Leadership Team
DTF	Department of Treasury and Finance
DMC	Departmental Management Committee
E4Kids	Effective Early Educational Experiences for Kids
EFT	Equivalent full-time
EMA	Education Maintenance Allowance
EPMP	Employer Performance Management Program
ESC	Education support class
ESL	English as a Second Language
FAM	Financial Assistance Model
FRD	Financial Reporting Direction
FTE	Full-time equivalent
FUSE	Find, Use and Share Education
GST	Goods and Services Tax
ICT	Information and communications technology
ISV	Independent Schools Victoria
LLEN	Local Learning and Employment Network
LMERC	Languages and Multicultural Education Resource Centre
LOTE	Language(s) other than English
LSL	Long service leave
MAV	Municipal Association of Victoria
Mbps	Megabits per second
MCEECDYA	Ministerial Council for Education, Early Childhood Development and Youth Affairs

NAPLAN	National Assessment Program – Literacy and Numeracy
NP	National Partnership
OCPC	Office for Children and Portfolio Coordination
OD Framework	Organisational Development Framework
OECD	Organisation for Economic Cooperation and Development
OGSE	Office for Government School Education
OHS	Occupational health and safety
OHSMS	Occupational Health and Safety Management System
OPRI	Office for Policy, Research and Innovation
ORI	Office for Resources and Infrastructure
ORP	Occupational Rehabilitation Provider
OSHLSP	Out of School Hours Learning Support Program
PAC	Portfolio Audit Committee
PPP	Public private partnership
PSB	Portfolio Strategy Board
RSSP	Refugee School Support Program
SCA	Service concession arrangement
SWEP	Schools Water Efficiency Program
VAEAI	Victorian Aboriginal Education Association Incorporated
VCAA	Victorian Curriculum and Assessment Authority
VCAL	Victorian Certificate of Applied Learning
VCE	Victorian Certificate of Education
VELS	Victorian Essential Learning Standards
VET	Vocational Education and Training
VEYLDF	Victorian Early Years Learning and Development Framework
VicSRC	Victorian Student Representative Council
VIP	Victorian Implementation Plan
VPS	Victorian Public Service
VRQA	Victorian Registration and Qualifications Authority
VSP	Victorian Schools Plan
WWC Check	Working with Children Check



