



Victorian Curriculum and Assessment Authority

Annual Report 2011–12



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The Hon. Martin Dixon, MP
Minister for Education
2 Treasury Place
East Melbourne Victoria 3002

Dear Minister

I have pleasure in submitting the annual report of the Victorian Curriculum and Assessment Authority. All reporting is conducted in accordance with the *Financial Management Act 1994*.

Yours sincerely

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

Professor Adam Shoemaker
Chair

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Report of the Chair



The delivery of education in the state of Victoria is underpinned by an extensive network of national, state and local education providers and authorities whose work is multi-faceted and wide-ranging. A key component of this extensive education system is the work of the Victorian Curriculum and Assessment Authority (VCAA) which provides a public manifestation of the state's strong commitment to education that is formative and transformative for all of its citizens.

This is no simple matter. The complexity and challenges of managing the annual end-of-year Year 12 Victorian Certificate of Education (VCE) examinations – a statewide process which in 2011 involved over 82,000 students sitting at least one written exam and close to 40,000 students sitting the English exam and approximately 3500 students sitting the English as a second language (ESL) exam – is just one cogent example. But there are many others. For instance, in 2011–12 the VCAA was responsible for administering writing tests as part of the National Assessment Program – Literacy and Numeracy (NAPLAN) to more than 250,000 students. In a very real sense the VCAA guarantees the quality and accuracy of the Victorian data that directly informs the My School website.

So well known is the VCAA for its testing expertise that this year – for the first time – the Authority has partnered with the state of Tasmania as well as Pearson Research and Assessment to undertake the marking of all Tasmanian NAPLAN writing tests. This activity and cross-state cooperation was handled to the highest professional standard; a matter of real pride for the VCAA.

There were many other highlights over the past 12 months. For example, the Authority was delighted to achieve record levels of participation in its Seasons of Excellence program. This culminated in such key public events as Top Screen (in conjunction with ACMI), Top Designs (in partnership with the Museum of Victoria), Top Acts at the Palais Theatre and Top Arts, exhibited at the National Gallery of Victoria. I was very pleased to attend all of these and was particularly grateful to the Minister, the Hon. Martin Dixon, for his unstinting support for these defining examples of the quality of Victorian education.

The same could be said of the Vocational Education and Training (VET) in Schools program and enrolments in the Victorian Certificate of Applied Learning (VCAL). Demand for both of these has grown apace. For example, in 2011, 21,350 Victorian students undertook VCAL offerings, an increase of 51.5 per cent (14,093) from 2007. This trend is equally reflected by the outstanding standard of student and teacher achievement at the annual VCAL Awards; a wonderful harbinger for the future.

And what of the Board itself? Here, too, the future is an exciting one. The last year saw the members of the VCAA Board complete a highly effective self-assessment exercise. This, together with a very comprehensive planning and consultation process (both internal and external), has enabled us to draft a lucid and focused VCAA Strategic Plan for 2012–15.

That plan – and the newly drafted Board handbook which accompanies it – positions the Board to develop the curriculum and assessment required for the rapidly and radically changing environment that is emerging for our future students. We know that in an environment of online education and the National Broadband Network the core business of the VCAA will have to adapt – and quickly. The Authority, so ably led by its CEO, John Firth, and supported by its talented senior managers and staff, will no doubt be able to plot that course successfully.

My sincere thanks to the Departmental Secretary, Richard Bolt, to the Minister and – above all – to my fellow VCAA Board members.

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

Professor Adam Shoemaker

Report of the Chief Executive Officer



The 2011–12 reporting period was one of continued high-quality delivery of our core curriculum and assessment programs as the Board reviewed its strategy in the light of national and international developments in education. The VCAA Board reiterated the importance of a global perspective as we review our offerings.

We need to draw on international experience as it applies to education in Victoria. This is no easy matter; we cannot simply transplant select pieces of other countries' systems, we need to understand what might be transferable from high-performing systems and how it might best fit into Victoria's unique society and culture. We also need to have a clear view about what works well here and what our priorities for improvement are.

There is a major challenge in balancing the trend towards global standards setting in an increasingly international environment with education provision that is a genuine expression of local needs and priorities. How well we meet this challenge will determine the quality of our curriculum and assessment into the future.

The VCAA must always be involved in a process of continuous improvement of its core services to Victorian students. We have a large operational core for the 650,000 or so students using our programs every year. At the same time, we must be continually looking for opportunities to innovate – improvement may be both incremental and, from time to time, more transformative. Making that judgment evidence-based and supported by stakeholders is the key to the VCAA maintaining its position of educational leadership.

National Assessment Program – Literacy and Numeracy

NAPLAN tests were conducted between 15 and 17 May 2012 and staff from across the organisation contributed to their successful delivery to more than 250,000 Victorian students. I take this opportunity to once again thank teachers and principals throughout Victoria for their support in ensuring that the implementation of this national program was successful. The information that we provide to parents, students, schools and systems as a result of the tests is invaluable for the planning and development of improved teaching and learning. The data inform priorities for resource development, targeted intervention and the evaluation of the effectiveness of current programs. The NAPLAN Data Service provides schools with high-quality data and reports that are designed to assist individual schools to determine their priorities in literacy and numeracy teaching.

Victorian Certificate of Education

The VCE is a highly valued end-of-school certificate that is accepted internationally as the basis for selection into university study. It continues to provide high-quality curriculum for the overwhelming majority of Victorian Year 12 students. The VCE is offered in China, the Middle East and Vanuatu by schools working in partnership with Victorian schools. We are continuing to expand the offering of the VCE in China on a sustainable basis. The success of VCE students from China gaining access into university study throughout Australia is testimony to its value.

The security and integrity of VCE examinations remains at the top of the VCAA's highest priorities. The examinations in June and November were conducted and marked accurately, securely and in a timely manner.

Online marking of VCE examinations continued to grow in 2011. There was a copyright-related issue with the VCE English examination. This led to a review of our copyright approval processes and subsequent tightening of our procedures. There was no issue with the quality of the English examination for students.

Accurate results for all students were reported and distributed on schedule. This achievement requires a substantial effort from staff. Our examination setters, chief assessors, markers and numerous casual staff operate a 24-hour, 7-days-a-week program from October to early December to ensure that students receive their results mid-December. This provides students with the time to receive feedback, advice and counselling before finalising their tertiary entrance applications.

The VCAA continues to innovate within the VCE. In the Music area we have successfully introduced music composition and an extended investigation task. We are trialling an Extended Investigation Project as a possible standalone VCE subject where students would undertake a structured research project over the course of a year as an extension to their VCE subject studies.

The VCAA Review Committee considered ten cases of rule breaking arising from the 2011 end-year examinations, with nine students having grades reduced and one student receiving a reprimand. Of the infringements considered by the review committee, eight involved unauthorised notes and two involved copying.

Victorian Certificate of Applied Learning

The VCAL provides a vital vocational pathway for senior secondary students. Participation has continued to grow in terms of both students and providers, and it is now a well-established and necessary component of our senior secondary offerings. The annual VCAL awards ceremony provides many inspiring stories of how students have developed and thrived under the applied learning of VCAL. It continues to cement partnerships between schools and communities, especially in rural Victoria. We are working to further develop pathways from VCAL into higher level VET studies and, in some cases, vocationally oriented university study.

In 2011, there were 21,350 enrolments with 440 VCAL providers. In 2012, 14 new providers commenced delivery of VCAL. The On Track destination data for 2011 Intermediate and Senior VCAL students indicated that 27.4 per cent of the VCAL students continued with further education or training, and 59.5 per cent commenced an apprenticeship, traineeship or employment. This means that 86.9 per cent of VCAL students had a direct pathway to further education, training or work – an outstanding achievement.

Victorian Early Years Learning and Development Framework

During the reporting period, Victorian early years providers continued the implementation of the Victorian Early Years Learning and Development Framework (VEYLDF). This is part of a wide-ranging reform program involving education professionals across the whole of the early years. Our particular area of responsibility is to assist providers and our colleagues in the Department of Education and Early Childhood Development (DEECD) to understand and use the VEYLDF (the Framework) to enhance early learning. The initial evaluation of the implementation of the VEYLDF confirmed that early childhood professionals value the framework as a vehicle for change. Our work on assessment in this area is of particular significance. In conjunction with university partners, our small unit is involved in pioneering work on assisting early childhood educators to identify children's progress by using a broad range of assessment strategies. This is crucial for educators to be able to gather reliable data to inform interventions at an early stage. This is potentially the most useful point where strategic intervention can have the greatest effect on learning throughout a student's life.

Victorian Essential Learning Standards

The Victorian Essential Learning Standards (VELS) are well established as the formal curriculum for Victorian schools in the P–10 years. Our focus on participation in the development of the Australian curriculum is founded on our commitment to continue supporting schools in the use of the VELS. We are very conscious that Victorian schools wish to maintain and further develop their understanding of the VELS design as the Australian curriculum is introduced. This informs our input into the national work and preparation for its use in Victoria. We are using the VELS as the vehicle to introduce Australian curriculum in the F–10 years through the development of the AusVELS website. Our continuing work on understanding the sequencing of learning in areas such as inter-personal development and personal learning is crucial as we work on what are commonly known as 21st-century skills.

The VCAA delivered the online Bushfire Education curriculum resource as part of the Government's response to Recommendation 6 from the 2009 Victorian Bushfires Royal Commission.

Australian curriculum

The VCAA has continued its strong contribution to the development of the Australian curriculum. The VCAA Board Australian Curriculum Steering Committee continues to monitor Australian curriculum developments and to oversee consultation with Victorian stakeholders. Dr David Howes, our Executive Director, Curriculum, is an active member of a number of the Australian Curriculum, Assessment and Reporting Authority (ACARA) reference groups and working parties. Our senior curriculum staff are all actively involved in development work in their respective learning areas. Our experience with the VELS provides us with a unique perspective on the seven student general capabilities being developed by ACARA.

The VCAA works closely with the sector authorities in the Victorian Government, Catholic and independent sectors to ensure that there is a coordinated approach to the development of, and planning for, implementation of the Australian curriculum in Victoria.

During the 2011–12 reporting period the VCAA developed and launched the AusVELS website to be the source of advice for Victorian schools on the implementation of Phase 1 Australian curriculum in 2013. We are maintaining the previously announced timelines – schools are planning for the implementation within the overall Victorian curriculum policy of the VELS.

Phases 2 and 3 of the Australian curriculum are in various stages of development and the VCAA is coordinating Victoria's participation in this development. A number of our staff are deeply engaged in the writing. The VCAA consults widely on drafts and provides feedback drawn from the views of all stakeholders. The Victorian Minister for Education is ultimately responsible for how Australian curriculum is implemented in Victoria once it has received endorsement from the Standing Council for School Education and Early Childhood.

We are working with DEECD to further develop policy advice for Victorian schools about the implementation of later phases of the Australian curriculum. As the school autonomy discussion proceeds, it is likely that the implications for central direction of the curriculum will become an area of increased interest.

ACARA has been consulting in 2012 on revised drafts of Australian curriculum for the senior years in English, Mathematics, Science and History. This consultation was not complete at the end of the reporting period. The 2012–13 reporting year will see further development and clarification of the nature and possible use of Australian curriculum in the senior years. At present, no specific process and timeline has been decided.

Board Membership

Professor Adam Shoemaker continues to provide progressive leadership of the Board.

He participates fully in a whole range of Board events and is a passionate advocate for recognition of student achievement, and our need to be international in outlook and to embrace digital technology more comprehensively in both curriculum and assessment.

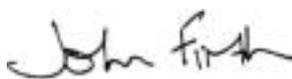
Vicki Miles and Professor Collette Tayler were reappointed for further terms.

Professor Adrienne Clarke and Dale Pearce were appointed as new members. Richard Bolt, as Secretary of DEECD, became an ex officio member in August 2011, replacing Jeff Rosewarne.

Glen Pearsall and Helen Staindl completed two terms of membership in May 2012. Both Glen and Helen were active Board members whose school-based perspectives were always welcome and insightful. Both contributed to committees and the Board, particularly in our continuing review of curriculum. I thank them for their service and wish them well.

The Board has taken a strong interest in reviewing and refining its Strategic Plan. The quality of the Board input is an essential ingredient in ensuring the quality of our curriculum and assessment and I thank all Board members for their contributions.

Finally, I would like to thank staff for their continuing commitment to our work. They embody a real sense of shared purpose, constantly seeking to improve the learning of all young Victorians and it is a privilege to lead them.



John Firth

The year in review

Vision

A global leader in curriculum and assessment.

Mission

To provide high quality curriculum, assessment and reporting that enable individual lifelong learning.

Outcomes for learners

Early Years

Children's early learning and development is supported to give them the best start as learners.

Foundation–10

Students gain a solid foundation of knowledge, skills and personal attributes for self-development and further study.

Senior Secondary

Students successfully complete a qualification for further study or employment.

Outcomes for educators

Deliver dynamic curriculum and assessment programs informed by contemporary teaching and learning principles.

Accurately assess how well students are progressing, where improvements are required and what interventions are likely to succeed.

Improve knowledge of students' learning and the capacity to foster learning through use of exceptional curriculum and assessment tools.

Key achievements

The following major achievements, specific to the VCAA outcomes, occurred during the reporting period.

Early Years and Foundation–10

- The VEYLDF Evaluating Implementation study, completed by Griffith University in October 2011, confirmed that early childhood professionals regard the VEYLDF implementation resources and activities as a positive vehicle to support change.
- The AusVELS website, ausvels.vcaa.vic.edu.au, was developed and launched.

- Following a successful trial in 2011 with more than 700 schools, the NAPLAN Test Administration website was used by all schools in 2012 to record their student participation details as present, absent, exempt or withdrawn.
- The VCAA continued to work cooperatively with DEECD to redevelop the On Demand assessment system as part of the development of a comprehensive online assessment platform. This work will ensure that its functionality is enhanced and that it can support greater content in the future.

Senior Secondary

- During 2011, two VCE studies were reviewed: Systems Engineering and Visual Communication Design. The revised VCE Study Designs will be implemented in 2013. One study was renamed in the process: Visual Communication Design replaces Visual Communication and Design.
- In 2011, a new VCAL unit, Skills for Further Study Senior (SFS), was introduced. The unit offers specific skill development to students who are planning to continue with further studies after their Senior VCAL. The SFS learning outcomes focus on time management, strategies for learning, research, pathway planning and preparation of a portfolio. As at May 2011 there were 1686 enrolments in SFS.
- 2012 marked the tenth year of the provision of the VCAL. VCAL enrolments have grown from 546 in 2002 to 21,350 in 2011, with a total of 440 providers comprising government, Catholic and independent schools, TAFE institutes, and adult and community education organisations.
- In 2011, DEECD's Portfolio Governance and Improvement Division undertook an audit of the VCAL quality assurance process. The audit concluded that:

The QA [Quality Assurance] for VCAL program is well run. It ensures consistency and a common understanding among teachers regarding assessment judgements and the design of assessment tasks for the VCAL levels.

All the VCAL Liaison Teachers (VLT), the QA panel leaders, are experienced and passionate about their role and the QA panel members all have a large array of VCAL experience. The VLT and panel members have close working relationships, which facilitate the smooth running of the QA process. Panel members are passionate and have sound knowledge and ability to mentor/coach when required.

- New VCE VET programs were developed in Animal Studies and Health with support from the respective industry areas. This reflects increased demand from providers to develop a number of VCE VET programs from existing VET programs.
- Work progressed on the development of the new VCE Extended Investigation study. A trial of the study is being conducted throughout 2012, with the intention of piloting the study in 2013.
- The number of VCE studies that are marked online continued to expand. Eight VCE studies were marked online in 2011, four of them during both the June and November examination periods.
- Online delivery options for trialling aspects of VCE assessment were prepared. In 2012, trials will be held in VCE Mathematical Methods (CAS) and a Critical Thinking Test for the planned VCE Extended Investigation study.

- Development of an online marking system that interfaces directly with its assessment database commenced. The VCAA Online Scoring System (VOSS) had its first phase of development in 2011 and was successfully trialled with five VCE studies in November 2011. The initial development, while still requiring assessors to mark student examination papers, allowed them to enter their scores directly into the system rather than entering on paper scores that are later scanned. The use of VOSS was expanded to include scoring of Biology and Accounting in June 2012.
- A review of school assessment audits resulted in a 2011 trial of a revised audit program implemented from 2012. The revised program is in response to recommendations made by the Victorian Auditor-General's Office to ensure compliance with the requirements for school-based VCE assessment and to provide greater support for teachers responsible for delivery of the VCE to students. Beginning in 2012, all VCE studies will be subject to an audit model that includes an initial online submission in response to specific questions. These submissions will be considered by a Review Panel for the study. In addition to this, from 2012, all scores for school-assessed tasks will be statistically moderated.
- The externally assessed task was implemented in 2011. In a new model of assessment that will be expanded to the VCE Extended Investigation study in the future, students in VCE Music Style and Composition submitted an electronic folio of an original composition, its accompanying notations and documentation, for assessment by external assessors.
- VCE Units 3 and 4 student results were successfully delivered via SMS and online.
- Details of important administrative dates and all VCE, VCAL and VET forms, previously included in the VCE and VCAL Administrative Handbook, became available online.
- The number of tertiary institutions offering the Higher Education Studies program increased to six, up from three in 2010, reflecting the growing popularity of this study option in VCE.
- Further enhancements were made to two professional development programs for schools — VCE Leaders and Analysing Your VCE Results. Both programs offer valuable information and provide school staff with the ability to analyse their own data, which assists in the planning and ongoing improvement in Senior Secondary programs. In 2011 and 2012, the focus of these programs was improved accessibility for school staff from regional Victoria.
- In addition to the VCE School Leaders briefings, more than 20 statistical moderation presentations were delivered to individual schools or networks.
- The small-scale, three-year trial of computer-based delivery and student response to the extended answer section of Mathematical Methods (CAS) Examination 2, using the Wolfram Research computer algebra system (CAS) software Mathematica continued. It is anticipated that students from seven schools from across the sectors will undertake Section 2 of the Methods (CAS) Examination 2 in this mode in 2013.

Future plans and challenges

The following plans and challenges are anticipated for the 2012–13 reporting period.

- Further expansion of online marking to include VCE English will occur in November 2012.
- The VET sector will be fully incorporated into the Victorian Student Register, which requires all students and children up to and including the age of 24 to be assigned a unique identifier.
- As part of the VCAA's proposed business transformation, a vision statement will be developed that will support planning for the phased introduction of online forms, web-based access for students, parents and schools to a wider range of information on student achievement and, in time, the capacity to carry out online assessment for the VCE.
- A new approach towards the preparation of the business case for the VCAA's core Assessment Processing System (APS) is being implemented in consultation with DEECD. The new business case allows for a phased redevelopment of the APS.
- Revised Study Designs for Accounting, Biology, Chemistry, Environmental Studies, Physics and Psychology will be implemented in 2013 in response to the discontinuation of all mid-year examinations in 2012.
- Preliminary work will begin on the development of a Victorian Bacculaureate as an option within the VCE.

Summary of financial results

The financial year ended 30 June 2012 was the tenth full operating year for the VCAA.

The main source of funding for the VCAA's operations is the Department of Education and Early Childhood Development. The balance of funding is derived from a number of external sources, including overseas student fees, publication sales, student services and royalties.

A deficit result of \$4.8 million is reported for the 2011–12 financial year, compared to a surplus result of \$2.9 million from the previous year.

The 2011–12 revenue totalled \$50.7 million, compared with \$58.7 million in the previous year. This was due primarily to a reduction in annual appropriation funding of \$8.0 million from the previous year. During the previous year, additional operating appropriation contingency funding of \$7.5 million was received for the Transition to the Australian Curriculum project, Victorian Student Register project, Bushfire Education Resource Material project and implementation of the NAPLAN persuasive writing component.

Expenditure remained stable for the financial year and totalled \$55.6 million, compared to \$55.8 million in the previous year.

The balance sheet net assets decreased by \$4.8 million, with a \$3.8 million decrease in total assets and an increase in total liabilities of \$1.0 million.

Total assets decreased by \$3.8 million. In relation to the financial assets, cash and cash equivalents decreased by \$1.1 million while receivables decreased by \$0.8 million. In relation to the non-financial assets, plant and equipment and work in progress remained constant overall and prepayments decreased by \$0.3 million, while intangible assets decreased by \$1.6 million.

Liabilities decreased by \$1.0 million due to an increase in payables of \$1.0 million, while other liabilities remained stable.

There are presently no known events that could adversely affect the operation of the VCAA during the next reporting year.

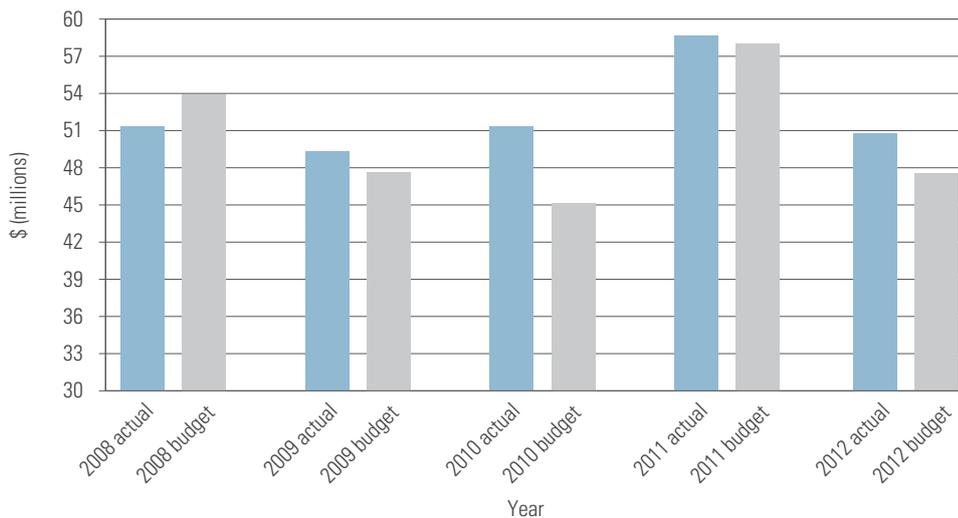
Summary of financial results

	Net result \$	Income \$	Expenses \$	Assets \$	Liabilities \$
30 June 2012	(4,824,968)	50,775,224	55,600,192	13,948,995	5,831,195
30 June 2011	2,935,912	58,749,302	55,813,390	17,762,594	4,819,506
30 June 2010	157,732	51,338,210	51,180,478	15,454,302	5,447,126
30 June 2009	168,839	49,334,999	49,166,160	16,055,259	6,205,815
30 June 2008	5,291,207	51,353,394	46,062,187	18,166,565	8,485,960

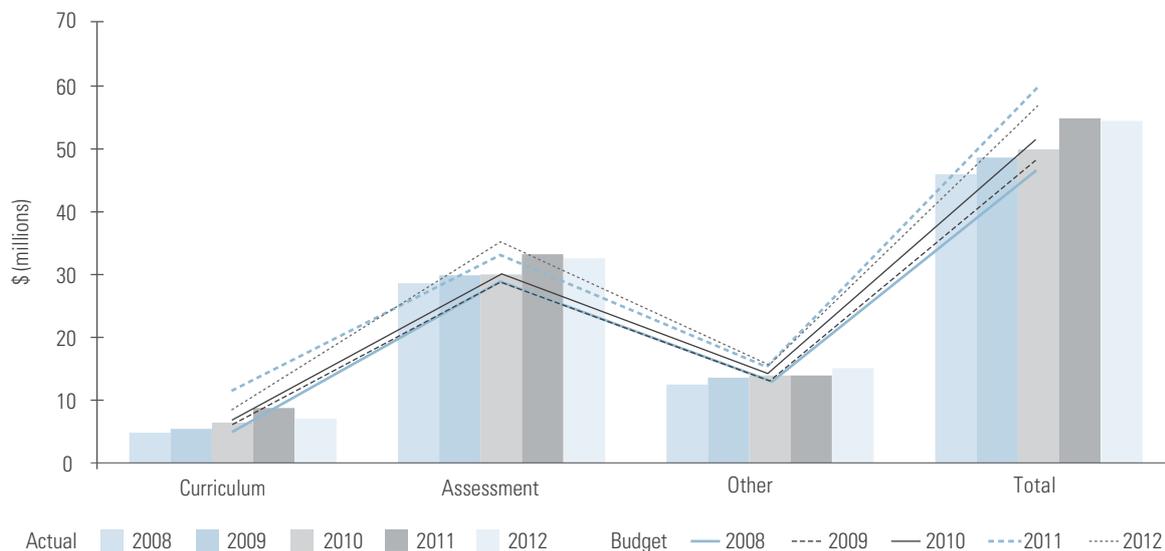
Performance against budgetary objectives as at 30 June 2012

	Actual \$					Budget \$				
	2012	2011	2010	2009	2008	2012	2011	2010	2009	2008
Revenue	50,775,224	58,749,302	51,338,210	49,334,999	51,353,394	47,478,793	58,430,266	45,138,433	47,662,688	53,950,784
Expenditure										
Assessment	33,213,409	33,486,486	30,670,240	29,992,737	28,589,757	34,517,877	32,669,768	30,160,033	29,009,121	28,620,021
Curriculum	7,203,372	8,393,784	6,605,884	5,554,409	4,977,108	8,170,855	13,170,638	6,623,427	6,020,618	5,041,535
Other	15,183,411	13,933,120	13,904,354	13,619,014	12,495,322	14,254,139	14,591,360	14,563,108	12,915,809	13,088,995
Total	55,600,192	55,813,390	51,180,478	49,166,160	46,062,187	56,942,871	60,431,766	51,346,568	47,945,548	46,750,551
Operating result	4,824,986	2,935,912	157,732	168,839	5,291,207	(9,464,078)	(2,001,500)	(6,208,135)	(282,860)	7,200,233

Income (actual vs budget)



Expenses (actual vs budget)



About the Victorian Curriculum and Assessment Authority

Governance

Establishment

The VCAA came into operation on 1 March 2001, succeeding the Board of Studies. It was established under the *Victorian Curriculum and Assessment Authority Act 2000* and is now subject to the *Education and Training Reform Act 2006* (the Act). The Chief Executive Officer (CEO) is responsible to the VCAA for policy and operational matters and to the Secretary for budgetary, personnel and other administrative matters. The VCAA is primarily accountable to the Minister for Education.

The VCAA is also responsible to the Minister for Children and Early Childhood Development and the Minister for Higher Education and Skills in relation to sections of Part 2.5 of the Act that they administer.

Objectives

The Act sets out the following objectives for the VCAA:

- to develop high-quality courses and curriculum and assessment products and services
- to carry out functions as a body registered under Chapter 4¹
- to provide linkages that will facilitate movement between those courses and other courses.

The VCAA must act within the scope of the functions and powers conferred upon it by the Act and other relevant legislation. The functions and powers of the VCAA are set out in sections 2.5.3 and 2.5.5 of the Act.

VCAA Board

Board membership

The eight members of the VCAA Board are drawn from educationists and community representatives.

The members of the Board during the reporting period were Esmerelda Bamblett, Richard Bolt, Professor Adrienne Clarke, Polly Flanagan, Tony Larkin, John Maddock, Vicki Miles, Dale Pearce, Glen Pearsall, Debra Punton, Jeff Rosewarne, Professor Adam Shoemaker, Helen Staindl and Professor Collette Tayler.

¹ Pursuant to section 4.3.10 of the Act, the VCAA is registered for a five-year period, commencing 30 September 2007, as a body that awards, confers and issues registered qualifications (VCE and VCAL) with the Victorian Registration and Qualifications Authority

In August 2011, Richard Bolt was appointed Secretary of DEECD, replacing Jeff Rosewarne on the Board, who was Acting Secretary. In May 2012, Professor Adrienne Clarke, Vicki Miles, Dale Pearce and Professor Collette Tayler were appointed and the terms of Esmerelda Bamblett, John Maddock, Glen Pearsall, Debra Punton and Helen Staindl expired.

VCAA committees

Executive Committee

The Executive Committee established under section 2.5.7 of the Act comprised the VCAA Chair Professor Adam Shoemaker, Chief Executive Officer John Firth, Richard Bolt, Tony Larkin, Debra Punton and Jeff Rosewarne.

Audit Committee

The VCAA Audit Committee comprised three Board members, John Maddock (Committee Chair), Polly Flanagan and Tony Larkin, and two coopted external members, Stuart Alford and Peter McMullin.

The Audit Committee is responsible for governance, risk management and business assurance of the VCAA. The prime functions of the Committee are to:

- foster an ethical culture within the VCAA in conjunction with senior management and the VCAA Board
- monitor compliance with relevant acts and regulations, and with any agreements negotiated with funding bodies
- provide advice to the VCAA Board on governance matters
- monitor, improve and maintain the credibility and objectivity of the accountability process (including financial reporting)
- provide a formal forum for communication between the VCAA Board and senior financial management
- improve the effectiveness of the internal and external audit functions, providing a forum for communication and reporting between the VCAA Board and the internal and external auditors
- monitor the quality of internal and external reporting of financial and non-financial information
- respond to the VCAA Board on matters referred by the VCAA Board to the Committee for further consideration or advice.

Early Years–10 Curriculum and Assessment Committee

The Early Years–10 Curriculum and Assessment Committee comprised VCAA Board members plus the following coopted members: Andrew Hay and Tony Mackay.

The Committee provides expert advice and makes recommendations to the Board on:

- policies, standards and criteria for the development of curriculum and assessment programs for students in Early Years to Year 10
- implementation of the Australian curriculum

- the relationship between the VEYLDF and the F–10 curriculum, and the F–10 curriculum and the post-compulsory pathways in education and training, including the VCE, VET in Schools and the VCAL
- administration of the NAPLAN program (Years 3, 5, 7 and 9)
- monitoring and reporting of student participation and performance in Early Years–10 assessment programs
- provision of resources for schools and teachers to support the implementation of VCAA Early Years–10 curriculum and assessment programs
- research on matters relating to Early Years–10 curriculum, standards and assessment at national and international levels.

Post-compulsory Curriculum and Assessment Committee

The Post-compulsory Curriculum and Assessment Committee comprised VCAA Board members plus the following coopted members: Professor Jillian Blackmore, Tony Mackay and Professor Peter Stacey.

The Committee provides expert advice and makes recommendations to the VCAA Board on:

- development, evaluation and approval of curriculum and assessment in the post-compulsory years
- policies, criteria and standards for curriculum, assessments and courses designed to be undertaken in the post-compulsory years
- policies and procedures for the design, delivery and evaluation of assessments and assessment products and services for the VCE, the VCAL and other post-compulsory qualifications available to students
- patterns of participation and quality of outcomes relating to courses of study in the post-compulsory years, including related professional development and research
- provision of material for schools and professional development for teachers to support the implementation of post-compulsory curriculum and assessment programs
- research on matters relating to post-compulsory curriculum and assessments.

Review Committee

The Review Committee comprises three persons who are either members of the VCAA Board or staff of the VCAA and is convened only when required. A Board member chairs Review Committee hearings. The Review Committee acts on the VCAA Board's behalf and is responsible for:

- hearing student appeals against penalties imposed on them by schools for breaches of rules relating to school-assessed tasks and school-assessed coursework
- hearing charges alleging serious breaches of rules relating to VCE examinations and imposing penalties where appropriate
- cancelling or altering student results when necessary.

Appeals Committee

The Appeals Committee is an independent body with panel members appointed by the Minister for Education and is convened only when required. Members must not be members of the VCAA Board or staff.

A student affected by a decision of the Review Committee, other than a decision made under section 2.5.21 of the Act, may apply for a review of the decision by the Appeals Committee on the grounds that the decision was unreasonable and/or the penalty imposed was too harsh.

VCE Study Review Panels and Teams and Study Reference Groups

VCE Study Review Panels and Teams are established to review and evaluate VCE studies and to prepare proposals for new and revised studies for approval by the VCAA Board. These panels and teams comprise practising VCE teachers from each education sector, academic and curriculum experts, and business and training sector representatives. They are chaired by the relevant Curriculum Managers (see Appendix 1).

VCAA Study Reference Groups oversee the development of new VCE studies.

Organisational structure

Chair, VCAA Board

Professor Adam Shoemaker

Adam Shoemaker commenced at Monash University as Deputy Vice-Chancellor (Education) on 3 September 2007 and was appointed VCAA Chair in December 2009. Previously, Adam was Dean of the College of Arts and Social Sciences at the Australian National University (ANU) and Foundation Director of the ANU Research School of Humanities. He has a strong background in higher education management, including two years as Pro Vice-Chancellor at Queensland University of Technology and four years as Professor and Dean, Faculty of Arts at ANU.

Adam graduated with a Bachelor of Arts with honours from Queen's University in Kingston (Canada) and has a doctorate from the ANU. His sustained research interest is Indigenous Australian history, literature, culture and politics, and he has published extensively in these areas.

Adam is active in community engagement and has held a variety of national and international appointments, most notably as Chair of the Brisbane Writers Festival, President of the Association for Canadian Studies in Australia and New Zealand, and President of the Australasian Council of Deans of Arts, Social Sciences and Humanities.

Chief Executive Officer

John Firth

John Firth has been CEO of the VCAA since August 2005. Previously he managed the Curriculum Branch at the VCAA and at its predecessor, the Board of Studies, for 12 years. John was responsible for the development of the first P–10 curriculum framework for Victorian schools, the Curriculum and Standards Framework; its substantial revision in 1998 and its replacement by the VELs in 2004. He played a leading role in the full recognition of VCE VET and the successful development and implementation of the VCAL. John is a member of the DEECD Executive Board and the Policy and Performance Standing Committee and has forged close relationships with each of the sector authorities in Victoria. In 2009, he was appointed a member of ACARA.

Executive Director, Assessment and Reporting

Dr David Philips

The Executive Director, Assessment and Reporting Division, is responsible for policies and procedures associated with assessment, certification, analysis and reporting of student achievement, and for coordinating the Division's work programs, including the strategic redevelopment of VCAA's assessment technology. The Division also collects and processes students' enrolment and assessment data, manages the Victorian Student Register and conducts measurement activities.

David has worked with several national bodies and held management positions in educational research and data analysis, secondary qualification implementation and assessment policy and research, and overseen a wide range of research and development contracts.

Director, Assessment Centre

Joe Pellegrino

The responsibilities of the Director, Assessment Centre, include Centre Management, Assessment Operations, Assessment Services and Resources, F–10 Assessment and VCE examinations. The primary task of staff at the Assessment Centre is to develop and implement operational processes associated with the setting, securing, assessing and processing of VCE written examinations, VCE Arts performance and Languages other than English (LOTE) oral examinations; Years 3, 5, 7 and 9 NAPLAN tests; auditing and reviewing of school-based assessment and appointment of all sessional assessment staff.

Joe has worked as an English and Media teacher and in the areas of curriculum and assessment development, teacher professional development, multimedia project management and F–10 assessment.

Executive Director, Curriculum

Dr David Howes

The Executive Director, Curriculum, is responsible for the operations of the Curriculum Division, which include leadership of project teams, VCE Review Panels and Teams and Study Reference Groups, VELS Working Groups, the Vocational Education Reference Group and the Curriculum and Assessment committees of the VCAA Board. These panels, committees and groups provide advice and recommendations to the VCAA on the development, implementation and monitoring of the VCE and the VCAL, including VET programs, the F–10 VELS and early childhood.

David's professional background includes acting executive roles within DEECD and education advisory roles for state government.

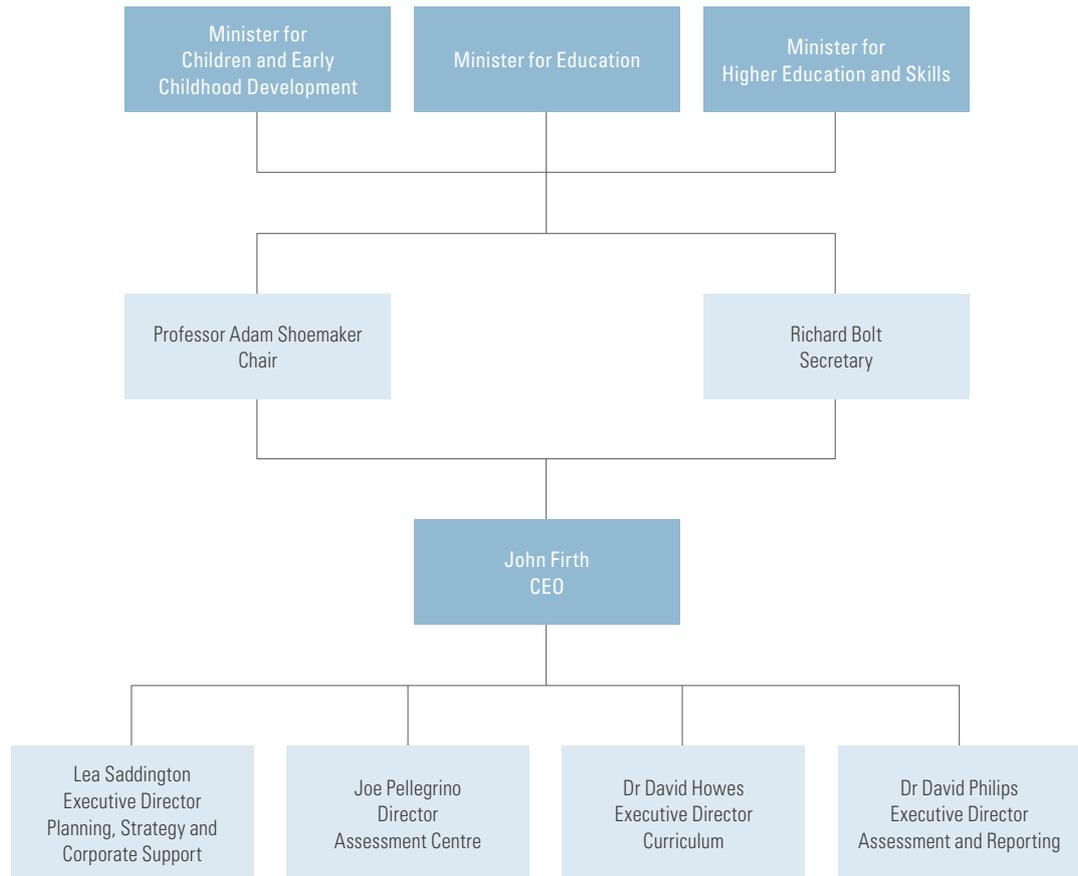
Executive Director, Planning, Strategy and Corporate Support

Lea Saddington

The Executive Director, Planning, Strategy and Corporate Support, manages the Corporate Services Division, which is responsible for supporting VCAA business, including Board Governance, Strategic Policy and Planning, Corporate Governance, Finance, Human Resources, Information Technology, Public Affairs and Legal Services.

Lea has worked at executive level in a number of statutory authorities and in the private sector.

Organisational chart as at 30 June 2012



VCAA staff establishment

At June 2012, the VCAA had an establishment of 201.8 full-time equivalent positions.

During the year, the VCAA also employed approximately 367 casual employees and 3969 sessional employees.

More detail is provided in the workforce data section (see Appendix 3).

Working with the community

The VCAA ensures that the diverse nature of Australian society is reflected in all aspects of its operations. It has a strong commitment to the principles set out in Victoria's multicultural policy, All of Us. This policy sets out a framework for strengthening multiculturalism across the state and stresses the need for partnerships, harmonious community relations, advocacy and supportive programs.

The VCAA is committed to valuing, respecting and meeting the needs of our culturally and linguistically diverse communities, as well as those of women, youth and Aboriginal people.

Cultural and linguistic diversity

Culturally responsive programs developed by the VCAA ensure that respect and appreciation for cultural and linguistic diversity are a normal part of all curriculum and assessment policies, programs and procedures. The VCAA supports the Victorian Government's plan for a multicultural Victoria, including the Victorian Government's Vision for Languages Education, through its interaction with schools and within its own administrative structures and procedures.

In 2011–12 the VCAA:

- offered 46 languages at VCE level for Victorian students
- provided F–10 VELs standards for six categories of languages, including Australian Sign Language (Auslan), the language of the Australian deaf community
- contributed to the Victorian Government's new Languages policy document, The Victorian Government's Vision for Languages Education
- participated in the Australia-wide Collaborative Curriculum and Assessment Framework for Languages (CCAFL) project, preparing national examinations for 28 small-candidature community languages
- conducted workshops to inform teachers of CCAFL, their subject associations and leaders of community languages schools, of the modifications to the CCAFL curriculum and examination specifications for 2013
- conducted a statewide consultation on the draft General Capabilities document released by ACARA, including a focus on the Intercultural Understanding Capability and prepared a response to this document on behalf of and in partnership with DEECD, the Catholic Education Commission Victoria (CECV) and Independent Schools Victoria
- provided information on the VCAA website for parents about the VCE, the VCAL and the VELs in 26 community languages
- supported Victorian schools wishing to offer VET Certificate II courses in Chinese, French, German, Greek, Indonesian, Italian and Japanese at Year 9 and 10 levels

- conducted a wide range of seminars and workshops on VCE Languages and on strategies for teaching languages in the VELs, including Content and Language Integrated Learning (CLIL) and approaches to teaching and assessing the standards of intercultural knowledge and language awareness
- provided a professional development program on course writing for VCE language studies for teachers and principals from 50 community-based, single-study providers
- provided access to VCE courses and assessment in ESL for students from non-English-speaking backgrounds
- collaborated on two projects conducted by Monash University, devising a Certificate IV course in Community Languages Teaching for teachers in after-hours community language schools and developing a program to connect younger second-language learners with older bilingual community members
- worked on DEECD's Intercultural Understanding Field Trials project through which a range of Victorian primary and secondary schools trialled curriculum modules that promote intercultural understanding
- participated in an RMIT project to introduce the TAFE Certificate of Applied Language into secondary schools as a VET in Schools program and to provide teachers with professional development in this area
- collaborated on the DEECD/Modern Languages Teachers Association of Victoria (MLTAV) project on CLIL which aims to develop modules of work to support teachers of Chinese and Italian in the teaching of History and Science using CLIL methodology
- presented sessions at the MLTAV annual conference, the Regional Language Network North-West conference, the Victorian Indonesian Language Teachers' Association annual conference, the Ballarat Bi-annual Languages Conference (LOTE), the Macedonian Teachers' Association conference and the Centre for Multicultural Youth's Learning Beyond the Bell conference.

Indigenous affairs

During the reporting period, the VCAA continued to develop the project supported by the Victorian Government's BEIP (Broadband Enabled Innovation Program) to use Web 2.0 technologies to support schools in implementing the VELs Aboriginal Languages curriculum document. This document sets out protocols for teaching Aboriginal languages, cultures and reclamation in Victorian schools, and generic standards for Aboriginal languages. Aboriginal community members from across Victoria provided input to the content of new learning modules for use in schools. The VCAA shares leadership of this project with the Victorian Aboriginal Corporation for Languages and the Victorian Aboriginal Education Association Inc, and works in partnership with the Victorian School of Languages, DEECD Wannik Unit, DEECD Student Learning Division and Monash University. Strong ongoing support has been provided for the project by the Aboriginal community. An interactive website has been set up and six sample modules of work have been developed. Thornbury Primary School and Heywood District Secondary College undertook to pilot the materials in Term 2 of 2012.

The VCAA continued to offer support to schools that are teaching, or planning to teach, the VCE Indigenous Languages study – Indigenous Languages of Victoria: Revival and Reclamation, and presented sessions at the National Meeting of Indigenous Education Consultative Bodies and the Centre for Strategic Education Indigenous Education Focus Group.

In addition, the VCAA Aboriginal Languages Implementation Group continued to meet regularly to provide support for teachers of Aboriginal Languages through planning professional development activities and the development of implementation support materials. This group is also a reference group for the BEIP project.

Women

The VCAA is committed to the promotion of equality of women, both in its communication with schools and within its own workforce. Within the VCAA, eligible female staff can nominate for the Julia Flynn Leadership program, which aims to develop women's leadership and management skills. In developing educational programs that are fair and accessible to all, the VCAA assures a commitment to equity and diversity at all times.

Youth

The VCAA provides advice and support for young people to help them make informed choices about pathways that will direct them into work and further study. This support includes a wide range of study options in the post-compulsory years of schooling.

The VCAA also supports young people by providing a telephone and email enquiry service, a range of publications offering advice on post-compulsory study options, face-to-face advice to students at Education Expos and a post-VCE and VCAL results call centre in collaboration with the Victorian Tertiary Admissions Centre (VTAC).

Recognising achievement

The VCAA celebrates and promotes young people's achievements in several ways.

The annual VCE Season of Excellence presents a representative sample of exemplary work by VCE students from the previous year.

Works in design, technology, media and the visual arts are presented in two exhibitions – Top Arts and Top Designs.

Short films are shown at Top Screen. The performing arts are showcased in the Top Class concert series with a final event, Top Acts. Season events are complemented by associated education programs, publications and online content.

The VCE Leadership Awards recognise the efforts of VCE students in promoting community involvement in their local school and wider community. These awards were previously known as the VCE Achiever Awards.

The VCAL Achievement Awards recognise the outstanding achievements of young people who participate in the VCAL as well as the contributions and achievements of VCAL teachers and partner organisations in the development and delivery of innovative VCAL programs. In 2011, there were 37 student, 6 partner, 15 teacher and one Chair's Award winners. The VCAL Achievement Award ceremony is celebrated in May each year.

The Plain English Speaking Award provides an excellent opportunity for students to build self-confidence and extend their skills in oral communication, speech-writing and research. The VCAA coordinates the Victorian section of this national public speaking competition and the state winner attends the national final each year.

The Margaret Schofield Memorial scholarship, coordinated by the VCAA on behalf of the Margaret Schofield Memorial Trust, is awarded to government school students who have studied VCE Music Performance and/or Music Investigation as soloists. They are students who have been accepted into a music tertiary course and are committed to a career in music performance.

In 2011, the VCAA became an education supporter of the John Button School Prize. Established by the John Button Foundation, the prize encourages young Victorians to express their ideas about Australian politics and public policy. The Foundation provides cash prizes for a winning essayist and their school. The VCAA supports the competition by providing publicity and two members of the bipartisan judging panel.

Disability

The VCAA continued to implement a Disability Action Plan to review and refine its processes over the 2011–12 reporting period. Each Division has contributed to the Action Plan, which is aimed at improving outcomes for people with disabilities in relation to accessible curriculum, assessment, consultation, information and communication processes, employment, physical access to facilities and awareness among permanent and casual staff.

The 2012 VCE Season of Excellence program included events and information designed to improve accessibility for people with disabilities, their carers and families. Season staff were trained to conduct audio tours at Top Designs at Melbourne Museum and Top Arts at the National Gallery of Victoria. A captioned screening of Top Screen was presented at the Australian Centre for the Moving Image. Auslan interpreters were available for Top Class concerts. Appropriate seating facilities for people with vision impairment and for those with wheelchairs were provided at Top Class and Top Acts. Details about accessibility at all Season of Excellence event venues were posted on the Season of Excellence web pages. Events were promoted through disability organisation websites.

Early Years and Foundation–10

Early Years

The Early Years Unit manages the implementation of the VEYLDF in partnership with DEECD. The VEYLDF is aligned with the Early Years Learning Framework for Australia and links to the VELS in the early years of schooling.

Implementation resources are being developed in stages and involve ongoing consultation with early childhood professionals and through an independent evaluation of implementation.

The aim of the National Quality Framework (NQF) Assessment and Rating Process is to drive continuous improvement and consistency in education and care services. The NQF is being introduced over a number of years. Formal implementation began in January 2012 and the assessment and rating process commenced from June 2012. VEYLDF implementation resources and activities make reference to the NQF to support early childhood professionals in their work with children and families.

Achievements

- The Evaluating Implementation report (The Evaluation Report) conducted by Griffith University for the Early Years Unit, confirmed that early childhood professionals regard VEYLDF implementation resources and activities as a positive means of supporting change. The Evaluation Report provides evidence about early childhood professionals' perceptions of implementation activities and resources in 2010–11.

A total of 1141 early childhood professionals from universal services, targeted and intensive services and the tertiary training sector responded to the surveys and in-depth interviews. Indications of practice change included changes in language use and practice in applying the practice principles and describing children's learning through the five outcomes.

- The Report on the Outcomes Project 2010–2011, *Shining a Light on Children's Learning* (the Outcomes Project) published March 2012, was developed in a collaborative partnership between the VCAA Early Years Unit and academics. The report draws on findings from 50 early childhood professionals who participated in the inquiry project. The Outcomes Project involved six one-day interactive workshops over a nine-month period, with mentoring support in and between workshops.

Key findings of the Outcomes Project have been communicated to a broad range of early childhood professionals through the Early Years Exchange. These include video clip interviews with participants, evidence of children's learning, and resources to support emerging leaders with implementation in services and networks.

A series of joint presentations involving the VCAA, project leaders and participants disseminated evidence from the Outcomes Project at both state and national conferences, including the National Investment for the Early Years/Centre for Community Child Health, Family Day Care Australia, Playgroup Victoria, Maternal and Child Health Nursing, Kindergarten Parents Victoria and local Early Years network meetings.

- The Assessment for Learning and Development Project (ALD) being undertaken by the Early Years Unit during 2012 builds on the evidence and project design of the Outcomes Project to further inform implementation of the VEYLDF within Early Years networks and learning communities.

The ALD project has a focus on assessment using the VEYLDF Outcomes as key reference points to:

- identify children’s progress
- apply diverse methods to document and analyse multiple and systematic examples of evidence of children’s capabilities and milestones
- implement collaborative approaches to assessment for learning with children and families, and with early childhood professionals
- trial and evaluate tools and resources to support assessment.

The ALD report will be available in December 2012. Key findings from this report will be used to support practice within networks and in the early years of schooling.

Foundation–10 curriculum

The VCAA develops curriculum for the F–10 years of schooling, as well as a range of curriculum and assessment support materials to assist teachers in the implementation of their teaching, learning and assessment programs. The VCAA also provides timely and high-quality advice to its stakeholders related to the implementation of curriculum and the development of teaching and learning programs.

AusVELS

AusVELS is the F–10 curriculum for government and Catholic schools due for implementation in 2013. AusVELS outlines the essential curriculum for all F–10 Victorian students and includes the Australian F–10 curriculum for English, Mathematics, History and Science. It provides a single, coherent and comprehensive set of common achievement standards that schools use to plan student learning programs, assess student progress and report to parents.

AusVELS is a leading example of the effective integration of Australian curriculum subjects into existing state and territory curriculum frameworks. AusVELS has been made available in a fully digital format only – the first time this has been done in Victoria.

The Overview, Support and Resources website, part of the AusVELS website, provides:

- an introduction to AusVELS
- updates and timelines
- planning documents with detailed comparisons between the Australian curriculum and the VELS for F–10 English, Mathematics, History and Science

- PowerPoint presentations with speaker notes for school/curriculum leaders to introduce AusVELS to their staff
- an online professional development program.

The Bushfire Education website

During 2011–12, the VCAA managed this significant project to its successful completion. The project was the Victorian Government’s response to Recommendation 6 of the 2009 Victorian Bushfires Royal Commission, which recommended the development of teaching and learning materials to ensure all Victorian children and learners acquire the knowledge and skills that will enable them to learn about, prepare for, respond to and recover from bushfires.

The website, www.bushfireeducation.vic.edu.au/, provides access to high-quality teaching and learning activities for early years, primary and secondary levels. These include digital resources, worksheets, advice and links for the delivery of bushfire education that foster learner awareness, safe behaviours and knowledge about bushfires. The Country Fire Authority, a major contributing partner in this project, hosted a professional development program in partnership with the VCAA for teachers using this resource.

Achievements

- Focus continued on engaging schools and other stakeholders in the development, consultation and trial processes associated with the Australian curriculum, in partnership with DEECD, the CECV and Independent Schools Victoria.
- Resources to support the implementation of the Australian curriculum were developed and published through the new website, Overview, Support and Resources, at www.vcaa.vic.edu.au/foundation10/curriculum/index.html.
- A professional development program was provided to support schools in their preparation for implementation of the new Australian curriculum. This included 15 online professional development sessions and 35 face-to-face seminars.
- A trial of components of the Australian curriculum F–10 English, Mathematics, History and Science was run in over 120 schools across sectors and regions. Suitable resources developed from the trial will be published electronically for all schools to access.
- Consultations were completed for the draft Australian curriculum shape papers for The Arts, Languages and Geography, the General Capabilities and Progressing to Foundation.
- Forums regarding implementation of the VELS were held for graduate teachers and educators with 150 participants attending.
- The VELS assessment maps were updated. They provide annotated examples of student work, which describe attributes of the student’s work and its relationship with specific elements of the standards.
- The VCAA continued to contribute to Stage 3 of the Sample Assessment project in partnership with DEECD and the Australian Council for Educational Research to trial assessment instruments in the area of critical and creative thinking in primary schools. Stage 2 of the project was completed successfully with the publication of assessment instruments for Health and Physical Education.

Foundation–10 Assessment

National Assessment Program – Literacy and Numeracy 2011

The VCAA reported the results of NAPLAN 2011 to schools and parents on schedule in September 2011. Student results were referenced to the single national achievement scale, which consists of ten bands. Each year level was reported against a range of six bands:

- Year 3: Bands 1–6
- Year 5: Bands 3–8
- Year 7: Bands 4–9
- Year 9: Bands 5–10.

The higher the band, the greater the complexity of the skills assessed.

Parents of each child who undertook the NAPLAN 2011 tests were issued with a report that showed their child’s achievement in reading, writing, language conventions (spelling, grammar and punctuation) and numeracy. Individual results were referenced to the national average and the middle 60 per cent of all students who completed the test.

The NAPLAN parent reports also provided interpretive text to assist parents in reading the report, described the content of each test, and provided a summary of the typical skills and knowledge assessed at each particular band for each subject area.

One of the achievement bands for each year level is identified as the National Minimum Standard (NMS) for each year level. The NMS represents a wide range of the typical skills demonstrated by students at this level. Students with results in the band representing the NMS typically demonstrate the basic elements of literacy and numeracy for that year level. These skills are published on the NAPLAN website, at www.nap.edu.au/NAPLAN/About+each+domain/index.html, for each domain and for each year level.

Relationship between year levels and the National Minimum Standard

Year level	Below NMS	At NMS	Above NMS
Year 3	Band 1	Band 2	Bands 3–6
Year 5	Band 3	Band 4	Bands 5–8
Year 7	Band 4	Band 5	Bands 6–9
Year 9	Band 5	Band 6	Bands 7–10

National Assessment Program – Literacy and Numeracy 2012 and 2013

The VCAA implemented the NAPLAN in Victoria on 15–17 May 2012. More than 250,000 Victorian students from Years 3, 5, 7 and 9 undertook language conventions (spelling, grammar and punctuation), writing, reading and numeracy tests within the testing period.

The tests were developed under the project management of ACARA. A variety of item development contractors were responsible for the production of test items.

Item development and test construction were done in consultation with the VCAA and test administration authorities from all other jurisdictions, the Commonwealth Government and non-government school representatives. An independent Measurement Advisory Group of experts in educational measurement and assessment also provided advice on issues relating to the quality of the tests and integrity of the data, and guided the methodologies applied in constructing and reporting on the NAPLAN tests. To ensure the validity of NAPLAN testing, all test items were trialled with a sample group of students across Australia. The results from the trials were used to shape the construction of the final tests.

Work has commenced on development of the NAPLAN 2013 tests and ACARA has developed a secure online item review system to increase the ease of access to draft materials by expert item reviewers from across Australia. Prior to the construction of the 2013 trial tests, VCAA staff were invited to work with ACARA staff in Perth to assist in the final selection for items to be included in the trials. The VCAA continues to take a leading role in all aspects of item development and test construction, and provides expert advice about all other matters related to NAPLAN testing.

Achievements

- NAPLAN 2011 parent reports for Victorian students from approximately 2300 schools were delivered on schedule and on budget.
- NAPLAN 2011 school reports were delivered on schedule via the secure NAPLAN Data Service and were supported with professional development workshops for teachers, principals and curriculum leaders at multiple locations across Victoria.
- Tests for more than 250,000 Victorian students were delivered to, administered by and returned from more than 2300 schools during the NAPLAN 2012 testing period within budget and on schedule.
- Marking of the NAPLAN 2012 writing tests involved over 310 markers and executive markers working at the VCAA Assessment Centre in Coburg and at Nunawading, or from their own homes.

On Demand Assessment

The On Demand Assessment program is an online resource for teachers, which provides tests linked to the VELs. Both general ability tests and dimension-specific assessments are provided. On Demand tests can be administered to a single student and/or a whole class. The program provides both linear and computer-adaptive tests (CATs) in English and Mathematics. CATs deliver sets of questions that vary in difficulty according to the student's responses. Depending on the responses given in previous questions, the system presents progressively easier or more difficult questions. In a linear test, students receive a fixed set of questions. All students are presented with the same questions in the same order during the test. Students can navigate backwards and forwards through linear test questions.

The On Demand Assessment program is widely used in Victorian schools and can be used for:

- pre-and post-testing of students
- assessing the ability levels of new intake or late arrival students
- identifying educational strengths or weaknesses of individual students

- corroborating teacher judgements
- assisting in the planning of teaching programs
- assisting in curriculum planning
- longitudinal analysis of student achievement.

Achievements

- A new Content Management System (CMS) for item development and storage was implemented in 2011. The CMS has greatly decreased the reliance on paper-based content management, providing easy on-screen editing of items, external web log-in for content experts to engage with materials, and bulk handling of item data. The efficiencies introduced by the CMS have laid the foundation for more streamlined development of content in the future.
- As part of the introduction of the CMS, all items in the On Demand system have been reviewed and had their web page code base updated to enhance the on-screen presentation of items to students.
- Work commenced on equating the On Demand items with the AusVELS curriculum. Data maps cross-referencing the AusVELS English and Mathematics Content Descriptors with the VELs were developed.

Senior Secondary

The VCAA has responsibility for both the VCE and the VCAL. The VCAA develops high-quality curriculum and assessments, teacher support materials and related professional development activities to support the delivery of the two certificates.

The VCAA is also responsible for developing and maintaining the recognition arrangements for vocational education and training within the VCE and the VCAL.

Senior Secondary curriculum

Victorian Certificate of Education

The VCAA supports the delivery of the VCE curriculum through the provision of advice and resources to teachers. This support includes access to a wide range of VCAA curriculum materials and resources on the VCAA website. Statewide implementation sessions were conducted to accompany the introduction of revised VCE studies.

The VCE curriculum is subject to rigorous quality assurance processes through annual monitoring and cyclical evaluation and reaccreditation. This ensures that the highest quality curriculum is available to all Victorian students.

The VCE covers a broad range of studies. One hundred and thirty study options are available at Year 12 level, including 46 LOTE studies, 24 VCE VET programs and 13 school-based apprenticeships and traineeships. The VCAA provides curriculum implementation support for revised VCE studies. VCE VET programs are fully integrated with the VCE. These programs provide students with credit in the VCE and credit for national training qualifications, or parts thereof, issued within the Australian Qualifications Framework.

Victorian Certificate of Applied Learning

There are three VCAL levels: Foundation, Intermediate and Senior. Students start and complete the VCAL at the level that matches their needs and abilities. A VCAL student's learning program must comprise four compulsory curriculum strands. These are:

- literacy and numeracy skills
- work-related skills
- industry-specific skills
- personal development skills.

Students who have completed the Senior VCAL or the VCE are able to enrol in VCAL Senior Extension (Folio Enhancement). The VCAL Senior Extension is designed as a further year of study to develop skills, knowledge and understanding in areas where a folio is a requirement for entry to higher education or employment, for example in visual arts, design, photography and music.

Vocational Education and Training in Schools

VET in Schools programs allow students to combine general and vocational studies with Senior Secondary education. Students are also provided with pathways into training, further education and employment, and direct experience in business and industry.

Students undertaking VET in Schools through either the VCE or the VCAL are able to include nationally recognised vocational education and training in their study program. In Victoria, the term 'VCE VET' has been adopted to describe the formalised arrangements where VET certificates have been incorporated in the VCE. Most students undertaking vocational education and training as part of their VCE or VCAL are enrolled in VCE VET programs.

The VCAA develops VCE VET programs from national training package VET qualifications or nationally recognised curriculum that can form part of a VCE or VCAL certificate. Students are able to select from a suite of vocational certificates approved by the VCAA for inclusion in the VCE or the VCAL.

Students may enrol in a VET certificate undertaken as a school-based apprenticeship or traineeship program in a range of industry areas promoted by industry stakeholders. Students undertaking other VET training at Certificate II level or above are eligible for block credit recognition. This provides broader pathways for VCE students because they are given access to a greater range of VET programs and the opportunity to tailor their studies to local employment circumstances. It enables greater student uptake of school-based apprenticeships and traineeships in a wider range of industries.

Through both the industry and the work-related skills strands of the VCAL, students are able to gain credit for vocational education and training undertaken in any industry or training setting.

VET in Schools enrolments

In 2011, a total of 48,431 students were enrolled in VET with 604 providers. This resulted in 67,048 certificate enrolments across a range of industry areas. These enrolments included 4373 certificate enrolments in school-based or part-time apprenticeships and traineeships. There has been continued growth in the number of students, enrolments and providers.

Achievements

- During February and March 2012, 18 VCE school-leaders briefings were conducted across regional and metropolitan Victoria, covering curriculum updates, enrolments, school assessment, examination conduct and administration, special provision and statistical moderation. The briefings were attended by 483 participants from 343 schools, and were rated extremely highly on evaluation forms. Feedback from experienced VCE coordinators suggested that the sessions gave them confidence by confirming their own established practices. Teachers new to the responsibility of managing VCE programs found the sessions were invaluable in providing an overview of the whole cycle from enrolments through to study score calculation.

- Statewide implementation briefings were conducted for teachers of Systems Engineering and Visual Communication Design.
- During 2012, the following VCE studies were under review: Dance, Drama, Health and Human Development, Theatre Studies and Philosophy. These revised Study Designs will be implemented in 2014.
- During 2011, the VCAL Personal Development Skills (PDS) units were reviewed and accredited for implementation in 2012. The focus of PDS Unit 1 is on personal development, health and wellbeing, education and family. PDS Unit 2 focuses on community engagement and active citizenship.
- In November 2011, an induction workshop was organised for new VCAL providers. Fourteen new providers were authorised to deliver the VCAL for the first time in 2012.
- 2011 DEECD On Track Destination data revealed that 87 per cent of Intermediate and Senior VCAL students entered employment, apprenticeship/traineeships or further tertiary training.
- The VCE VET programs Agriculture, Horticulture, Conservation and Land Management, and Sport and Recreation were redeveloped during 2011 for implementation in 2012.
- The VCAA provided:
 - statewide briefings on new developments in VCE VET programs and the VET sector, as they related to VCE and VCAL students, to approximately 700 VET coordinators, VCAL coordinators, teachers, Local Learning and Employment Networks, and registered training organisations in nine locations during November 2011
 - professional development seminars in partnership with subject associations, registered training organisations and government departments for VCE VET Information Technology, Sport and Recreation, Health, Music and Hospitality
 - professional development and presentations for teachers of Building, Community Services, Hospitality, Health, Dance and Music
 - workshops for teachers and trainers from schools and registered training organisations engaged in the delivery of scored VCE VET programs
 - assistance to Skills Victoria, DEECD, Independent Schools Victoria and the Catholic Education Commission where required in relation to VET in VCE or the VCAL
 - continued participation in Curriculum Maintenance Manager networks
 - advice on national projects as they related to VET in VCE or the VCAL, including Trade Training Centres and National Trade Cadetships
 - support to the Australian Curriculum, Assessment and Certification Authorities VET group and ACARA in gathering data and reporting of VET activity by students undertaking Senior Secondary certificates.
- High-quality materials were developed to support the implementation of training packages and scored assessment in VCE VET programs.

Senior Secondary assessment

Victorian Certificate of Education

During the October/November 2011 examination period, 108 written examinations from 105 VCE studies – including the Auslan examination and those provided by CCAFL – were conducted over 17 days. Further Mathematics, Specialist Mathematics and Mathematical Methods CAS each had two written examinations in November.

All student examinations were processed and assessed, and examination scores finalised, over a period of 50 days.

VCE graded assessment and study scores 2011

Graded assessment comprises school-assessed coursework and/or school-assessed tasks and external examinations. In 2011, there were a total of 791,628 graded assessments. The median grade awarded was B and 57.7 per cent of grades were B or higher.

	2011	2010	2009	2008	2007	2006
Number of study scores issued	260,978	262,936	258,184	259,687	251,366	256,297
Students with at least one study score	76,699	77,017	76,208	75,541	74,509	74,406
Students with at least one study score of 40+	14,737	14,947	14,650	14,597	14,317	14,458
Students with at least one study score of 50	624	637	604	625	599	631
Number of study scores of 50	693	695	684	687	672	701

VCE VET programs

In 2011, 24 VCE VET programs comprising 32 distinct qualifications were available. Fourteen VCE VET programs provided students with the option of undertaking scored assessment of designated Units 3 and 4 sequences.

Scored assessment is available in the following VCE VET programs: Business, Community Services, Dance, Electrotechnology, Engineering Studies, Equine Industry, Financial Services, Furnishing, Hospitality, Information Technology, Interactive Digital Media, Laboratory Skills, Music Industry, and Sport and Recreation.

The study score for a VCE VET program is calculated through assessments on a set of coursework tasks and an examination at the end of the year. The score allows students to use their VCE VET programs for direct contribution to their Australian Tertiary Admission Rank (ATAR).

Victorian Certificate of Applied Learning

The VCAL is available for students in Years 11 and 12. It provides a Senior Secondary credential through which participating students can receive recognition for their achievements in programs that have traditionally not provided credit within a formal qualification. This can include recognition of learning that occurs in structured workplace settings, locally developed programs, community projects and youth development programs

Since its inception in 2002, there has been constant growth in the number of VCAL enrolments. Over the last four years there has been an average growth of 10.9 per cent per year.

Achievements

- During the reporting period the VCAA:
 - recorded:
 - 49,835 VCE completions
 - 10,884 VCAL certificate completions
 - delivered to students' homes:
 - 79,391 VCE statements of results
 - 78,103 General Achievement Test (GAT) statements
 - 4,305 VCAL statements of results
 - 15,110 VET statements of results
 - 218 statements of Equivalent Qualification
 - recorded 527 successful completions of at least one university extension study
 - delivered to students through their school:
 - 65,821 VCE statements of results
 - 15,232 VCAL statements of results
 - 30,475 VET statements of results
 - delivered:
 - 677 GAT statements to overseas students (Crawford Schools)
 - 387 certificates and 657 statements of results to overseas VCE providers
 - provided the VCAA and the VTAC joint information service for students, whereby:
 - 2 students accessed their results by the revised telephone service
 - 28,180 students accessed their results by SMS
 - 58,378 students accessed their results by the web and 6,787 students accessed the web via their mobile phones.

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Comprehensive operating statement for the financial year ended 30 June 2012

	Notes	2012 \$'000	2011 \$'000
Income from transactions			
Operating appropriations	2	42,433	50,507
Capital appropriations	2	788	973
Other grants	2	1,568	1,849
User charges	2	3,732	3,394
Interest	2	417	243
Fair value of assets and services received free of charge	2	1,837	1,783
Total income from transactions		50,775	58,749
Expenses from transactions			
Employee expenses	3	33,192	32,614
Depreciation and amortisation	3	2,448	1,460
Supplies and services	3	18,123	19,988
Resources received free of charge	3	1,837	1,783
Total expenses from transactions		55,600	55,845
Net result from transactions		(4,825)	2,904
Other economic flows included in net result			
Net gain/(loss) on non-financial assets	4	0	32
Total other economic flows included in net result		0	32
Net result		(4,825)	2,936
Comprehensive result		(4,825)	2,936

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

Balance sheet as at 30 June 2012

	Notes	2012 \$'000	2011 \$'000
Assets			
Financial assets			
Cash and cash equivalents	20	9,459	10,533
Receivables	5	1,527	2,317
Total financial assets		10,986	12,850
Non-financial assets			
Prepayments	6	576	905
Plant and equipment	7	1,708	915
Leasehold improvements	7	0	103
Leased assets	7	90	133
Intangible assets	8	400	2,029
Work in progress	9	189	828
Total non-financial assets		2,963	4,913
Total assets		13,949	17,763
Liabilities			
Payables	10	5,740	4,685
Other liabilities	12	91	135
Total liabilities		5,831	4,820
Net assets		8,118	12,943
Equity			
Contributed capital	13	4,698	4,698
Accumulated surplus	14	3,420	8,245
Net worth		8,118	12,943

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

Statement of changes in equity for the financial year ended 30 June 2012

	Notes	Accumulated surplus \$'000	Contribution by owner \$'000	Total \$'000
Balance at 1 July 2010		5,309	4,698	10,007
Net result for year		2,936	0	2,936
Balance at 30 June 2011		8,245	4,698	12,943
Net result for year		(4,825)	0	(4,825)
Balance at 30 June 2012		3,420	4,698	8,118

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

Cash flow statement for the financial year ended 30 June 2012

	Notes	2012 \$'000	2011 \$'000
Cash flows from operating activities			
Receipts			
Receipts from government		45,016	55,617
Interest received		417	243
Goods and Services Tax received from ATO		445	2,452
Other receipts		3,853	3,190
Total receipts		49,731	61,502
Payments			
Payments to employees		(33,037)	(33,123)
Goods and Services Tax paid to ATO		(27)	(230)
Payments to suppliers		(16,870)	(22,788)
Total payments		(49,934)	(56,141)
Net cash flows from/(used in) operating activities	19	(203)	5,362
Cash flows from investing activities			
Payments for non-financial assets		0	(557)
Proceeds from sale of non-financial assets		0	71
Payment for work in progress		(827)	(794)
Net cash flows from/(used in) investing activities		(827)	(1,280)
Cash flows from financing activities			
Repayment of finance leases		(44)	(82)
Net cash flows from/(used in) financing activities		(44)	(82)
Net increase/(decrease) in cash and cash equivalents		(1,074)	4,000
Cash and cash equivalents at beginning of the financial year		10,533	6,533
Cash and cash equivalents at the end of the financial year	20	9,459	10,533

The 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

These annual Financial Statements represent the audited general purpose Financial Statements for the Victorian Curriculum and Assessment Authority (the Authority) for the period ended 30 June 2012.

The purpose of the report is to provide users with information about the Victorian Curriculum and Assessment Authority's stewardship of resources entrusted to it.

To gain a better understanding of the terminology used in this report, a glossary of terms and style conventions can be found in Note 26.

(a) Statement of compliance

These general purpose Financial Statements have been prepared in accordance with the *Financial Management Act 1994* (FMA) and applicable Australian Accounting Standards (AAS) which include Interpretations, issued by the Australian Accounting Standards Board (AASB). In particular, they are presented in a manner consistent with the requirements of the AASB 1049 *Whole of Government and General Government Sector Financial Reporting*.

Where appropriate, those AAS paragraphs applicable to not-for-profit entities have been applied.

The annual Financial Statements were authorised for issue by the Chief Executive Officer of the Victorian Curriculum and Assessment Authority on 20 August 2012.

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.

(b) Basis of accounting 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 Victorian Curriculum and Assessment Authority.

In the application of AAS, management is required to make judgements, estimates and assumptions about the carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on professional judgements derived from historical experience and various other factors that are believed to be reasonable under the circumstance. Actual results may differ from these estimates.

Revisions to accounting estimates are recognised in the period in which the estimate is revised and also in future periods that are affected by the revision. Judgements and assumptions made by management in the application of AASs that have significant effect on the Financial Statements and estimates, are disclosed throughout the notes to the Financial Statements. The estimated useful life of intangibles was revised during the year. Refer to Note 8(a).

Note 1 Summary of significant accounting policies

(continued)

This report has been prepared in accordance with the historical cost convention. Historical cost is based on the fair values of the consideration given in exchange for assets.

Exceptions to the historical cost convention include:

- non-financial 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 its depreciated replacement value.

The accounting policies set out below have been applied in preparing the Financial Statements for the year ended 30 June 2012 and the comparative information presented in these Financial Statements for the year ended 30 June 2011.

(c) Reporting entity

The Financial Statements cover the Victorian Curriculum and Assessment Authority (VCAA) as an individual reporting entity, established under the *Education and Training Reform Act 2006* (the Act). The principal address is:

Victorian Curriculum and Assessment Authority
41 St Andrews Place
East Melbourne VIC 3002

The VCAA is headed by the Chief Executive Officer (CEO), whose powers and functions are set out in Part 2.5 of the Act. The CEO is responsible to the Board for the VCAA policy and operational matters and to the Secretary of the Department of Education and Early Childhood Development (DEECD) for budgetary, personnel and other administrative matters.

(d) Objectives and funding

The VCAA's objective is to provide high quality curriculum, assessment and reporting that promotes individual lifelong learning.

The VCAA is predominantly funded by accrual-based appropriations (excluding depreciation funding) from DEECD for the provision of outputs. As a statutory authority, the VCAA also derives revenue from a number of external sources, including Commonwealth Government, overseas student fees, publication sales, student services, royalties and other administrative fees.

DEECD has provided letters of comfort in past years to support their request that the VCAA draw on accumulated reserves to fund operating activities. The current letter of comfort, dated 30 July 2012, provides that in the event that an operating shortfall exceeds available accumulated surpluses, DEECD will support the VCAA with supplementary appropriation funding to enable it to meet its current and future financial commitments as and when they fall due. This is subject to, VCAA in the first instance, utilising accumulated surpluses to fund its activities, and the shortfall arising as a result of costs being incurred by the VCAA in its good-faith endeavours to achieve the outcomes agreed between the VCAA and DEECD.

(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* and Amendments to Australian System of Government Finance Statistics, 2005 (ABS Catalogue No 5514.0).

'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, impairments of non-current physical and intangible assets and fair value changes of financial instruments.

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 non-owner and owner changes in equity from 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 economic flows – other movements in equity' related to 'Transactions with owner in its capacity as owner'.

Cash flow statement

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

Note 1 Summary of significant accounting policies

(continued)

(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. All income received by the VCAA is required to be paid into the VCAA Fund.

Amounts disclosed as revenue are, where applicable, net of returns, allowances and duties and taxes. Revenue is recognised for each of the major activities as follows:

Grants

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

Royalties

VCAA intellectual property is captured and maintained in a register, with royalties recognised as income when the VCAA gains control of the underlying asset.

Fees, publications and other

Fees from overseas students are recognised in the period that the service is provided. Where student fees of a reciprocal nature have been received in respect of services to be delivered in the following financial year, such amounts are deferred and disclosed as fees in advance.

Publication and other miscellaneous revenue received are recognised as revenue on provision of service.

Interest revenue

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

Fair value of resources provided and received free of charge or for nominal consideration

Contributions of resources provided free of charge or for nominal consideration are recognised at their fair value when the VCAA obtains control over them, irrespective of whether these contributions are subject to restrictions or conditions over their use. 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 received as a donation.

The value of the VCAA accommodation costs from DEECD, is recognised in the comprehensive operating statement as an expense offset by an increase to revenue as resources received free of charge.

(g) Expenses from transactions

Expenses are recognised as they are incurred and reported in the financial year to which they relate.

Grants and other payments

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

Employee benefits

Employee benefits expenses include all costs related to employment including salaries, leave entitlements and superannuation contributions. These are recognised when incurred.

Superannuation

State Superannuation Defined benefit plans

The VCAA does not recognise any defined benefit liability in respect of these superannuation plans because the VCAA 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.

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

Fair value of resources provided free of charge or for nominal consideration

Contributions of resources received free of charge or for nominal consideration are recognised at fair value when control is obtained over them, irrespective of whether these contributions are subject to restrictions or conditions over their use. 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 received as a donation.

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 VCAA. These items are recognised as an expense in the reporting period in which they are incurred. Inventories are expensed when purchased.

Depreciation and Amortisation

All plant and equipment and other non financial physical assets that have finite useful lives 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. Refer to Note 1(k) for the depreciation policy for leasehold improvements.

Note 1 Summary of significant accounting policies

(continued)

Amortisation is provided on computer software and other intangible assets. Amortisation is generally calculated on a straight-line basis so as to write off the net cost or other revalued amount of each asset over its expected useful life to its estimated residual value.

The estimated useful lives, residual values and depreciation method are reviewed at the end of each annual reporting period, and adjustments made where applicable.

The following are typical estimated useful lives for different asset classes for current and prior years.

Asset class	Useful life (in years)	
	2012	2011
Plant and equipment (including computer equipment)	3–5	3–5
Leased assets (motor vehicles)	5–10	5–10
Leasehold improvements	3–5	3–5
Intangible assets (including computer software)	4 (i)	5

(i) The estimated useful life of the intangible assets has been revised from 5 to 4 years. Refer to Note 8(a).

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.

(h) 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.

(i) Other economic flows included in net result

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

Impairment of non-financial assets

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

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 surplus amount applicable to that class of asset.

It is deemed that, in the event of the loss or destruction 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. The 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.

Disposal of non-financial assets

Any gain or loss on the sale of non-financial assets is recognised at the date the date of disposal and is determined after deducting from the proceeds the carrying value of the asset at that time.

(j) Financial assets

Cash and deposits

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 commitments rather than from investment purposes, and which are readily convertible to known amounts of cash and are subject to insignificant risk of change in value.

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. 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 effective interest rate method, less an allowance for impairment.

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

Derecognition of financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognised when:

- the rights to receive cash flows from the asset have expired; or
- the VCAA retains the right to receive cash flows from the asset, but has assumed an obligation to pay them in full without material delay to a third party under a 'pass through' arrangement; or
- the VCAA has transferred its rights to receive cash flows from the asset and either:
 - (a) has transferred substantially all the risks and rewards of the asset, or
 - (b) has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

Where the VCAA has neither transferred nor retained substantially all the risks and rewards or transferred control, the asset is recognised to the extent of the VCAA's continuing involvement in the asset.

Note 1 Summary of significant accounting policies

(continued)

(k) Non-financial assets

Plant and equipment, leasehold improvements and leased assets (motor vehicles)

Plant and equipment, leasehold improvements and leased assets are measured initially at cost and subsequently revalued at fair value less accumulated depreciation and impairment.

The fair value of non-financial assets 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.

Intangible assets

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

Intangible assets with finite useful lives are amortised on a systematic (typically straight-line) basis over the asset's useful life. Amortisation begins when the asset is available for use, that is, when it is in the location and condition necessary for it to be capable of operating in the manner intended by management. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each annual reporting period.

(l) 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.

(m) Liabilities

Payables

Payables consist of:

- contractual payables, such as accounts payable, and unearned income including deferred income from concession arrangements. Accounts payable represent liabilities for goods and services provided to the VCAA prior to the end of the financial year that are unpaid, and arise when the VCAA becomes obliged to make future payments in respect of the purchase of those goods and services; and
- statutory payables, such as goods and services tax and fringe benefits tax payables.

Contractual payables are classified as financial instruments and categorised as financial liabilities at amortised cost. Statutory payables are recognised and measured similarly to contractual payables but are not classified as financial instruments and not included in the category of financial liabilities at amortised cost, because they do not arise from a contract.

Employee benefits

Long service leave and annual leave

The liabilities for long service leave and annual leave are recognised by the Department of Education and Early Childhood Development (DEECD). When a staff member accesses their leave entitlement, it is paid by DEECD out of the accumulated balances in the provision accounts in DEECD balance sheet.

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 are classified as finance 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.

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 leased 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.

(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 have also been designated as contributions by owners.

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

(o) Rounding of amounts

Amounts in the Financial Statements have been rounded to the nearest \$1000, unless otherwise stated.

(p) Commitments

Commitments for future expenditure include operating and capital commitments arising from contracts.

Commitments are disclosed, by way of note, at their nominal value and inclusive of the GST payable.

(q) Contingent assets and 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 inclusive of GST receivable or payable respectively.

Note 1 Summary of significant accounting policies

(continued)

(r) Events after reporting date

Assets, liabilities, income and expenses arise from past transactions or other past events. Where the transactions result from an agreement between the VCAA and other parties, the transactions are only recognised when the agreement is irrevocable at or before the end of the reporting period. Adjustments are made to amounts recognised in the Financial Statements for events which occur after the reporting date and before the date the Financial 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 Financial 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.

(s) Goods and Services Tax

Income, expenses, assets and liabilities are recognised net of the amount of associated *Goods and Services Tax* (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.

Commitments and contingent assets and liabilities are also stated inclusive of GST.

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 flows.

(t) AASs issued that are not yet effective

Certain new AASs have been published that are not mandatory for the 30 June 2012 reporting period. The Department of Treasury and Finance assesses the impact of these new standards and advises of their applicability and early adoption where applicable.

As at 30 June 2012, the following standards and interpretations that are applicable to the VCAA had been issued but were not mandatory for the financial year ending 30 June 2012. Standards and Interpretations that are not applicable to the VCAA have been omitted. The VCAA 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 VCAA financial statements
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 Financial Instruments: Recognition and Measurement (AASB 139 Financial Instruments: Recognition and Measurement).	Beginning 1 Jan 2013	Detail of impact is still being assessed.
AASB 13 Fair Value Measurement	This Standard outlines the requirements for measuring the fair value of assets and liabilities and replaces the existing fair value definition and guidance in other AASs. AASB 13 includes a 'fair value hierarchy' which ranks the valuation technique inputs into three levels using unadjusted quoted prices in active markets for identical assets or liabilities, other observable inputs, and unobservable inputs.	Beginning 1 Jan 2013	Disclosure for fair value measurements using unobservable inputs are relatively onerous compared to disclosure for fair value measurements using observable inputs. Consequently, the Standard may increase the disclosures for public sector entities that have assets measured using depreciated replacement cost.
AASB 119 Employee Benefits	In this revised Standard for defined benefit superannuation plans, there is a change to the methodology in the calculation of superannuation expenses, in particular there is now a change in the split between superannuation interest expense (classified as transactions) and actuarial gains and losses (classified as 'Other economic flows – other movements in equity') reported on the comprehensive operating statement.	Beginning 1 Jan 2013	Not-for-profit entities are not permitted to apply this Standard prior to the mandatory application date. While the total superannuation expense is unchanged, the revised methodology is expected to have a negative impact on the net result from transactions of the general government sector and for those few Victorian public sector entities that report superannuation defined benefits plans.
AASB 1053 Application of 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	The Victorian Government is currently considering the impacts of Reduced Disclosure Requirements (RDRs) for certain public sector entities and has not decided if RDRs will be implemented in the Victorian public sector.
AASB 2010-2 Amendments to Australian Accounting Standards arising from Reduced Disclosure Requirement	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	The Victorian Government is currently considering the impacts of Reduced Disclosure Requirements (RDRs) for certain public sector enteritis and has not decided if RDRs will be implemented in the Victorian public sector.
AASB 2010-7 Amendments to Australian Standards arising from AASB 9 (December 2010) [AASB 1, 3, 4, 5, 7, 101, 102, 108, 112, 118, 120, 121, 127, 128, 131, 132, 136, 137, 139, 1023 & 1038 and Interpretations 2, 5, 10, 12, 19 & 127]	This amendment arises from the issuance of AASB 9 Financial Instruments, issued in December 2010.	Beginning 1 Jan 2013	No significant impact is expected from these consequential amendments on entity reporting.

Note 1 Summary of significant accounting policies

(continued)

Standard/Interpretation	Summary	Applicable for annual reporting periods beginning or ending on	Impact on VCAA financial statements
AASB 2010-10 Further Amendments to Australian Accounting Standards – Removal of Fixed Dates for First-time Adopters [AASB 2009-11 & AASB 2010-7]	This amendment ultimately affects AASB 1 First-time Adoption of Australian Accounting Standards and provide relief for first-time adopters of Australian Accounting Standards from having to reconstruct transactions that occurred before their date of transition to Australian Accounting Standards.	Beginning 1 Jan 2013	No significant impact is expected on entity reporting.
AASB 2011-2 Amendments to Australian Accounting Standards arising from the Trans-Tasman Convergence Project – Reduced Disclosure Requirements [AASB 101 & AASB 1054]	The objective of this amendment is to include some additional disclosure from the Trans-Tasman Convergence Project and to reduce disclosure requirements for entities preparing general purpose Financial Statements under Australian – Reduced Disclosure Requirements.	Beginning 1 July 2013	The Victorian Government is currently considering the impacts of Reduced Disclosure Requirements (RDRs) for certain public sector enteritis and has not decided if RDRs will be implemented in the Victorian public sector.
AASB 2011-3 Amendments to Australian Accounting Standards – Orderly Adoption of Changes to the ABS GFS Manual and Related Amendments [AASB 1049]	This amends AASB 1049 to clarify the definition of the ABS GFS Manual, and to facilitate the adoption of changes to the ABS GFS Manual and related disclosures.	Beginning 1 July 2012	This amendment provides clarification to users preparing the whole of government and general government sector financial reports on the version of the GFS Manual to be used and what to disclose if the latest GFS Manual is not used. No impact is expected on departmental or entity reporting.
AASB 2011-4 Amendments to Australian Accounting Standards to Remove Individual Key Management Personnel Disclosure Requirements [AASB 124]	This Standard amends AASB 124 Related Party Disclosures by removing the disclosure requirements in AASB 124 in relation to individual key management personnel (KMP).	Beginning 1 July 2013	No significant impact is expected from these consequential amendments on entity reporting.
AASB 2011-8 Amendments to Australian Accounting Standards arising from AASB 13 [AASB 1, 2, 3, 4, 5, 7, 9, 2009-11, 2010-7, 191, 102, 108, 110, 116, 117, 118, 119, 120, 121, 128, 131, 132, 133, 134, 136, 138, 139, 140, 141, 1004, 1023, & 1038 and Interpretations 2, 4, 12, 13, 14, 17, 19, 131, & 132]	This amending Standard makes consequential changes to a range of Standards and Interpretations arising from the issuance of AASB 13. In particular, this Standard replaces the existing definition and guidance of fair value measurements in other Australian Accounting Standards and Interpretations.	Beginning 1 Jan 2013	Disclosures for fair value measurements using unobservable inputs is potentially onerous, and may increase disclosures for assets measured using depreciated replacement cost.
AASB 2011-9 Amendments to Australian Accounting Standards – Presentation of Items of Other Comprehensive Income [AASB 1, 5, 7, 101,112,120,121,132,133,134,1039 &1049]	The main change resulting from this Standard is a requirement for entities to group items presented in other comprehensive income (OCI) on the basis of whether they are potentially reclassifiable to profit or loss subsequently (reclassification adjustments). These amendments do not remove the option to present profit or loss and other comprehensive income in two statements, nor change the option to present items of OCI either before tax or net of tax.	Beginning 1 July 2012	This amending Standard could change the current presentation of 'Other economic flows – other movements in equity' that will be grouped on the basis of whether they are potentially reclassifiable to profit or loss subsequently. No other significant impact will be expected.

Standard/Interpretation	Summary	Applicable for annual reporting periods beginning or ending on	Impact on VCAA financial statements
AASB 2011-10 Amendments to Australian Accounting Standards arising from AASB 119 (September 2011) [AASB 1, AASB 8, AASB 101, AASB124, AASB 134, AASB 1049, & AASB 2011-8 and Interpretation 14]	This Standard makes consequential changes to a range of other Australian Accounting Standards and Interpretation 9 arising from the issuance of AASB 119 Employee Benefits.	Beginning 1 Jan 2013	No significant impact is expected from these consequential amendments on entity reporting.
AASB 2011-11 Amendments to AASB 119 (September 2011) arising from Reduced Disclosure Requirements	This Standard makes amendments to AASB 119 Employee Benefits (September 2011), to incorporate reduced disclosure requirements into the Standard for entities applying Tier 2 requirements in preparing general purpose Financial Statements.	Beginning 1 July 2013	The Victorian Government is currently considering the impacts of Reduced Disclosure Requirements (RDRs) and has not decided if RDRs will be implemented in the Victorian public sector.
2011-13 Amendments to Australian Accounting Standard – Improvements to AASB 1049	This Standard aims to improve the AASB 1049 Whole of Government and General Government Sector Financial Reporting at the operational level. The main amendments clarify a number of requirements in AASB 1049, including the amendment to allow disclosure of other measures of key fiscal aggregates as long as they are clearly distinguished from the key fiscal aggregates and do not detract from the information required by AASB 1049. Furthermore, this Standard provides additional guidance and examples on the classification between ‘transactions’ and ‘other economic flows’ for GAAP items without GFS equivalents.	Beginning 1 July 2012	No significant impact is expected from these consequential amendments on entity reporting.
2012-1 Amendments to Australian Accounting Standards – Fair Value Measurement - Reduced Disclosure Requirements [AASB 3, AASB 7, AASB13, AASB 140 & AASB 141]	This amending Standard prescribes the reduced disclosure requirements in a number of Australian Accounting Standards as a consequence of the issuance of AASB 13 Fair Value Measurement.	Beginning 1 July 2013	As the Victorian whole of government and the general government (GG) sector are subject to Tier 1 reporting requirements (refer to AASB 1053 Application of Tiers of Australian Accounting Standards), the reduced disclosure requirements included in AASB 2012-1 will not affect the financial reporting for Victorian whole of government and GG sector.

Note 2 Income from transactions

	2012 \$'000	2011 \$'000
Operating appropriations	42,433	50,507
Capital appropriations	788	973
Other grants	1,568	1,849
User charges	2,404	2,464
Royalties	305	152
Miscellaneous income	1,023	778
Interest	417	243
Resources received free of charge		
Property rental and outgoings	1,837	1,783
Total revenue	50,775	58,749

The VCAA receives an operating appropriation from which the employee costs are met.

Free of charge relates to two separate building occupancy agreements:

* Occupancy of 41 St Andrews Place, East Melbourne

* Occupancy of VCAA's Assessment Centre at Coburg

Property rentals and outgoings were paid on the VCAA's behalf by the DEECD. These amounts have been recognised in the comprehensive operating statement as expenditure offset by an increase to revenue as resources received free of charge.

Note 3 Expenses

	2012 \$'000	2011 \$'000
Employee expenses		
Salaries and allowances	18,771	18,564
Fees for setting, vetting and assessment examinations	9,370	9,199
Salary on-costs	5,000	4,771
Other	51	80
	33,192	32,614
Depreciation and amortisation		
Depreciation of VCAA assets	672	408
Amortisation of Leasehold buildings	103	154
Amortisation of Leased assets (motor vehicles)	43	45
Amortisation of Intangible assets	1,629	853
	2,448	1,460
Supplies and services		
Administrative expenses	720	882
Victorian Auditor-General fees	31	29
Internal audit fees	4	4
Computer and internet expenses	1,578	1,556
Contractors	7,627	8,376
Consultants	0	239
Examination centre and supervisor grants	3,182	3,186
Freight and cartage	635	637
Furniture and equipment	184	95
Hire and leasing of venues	512	518
Motor vehicles expenses	93	74
Office supplies	182	211
Printing and production	1,268	1,509
Staff training	99	103
Teacher release and development grants	495	562
Travelling and personal expenses	400	518
Utilities	920	915
Warehouse rental and outgoings	193	219
Return of prior year appropriations	0	355
	18,123	19,988
Resources received free of charge	1,837	1,783
Total expenses	55,600	55,845

Note 4 Other economic flows included in result

	2012 \$'000	2011 \$'000
Net gain/(loss) on non-financial assets – leased motor vehicles	0	32
	0	32

Note 5 Receivables

	2012 \$'000	2011 \$'000
Current receivables		
Contractual		
Fee-paying overseas students	488	523
Other receivables	714	376
Provision for doubtful contractual receivables	(10)	(10)
	1,192	889
Statutory		
Department of Education and Early Childhood Development	242	891
GST input tax credit recoverable	93	537
	335	1,428
Total receivables	1,527	2,317

Note 6 Prepayments

	2012 \$'000	2011 \$'000
Current	553	849
Non-current	23	56
Total prepayments	576	905

Note 7 Plant and equipment, Leasehold improvements and Leased assets

Table 7.1: Classification by 'Purpose Groups' – Carrying Amount (i)

	2012		2011	
	Public administration \$'000	Total \$'000	Public administration \$'000	Total \$'000
Table disclosure reference	Table 7.3		Table 7.3	
Plant and equipment	1,708	1,708	915	915
Leasehold improvements	0	0	103	103
Leased assets	90	90	133	133
Net carrying amount of Plant and equipment, Leasehold improvements and Leased assets	1,798	1,798	1,151	1,151

Note:

(i) 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 classification (GPC). All assets within a purpose group are further sub-categorised according to the asset's 'nature' (i.e. plant and equipment etc.), with each sub-category being classified as a separate class of asset for financial reporting purposes.

Table 7.2: Gross carrying amount and accumulated depreciation

	2012 \$'000	2011 \$'000
Plant and equipment		
At fair value	3,526	2,060
Less accumulated depreciation	1,818	1,145
Net carrying amount	1,708	915
Leasehold improvements		
At fair value	1,140	1,140
Less accumulated amortisation	1,140	1,037
Net carrying amount	0	103
Leased assets		
Motor vehicles at fair value	170	170
Less accumulated amortisation	80	37
Net carrying amount	90	133
Total Plant and equipment, Leasehold improvements and Leased Assets	1,798	1,152

Table 7.3: Classification by 'Public Administration' Purpose Group – movements in carrying amounts

	Plant & equipment \$'000	Leasehold improvements \$'000	Leased assets \$'000	Total assets \$'000
2012				
Opening balance	914	103	133	1,150
Additions	1,466	0	0	1,466
Disposals	0	0	0	0
Depreciation/Amortisation	(672)	(103)	(43)	(819)
Closing balance	1,708	0	90	1,798
2011				
Opening balance	766	257	111	1,134
Additions	556	0	106	662
Disposals	0	0	(39)	(39)
Depreciation/Amortisation	(408)	(154)	(45)	(607)
Closing balance	914	103	133	1,150

Note 8 Intangible assets

Table 8.1: Classification by 'Purpose Groups' – Carrying Amount (i)

	2012		2011	
	Public administration \$'000	Total \$'000	Public administration \$'000	Total \$'000
Table disclosure reference	Table 8.3		Table 8.3	
Intangible assets	400	400	2,029	2,029
Net carrying amount of Intangible assets	400	400	2,029	2,029

Note:

(i) Intangible assets are classified primarily by the 'purpose' for which the assets are used, according to one of six purpose groups based upon government purpose classification (GPC). All assets within a purpose group are further sub categorised according to the asset's 'nature' (i.e. intangible assets etc), with each sub category being classified as a separate class of asset for financial reporting purposes.

Table 8.2: Gross carrying amount and accumulated depreciation

	2012 \$'000	2011 \$'000
Intangible assets		
At cost	4,266	4,266
Less accumulated amortisation	3,866	2,237
Net carrying amount	400	2,029

Table 8.3: Classification by 'Public Administration' Purpose Group – movements in carrying amounts

Reconciliations of the carrying amounts at the beginning and end of the financial year are set out below:

	Intangible assets \$'000	Total intangible assets \$'000
2012		
Opening balance	2,029	2,029
Additions	0	0
Disposals	0	0
Amortisation (a)	(1,629)	(1,629)
Closing balance	400	400
2011		
Opening balance	2,882	2,882
Additions	0	0
Disposals	0	0
Amortisation	(853)	(853)
Closing balance	2,029	2,029

(a) The VCAA has capitalised software development expenditure for the development of its data warehouse software. The carrying amount of the capitalised software development expenditure is \$0.4 million (2011: \$1.1 million). Its useful life was originally estimated to be five years and fully amortised by 2013. However, new information on this software has resulted in a revision of the useful life down to four years, with full amortisation by November 2012. This has resulted in an increase in amortisation of \$853,000 in the 2012 year with the carrying amount to be fully amortised in 2013.

Note 9 Work in progress

	2012 \$'000	2011 \$'000
Work in progress	189	828
	189	828
Reconciliation		
Reconciliations of the carrying amounts at the beginning and end of the financial year are set out below:		
Opening balance	828	34
Additions	827	1,351
Transfer to Plant and Equipment	1,466	557
	189	828

Note 10 Payables

	2012 \$'000	2011 \$'000
Current Payables		
Contractual		
Accounts payable	465	0
Accrued employee benefits	2,006	1,851
Fees in advance	434	460
Accrued expenses	1,347	1,885
Other payables	0	52
	4,252	4,248
Statutory		
GST payable	55	81
Amounts payable to government departments	1,433	356
Group tax payable	0	0
	1,488	437
Total Current Payables	5,740	4,685

(a) Maturity analysis of contractual payables

Please refer to Table 15.4 in Note 15 for the maturity analysis of contractual payables.

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

Please refer to Note 15 for the nature and extent of risks arising from contractual payables.

Note 11 Employee benefits

(a) Provision for employee benefits

Under the *Education and Training Reform Act 2006*, VCAA staff are recognised as DEECD employees.

(b) Government employee's superannuation fund

Superannuation contributions for the reporting period are included as part of salaries and associated costs in the comprehensive operating statement of the VCAA.

The VCAA paid contributions on behalf of eligible casual and sessional employees into 93 different funds.

Contributions are calculated at a rate of 9 per cent pursuant to the provisions of the *Superannuation Guarantee Act 1992*. The name, details and amounts of the major employee superannuation funds and contributions made by the VCAA are as follows:

	Paid contribution for the year		Contributions outstanding at year end	
	2012 \$'000	2011 \$'000	2012 \$'000	2011 \$'000
<i>Defined contribution plans:</i>				
Vic Super	930	745	173	156
Catholic Super Fund	30	27	7	7
Tertiary Education Super Scheme	22	25	9	10
Other	86	78	21	15
Total	1,068	875	210	188

Note 12 Other liabilities

	Minimum future lease payments		Present value of minimum future lease payments	
	2012 \$'000	2011 \$'000	2012 \$'000	2011 \$'000
Other financial lease liabilities payable				
Not longer than one year	94	50	91	44
Longer than one year and not longer than five years	0	94	0	91
Longer than five years				
Minimum future lease payments	94	144	91	135
	94	144	91	135
Less future finance charges	(3)	(9)	0	0
Present value of minimum lease payments	91	135	91	135

The VCAA has entered into leasing arrangements with Vic Fleet to lease motor vehicles for lease periods between 24 and 36 months.

Note 13 Contributed capital

	2012 \$'000	2011 \$'000
Balance at 1 July	4,698	4,698
Balance at 30 June	4,698	4,698

Note 14 Accumulated surplus

	2012 \$'000	2011 \$'000
Accumulated surplus/(deficit) at the beginning of the financial year	8,245	5,309
Comprehensive result for the reporting period	(4,825)	2,936
Accumulated surplus at the end of the financial year	3,420	8,245

Note 15 Financial instruments

Financial risk management objectives and policies

VCAA's principal financial instruments comprise:

- cash assets;
- receivables (excluding statutory receivables);
- payables (excluding statutory payables); and
- finance lease payables

Details of significant accounting policies and methods adopted, including the criteria for recognition, the basis of measurement and basis on which income and expenses are recognised, in respect of each class of financial asset, financial liability and equity instruments are disclosed in Note 1 to the Financial Statements. The main purpose in holding financial instruments is to prudentially manage the VCAA's financial risks within the government policy parameters. The VCAA's main financial risks include credit risk, liquidity risk and interest rate risk. The VCAA manages these financial risks in accordance with its financial risk management policy.

The carrying amount of the VCAA's contractual financial assets and financial liabilities by category are disclosed in Table 15.1 opposite.

Table 15.1: Categorisation of financial instruments

	Contractual financial assets – loans and receivables \$'000	Contractual financial liabilities at amortised cost \$'000	Total \$'000
2012			
Contractual financial assets			
Cash and cash equivalents	9,459	0	9,459
Receivables (i)	1,192	0	1,192
Total contractual financial assets	10,651	0	10,651
Contractual financial liabilities			
Payables		4,252	4,252
Borrowings	0		
Lease Liabilities	0	91	91
Total contractual financial liabilities	0	4,343	4,343

Note: (i) The total amounts disclosed here exclude statutory amounts (e.g. amounts owing from the Victorian Government and GST input tax credit recoverables, and taxes payable).

	Contractual financial assets – loans and receivables \$'000	Contractual financial liabilities at amortised cost \$'000	Total \$'000
2011			
Contractual financial assets			
Cash and cash equivalents	10,533	0	10,533
Receivables (i)	889	0	889
Total contractual financial assets	11,422	0	11,422
Contractual financial liabilities			
Payables	0	4,248	4,248
Borrowings			
Lease Liabilities	0	135	135
Advances from government	0	0	0
Total contractual financial liabilities	0	4,383	4,383

Note: (i) The total amounts disclosed here exclude statutory amounts (e.g. amounts owing from the Victorian Government and GST input tax credit recoverables, and taxes payable).

Note 15 Financial instruments

(continued)

(a) Interest rate exposure of financial instruments

	Interest rate exposure			
	Carrying amount \$'000	Fixed interest rate \$'000	Variable interest rate \$'000	Non-interest rate \$'000
2012				
Financial assets				
Cash and cash equivalents	9,459	0	9,459	0
Receivables	1,192	0	0	1,192
	10,651	0	9,459	1,192
Financial liabilities				
Payables	4,252	0	0	4,252
Lease liabilities	91	91	0	0
	4,343	91	0	4,252
2011				
Financial assets				
Cash and cash equivalents	10,533	0	10,533	0
Receivables	889	0	0	889
	11,422	0	10,533	889
Financial liabilities				
Payables	4,248	0	0	4,248
Lease liabilities	135	135	0	0
	4,383	135	0	4,248

(b) Credit Risk

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

Credit risk associated with the VCAA's contractual financial assets is minimal because the main debtor is the Victorian Government.

Provision of impairment for contractual financial assets is recognised when there is objective evidence that the VCAA will not be able to collect a receivable. Objective evidence includes financial difficulties of the debtor, default payments, debts which are more than 60 days overdue, and changes in debtor credit rating.

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

Table 15.2: Credit quality of contractual financial assets

	Financial institutions AA-credit rating \$'000	Government agencies Triple-A credit rating \$'000	Government agencies Triple-B credit rating \$'000	Other \$'000	Total \$'000
2012					
Cash and cash equivalents	9,459	0	0	0	9,459
Receivables (i)	0	0	0	1,192	1,192
Total	9,459	0	0	1,192	10,651
2011					
Cash and cash equivalents	10,533	0	0	0	10,533
Receivables (i)	0	0	0	889	889
Total	10,533	0	0	889	11,422

(i) Note: The carrying amounts disclosed here exclude statutory amounts (e.g. amounts owing from the Victorian Government and GST input).

Table 15.3: Ageing analysis of contractual financial assets

	Carrying amount \$'000	Not past due and not impaired \$'000	Past Due But Not Impaired				Impaired financial assets \$'000
			Less than 1 month \$'000	1–3 months \$'000	3 months –1 year \$'000	1–5 years \$'000	
2012							
Receivables							
Fee paying overseas students	478	460	0	0	12	6	0
Other receivables	714	350	71	293	0	0	0
Total	1,192	810	71	293	12	6	0
2011							
Receivables							
Fee paying overseas students	513	494	0	0	19	0	0
Other receivables	376	353	23	0	0	0	0
Total	889	847	23	0	19	0	0

Note: The carrying amounts disclosed here exclude statutory amounts (e.g. amounts owing from the Victorian Government and GST input).

Note 15 Financial instruments

(continued)

(c) Liquidity risk

Liquidity risk is the risk that the VCAA would be unable to meet its financial obligations as and when they fall due. The VCAA 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 VCAA's maximum exposure to liquidity risk is the carrying amount of financial liabilities as disclosed in the face of the balance sheet. The VCAA manages its liquidity risk by:

- 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 & Standard & Poor's Triple-A), which assists in accessing debt market at a lower interest rate.

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

The carrying amount detailed in the following table of contractual financial liabilities recorded in the Financial Statements, represents the VCAA's maximum exposure to liquidity risk.

The following table discloses the contractual maturity analysis for the VCAA's contractual financial liabilities.

Table 15.4 : Maturity analysis of contractual financial liabilities

	Carrying amount \$'000	Nominal amount \$'000	Less than 1 month \$'000	1–3 months \$'000	3 months –1 year \$'000	1–5 years \$'000
2012						
Payables						
Supplies and services	4,252	4,252	4,252	0	0	0
Other payables	0	0	0	0	0	0
Other liabilities	0	0	0	0	0	0
Finance lease liabilities	91	94	3	20	71	0
Total	4,343	4,346	4,255	20	71	0
2011						
Supplies and services	4,196	4,196	4,196	0	0	0
Other payables	52	52	52	0	0	0
Other liabilities	0	0	0	0	0	0
Finance lease liabilities	135	144	4	9	58	73
Total	4,383	4,392	4,252	9	58	73

Note

- (i) The carrying amounts disclosed exclude statutory amounts (e.g. GST payables).
(ii) Maturity analysis is presented using the contractual undiscounted cash flows.

(d) Market risk

The VCAA'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 this risk are disclosed below.

Interest rate risk

Fair value interest rate risk is the risk that the fair value of the financial instrument will fluctuate because of changes in market interest rates. The VCAA does not hold any interest-bearing financial instruments that are measured at fair value, therefore has no 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 VCAA has minimal exposure to cash flow interest rate risks through its cash and deposits and term deposits that are at floating rates.

The VCAA 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 that cash at bank, as a financial asset that can be left at floating rate without necessarily exposing the VCAA to significant bad risk, management monitors movement in interest rates on a daily basis.

Note 15 Financial instruments

(continued)

The carrying amount of financial assets and financial liabilities that are exposed to interest rates are set out below. In addition, the VCAA's sensitivity to interest rate risk is set out in Table 15.6.

Sensitivity disclosure analysis and assumptions

The VCAA'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 following movements are 'reasonably possible' over the next 12 months:

- a movement of 200 basis points up and down (2011: 200 points up and down) in the market interest rates (AUD)

The VCAA has performed a sensitivity analysis relating to its exposure to interest risk at balance date. This sensitivity analysis demonstrates the effect on the current year results and equity which could result from a change in this risk.

Table 15.5: Interest Rate Sensitivity Analysis

At 30 June 2012, the effect on the profit and equity as a result of changes in the interest rate, with all other variables remaining constant would be as follows:

	Interest rate				
	Carrying amount \$'000	-200 basis points		+ 200 basis points	
		Net result \$'000	Available-for-sale revaluation surplus \$'000	Net result \$'000	Available-for-sale revaluation surplus \$'000
2012					
Contractual financial assets					
Cash and deposits	9,459	(189)	0	189	0
Total impact		(189)	0	189	0
2011					
Contractual financial assets					
Cash and deposits	10,533	(211)	0	211	0
Total impact		(211)	0	211	0

The above interest rate sensitivity analysis has been performed on the assumption that all other variables remain unchanged.

Only cash and cash equivalents would be affected by a movement in interest rates as other financial instruments are either interest free or subject to fixed interest rates.

No sensitivity analysis has been performed on foreign exchange risk, as the VCAA is not exposed to foreign currency fluctuations.

(e) Fair values

VCAA considers the carrying amount of financial instrument assets and liabilities recorded in the Financial Statements to be a fair approximation of their fair value, because of the short term nature of the financial instruments and the expectation that they will be paid in full. The following table shows that the fair value of the contracted financial assets and liabilities are the same as the carrying amount.

Table 15.6: Comparison between Carrying Amount and Fair Value

	2012		2011	
	Carrying Amount \$'000	Fair Value \$'000	Carrying Amount \$'000	Fair Value \$'000
(i) Financial assets				
Cash and cash equivalents				
Cash at bank and on hand	9,459	9,459	10,533	10,533
Contractual receivables	1,192	1,192	889	889
Total financial assets	10,651	10,651	11,422	11,422
(ii) Financial liabilities				
Current payables				
Payables	4,252	4,252	4,248	4,248
Lease liabilities	91	91	135	135
Total financial liabilities	4,343	4,343	4,383	4,383

Note 16 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 the responsible persons for the reporting period.

Names

The persons who held the positions of Ministers and accountable officers in the VCAA at any time during the financial period are as follows:

Responsible Minister	
Minister for Education	The Hon. Martin Dixon, MP
Minister for Children and Early Childhood Development	The Hon. Wendy Lovell, MLC
Minister for Higher Education and Skills	The Hon. Peter Hall, MLC
Acting Minister for Education	
30 June 2012	The Hon. Peter Hall, MLC
24 September 2011 – 3 October 2011	The Hon. Peter Hall, MLC
Acting Minister for Children and Early Childhood Development	
18 July 2011 – 31 July 2011	The Hon. Ted Bailieu, MP
Acting Minister for Higher Education and Skills	
23 July 2011 – 6 August 2011	The Hon. Martin Dixon, MP
Accountable Officer	
Mr John Firth	
VCAA Board Members	
Professor Adam Shoemaker, Chair	
Ms Esmerelda Bamblett	(Term Concluded 31 May 2012)
Mr Richard Bolt (Ex Officio)	(Term Commenced 29 August 2011)
Professor Adrienne Clarke	(Term Commenced 1 June 2012)
Ms Polly Flanagan	
Mr Tony Larkin	
Mr John Maddock	(Term Concluded 31 May 2012)*
Ms Vicki Miles	(Term Commenced 1 June 2012)
Mr Glen Pearsall	(Term Concluded 31 May 2012)
Mr Dale Pearce	(Term Commenced 1 June 2012)
Ms Debra Punton	(Term Concluded 31 May 2012)
Mr Jeff Rosewarne (Ex Officio)	(Term Concluded 28 August 2011)
Ms Helen Staindl	(Term Concluded 31 May 2012)
Professor Collette Tayler	(Term Commenced 1 June 2012)

*Mr John Maddock was reappointed on 10 July 2012 for a period of three months.

Remuneration of responsible persons

Remuneration received or receivable by the accountable officer and VCAA Board members (responsible persons) in connection with the management of the VCAA during the reporting period is shown below in relevant income bands.

	2012	2011
Income		
\$0	13	5
\$1–\$9,999	4	8
\$10,000–\$19,999	0	0
\$30,000–\$39,999	1	1
\$280,000–\$289,999	1	1
Total remuneration received, or due and receivable by responsible persons	\$349,849	\$366,412

Amounts relating to the Ministers are reported in the Financial Statements of the Department of Premier and Cabinet.

Related-party transactions

Mr Richard Bolt is the Secretary of the Department of Education and Early Childhood Development (DEECD). According to the *Education and Training Reform Act 2006*, membership of the authority must include the Secretary of the Department; and Mr John Maddock is the CEO of Box Hill Institute of TAFE, accordingly, the following values of transactions between the VCAA and DEECD and the VCAA and Box Hill Institute of TAFE were as follows:

	2012 \$'000	2011 \$'000
Revenue received	1,760	2,496
Expenditure incurred	535	753

The revenue and expenditure disclosed in this note represents transactions conducted between the parties on normal commercial terms, excluding operating appropriations.

There were no other transactions between the VCAA or a related party with a responsible persons of the VCAA or related party of those responsible persons during the reporting period.

Note 16 Responsible persons

(continued)

Remuneration of executives

The number 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 the total remuneration payable to executives over the year, including contract renegotiation, new appointments, retirements and bonus payments. These bonus payments depend on the terms of the individual employment contracts. This had an impact on total remuneration due to the inclusion of annual leave, long service leave payments and retirement benefits.

The executive officers receiving total remuneration exceeding \$100,000 during the reporting period are shown in the table below in their relevant income bands.

	Total remuneration		Base remuneration	
	2012	2011	2012	2011
Income band				
\$160,000–\$169,999	0	0	2	0
\$170,000–\$179,999	2	0	1	4
\$180,000–\$189,999	0	4	1	0
\$190,000–\$199,999	2	0	0	0
	4	4	4	4
Total amount	\$745,365	\$724,229	\$687,482	\$683,309

Note 17 Economic dependency

The VCAA is dependant on the State Government, through DEECD, for a significant volume of its operating revenue, provision of human resources, information system support, financial facilities and ongoing financial support as reported in Note 1. A letter of comfort is negotiated annually with DEECD.

Note 18 Segmental reporting

The VCAA operates predominately in the education sector and its primary responsibility is the development of curriculum assessment for all Victorian schools.

Note 19 Reconciliation of net results for the period to net cash flows from operating activities

	2012 \$'000	2011 \$'000
Net result for the period	(4,825)	2,936
Non-cash movements		
Depreciation of plant and equipment	672	408
Amortisation of leasehold improvements	103	154
Amortisation of intangible assets	1,629	853
Amortisation of leased assets (motor vehicles)	43	45
Movements included in investing and financing activities		
Loss/(Profit) on sale of assets	0	(32)
Movements in assets and liabilities		
Increase/(decrease) in receivables	790	2,031
Increase/(decrease) in prepayments	329	(382)
Increase/(decrease) in payables	1,056	(652)
Net cash flows from/(used in) operating activities	(203)	5,362

Note 20 Reconciliation of cash and cash equivalents

For the purposes of the statement of cash flows, the VCAA considers cash to include amounts on hand and amounts held in the bank and investment accounts. Cash at the end of the reporting period as shown in the statement of cash flows is reconciled to the related items in the balance sheet as follows:

	2012 \$'000	2011 \$'000
Cash at bank	9,459	10,533
Balance as per cash flow statement	9,459	10,533

Note 21 Remuneration of auditors

	2012 \$'000	2011 \$'000
Victorian Auditor-General fees	31	29
Internal Audit fees	4	4
	35	33

Note 22 Operating leases

	2012 \$'000	2011 \$'000
Non-cancellable operating leases payable		
Not longer than one year	196	94
Longer than one year and not longer than five years	151	0
Total non-cancellable operating leases payable	347	94

Note 23 Commitments for expenditure

	2012 \$'000	2011 \$'000
(a) Capital expenditure commitments		
Plant and equipment		
Payable:		
Not more than one year	262	247
Total capital expenditure commitments	262	247
(b) Operating expenditure commitments		
Payable:		
Not more than one year	1,230	2,495
Longer than one year and not longer than five years	0	134
Total operating expenditure commitments	1,230	2,629

Note 24 Contingent liabilities and contingent assets

	2012 \$'000	2011 \$'000
Contingent liabilities/assets	0	0

Note 25 Subsequent events

There were no significant events that have occurred subsequent to 30 June 2012

Note 26 Glossary of terms and style conventions

Glossary

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.

Amortisation

Amortisation is the expense which results from the consumption, extraction or use over time of a non-produced physical or intangible asset. This expense is classified as an other economic flow.

Associates

Associates are all entities over which an entity has significant influence but not control, generally accompanying a shareholding and voting rights of between 20 per cent and 50 per cent.

Biological assets

Biological assets may comprise of commercial forests and also any living animal, plant or agricultural produce that is the harvested product of biological assets.

Borrowings

Borrowings refers to interest-bearing liabilities mainly raised from public borrowings raised through the Treasury Corporation of Victoria, finance leases and other interest-bearing arrangements. Borrowings also include non-interest-bearing advances from government that are acquired for policy purposes.

Comprehensive result

The net result of all items of income and expense recognised for the period. It is the aggregate of operating result and other non-owner movements in equity.

Capital asset charge

The capital asset charge represents the opportunity cost of capital invested in the non-financial physical assets used in the provision of outputs.

Note 26 Glossary of terms and style conventions

(continued)

Commitments

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

Current grants

Amounts payable or receivable for current purposes for which no economic benefits of equal value are receivable or payable in return.

Depreciation

Depreciation is an expense that arises from the consumption through wear or time of a produced physical or intangible asset. This expense is classified as a 'transaction' and so reduces the 'net result from transactions'.

Effective interest method

The effective interest method is used to calculate 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 instrument, or, where appropriate, a shorter period to the net carrying amount of the financial asset or financial liability.

Employee benefits expenses

Employee benefits expenses include all costs related to employment including wages and salaries, fringe benefits tax, leave entitlements, redundancy payments, defined benefits superannuation plans, and defined contribution superannuation plans.

Ex gratia payments

Ex gratia payment is the gratuitous payment of money where no legal obligation exists.

Financial asset

A financial asset is any asset that is:

- (a) cash
- (b) an equity instrument of another entity;
- (c) a contractual or statutory 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.

Financial instrument

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Financial assets or liabilities that are not contractual (such as statutory receivables or payables that arise as a result of statutory requirements imposed by governments) are not financial instruments.

Financial liability

A financial liability is any liability that is:

- (a) a contractual obligation:
 - (i) to deliver cash or another financial asset to another entity; or
 - (ii) 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:
 - (i) 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
 - (ii) 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 statements, and statement of changes in equity) or it may also be used to replace the old term 'financial report' under the revised AASB 101 (September 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.

Note 26 Glossary of terms and style conventions

(continued)

General government sector

The general government sector comprises all government departments, offices and other bodies engaged in providing services free of charge or at prices significantly below their cost of production. General government services include those which are mainly non-market in nature, those which are largely for collective consumption by the community and those which involve the transfer or redistribution of income. These services are financed mainly through taxes, or other compulsory levies and user charges.

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 produced assets

Refer to produced assets in this glossary.

Intangible non-produced assets

Refer to non-produced asset in this glossary.

Interest expense

Costs incurred in connection with the borrowing of funds and includes 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.

Joint ventures

Joint ventures are contractual arrangements between the VCAA and one or more other parties to undertake an economic activity that is subject to joint control. Joint control only exists when the strategic, financial and operating decisions relating to the activity require the unanimous consent of the parties sharing control (the venturers).

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. It includes only those increases or decreases in non-financial assets resulting from transactions and therefore excludes write-offs, impairment write-downs and revaluations.

Net gain on equity investments in other sector entities measured at proportional share of the carrying amount of net assets/(liabilities) comprises the net gains relating to the equity held by the GGS in other sector entities. It arises from a change in the carrying amount of net assets of the subsidiaries. The net gains are measured based on the proportional share of the subsidiary's carrying amount of net assets/(liabilities) before elimination of inter sector balances.

Net result

Net result is a measure of financial performance of the operations for the period. It is the net result of items of income, 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 income 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.

Net worth

Assets less liabilities, which is an economic measure of wealth.

Non-financial assets

Non-financial assets are all assets that are not 'financial assets'. It includes inventories, land, buildings, infrastructure, road networks, land under roads, plant and equipment, investment properties, cultural and heritage assets, intangible and biological 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 are intangible assets needed for production that have not themselves been produced. They include constructs of society such as patents.

Non-profit institution

A legal or social entity that is created for the purpose of producing or distributing goods and services but is not permitted to be a source of income, profit or other financial gain for the units that establish, control or finance it.

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-financial 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 and style conventions

(continued)

Payables

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

Produced assets

Produced assets include buildings, plant and equipment, inventories, cultivated assets and certain intangible assets. Intangible produced assets may include computer software, motion picture films, and research and development costs (which does not include the start up costs associated with capital projects).

Public financial corporation sector

Public financial corporations (PFCs) are bodies primarily engaged in the provision of financial intermediation services or auxiliary financial services. They are able to incur financial liabilities on their own account (e.g. taking deposits, issuing securities or providing insurance services). Estimates are not published for the public financial corporation sector.

Public non-financial corporation sector

The public non-financial corporation (PNFC) sector comprises bodies mainly engaged in the production of goods and services (of a non-financial nature) for sale in the market place at prices that aim to recover most of the costs involved (e.g. water and port authorities). In general, PNFCs are legally distinguishable from the governments which own them.

Quasi corporation

An unincorporated enterprise that functions as if it were a corporation, has the same relationship with its owner as a corporation, and keeps a separate set of accounts.

Receivables

Includes amounts owing from government through appropriation receivable, short-term 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 VCAA.

Taxation income

Taxation income represents income received from the State's taxpayers and includes:

- payroll tax; land tax; duties levied principally on conveyances and land transfers;
- gambling taxes levied mainly on private lotteries, electronic gaming machines, casino operations and racing;
- insurance duty relating to compulsory third party, life and non-life policies;
- insurance company contributions to fire brigades;
- motor vehicle taxes, including registration fees and duty on registrations and transfers;
- levies (including the environmental levy) on statutory corporations in other sectors of government; and
- other taxes, including landfill levies, licence and concession fees.

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.

Style conventions

Figures in the tables and in the text have been rounded. Discrepancies in tables between totals and sums of components reflect rounding. Percentage variations in all tables are based on the underlying unrounded amounts.

The notation used in the tables is as follows:

..	zero, or rounded to zero
(xxx.x)	negative numbers
200x	year period
200x-0x	year period

The Financial Statements and notes are presented based on the illustration for a government department in the 2011–12 *Model Report for Victorian Government departments*. The presentation of other disclosures is generally consistent with the other disclosures made in earlier publications of the VCAA's annual reports.

ACCOUNTABLE OFFICER'S AND CHIEF FINANCE AND ACCOUNTING OFFICER'S DECLARATION

The attached financial statements for the Victorian Curriculum and Assessment Authority (VCAA) have been prepared in accordance with Standing Direction 4.2 of the *Financial Management Act 1994*, applicable Financial Reporting Directions, Australian Accounting Standards, including interpretations, 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 accompanying notes, presents fairly the financial transactions during the year ended 30 June 2012 and financial position of the VCAA as at 30 June 2012.

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

We authorise the attached financial statements for issue on 20th August, 2012.



Prof. Adam Shoemaker
Chair

20th August, 2012



John Firth
Chief Executive Officer

20th August, 2012



Elizabeth Tasevska
Chief Finance and Accounting Officer

20th August, 2012



Victorian Auditor-General's Office

Level 24, 35 Collins Street
Melbourne VIC 3000
Telephone 61 3 8601 7000
Facsimile 61 3 8601 7010
Email comments@audit.vic.gov.au
Website www.audit.vic.gov.au

INDEPENDENT AUDITOR'S REPORT

To the Members of Victorian Curriculum and Assessment Authority

The Financial Report

The accompanying financial report for the year ended 30 June 2012 of the Victorian Curriculum and Assessment Authority which comprises the operating statement, balance sheet, statement of changes in equity, cash flow statement, notes comprising a summary of significant accounting policies and other explanatory information, and the accountable officer's and chief finance and accounting officer's declaration has been audited.

The Board Members' Responsibility for the Financial Report

The Board Members of the Victorian Curriculum and Assessment Authority are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards, and the financial reporting requirements of the *Financial Management Act 1994*, and for such internal control as the Board Members determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

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. Those standards require compliance with relevant ethical requirements relating to audit engagements and that the audit be planned and performed to obtain reasonable assurance about 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 Board, 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.

Auditing in the Public Interest

Independent Auditor's Report (continued)

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.

Opinion

In my opinion, the financial report presents fairly, in all material respects, the financial position of the Victorian Curriculum and Assessment Authority as at 30 June 2012 and of its financial performance and its cash flows for the year then ended in accordance with applicable Australian Accounting Standards, and the financial reporting requirements of the *Financial Management Act 1994*.

Matters Relating to the Electronic Publication of the Audited Financial Report

This auditor's report relates to the financial report of the Victorian Curriculum and Assessment Authority for the year ended 30 June 2012 included both in the Victorian Curriculum and Assessment Authority's annual report and on the website. The Board Members of the Victorian Curriculum and Assessment Authority are responsible for the integrity of the Victorian Curriculum and Assessment Authority's website. I have not been engaged to report on the integrity of the Victorian Curriculum and Assessment Authority's website. The auditor's report refers only to the subject matter described above. It does not provide an opinion on any other information which may have been hyperlinked to/from these statements. If users of the financial report are concerned with the inherent risks arising from publication on a website, they are advised to refer to the hard copy of the audited financial report to confirm the information contained in the website version of the financial report.

MELBOURNE
21 August 2012


D D R Pearson
Auditor-General

Appendices

Appendix 1 2011–12 VCE Study Review Panels and Teams

Dance Study Writing Team

Dr Katrina Rank	AusDance Victoria
Ms Karen Crump	Drouin Secondary College
Ms Arna Singleton	Hollabak Dance Crew
Ms Belinda Saltmarsh-Kram	Distance Education Centre Victoria

Drama Study Writing Team

Ms Jessica Kate Kelly	Ballarat High School
Mr Eli Erez	Bialik College
Ms Catherine Garrett	Scotch College
Mr Justin Cash	Avila College, Mount Waverley

Health and Human Development Study Writing Team

Ms Katherine Jones	Penola Catholic College
Ms Monique Burke	Brentwood Secondary College

Theatre Studies Study Writing Team

Dr Richard Sallis	The University of Melbourne
Ms Robyn Kay	Loreto Mandeville Hall
Mr Mark Bailey	Swinburne Senior Secondary College

Philosophy Review Panel

Mr Ross Barham	Melbourne High School
Mr James Watt	Distance Education Victoria
Dr Lenny Robinson-McCarthy	Preshil
Ms Fiona Nevin	St Monica's College
Professor Graham Oppy	Monash University
Dr Monima Chadha	Monash University
Mr Philip Byrt	RMIT TAFE
Dr Douglas Adeney	The University of Melbourne
Dr Janette Poulton	Victorian Association of Philosophy in Schools
Mr Rodney Latham	Heathdale Christian College

Appendix 2 Statutory reporting requirements

Consultancies and major contracts

Disclosure is required of individual consultancies (within the accepted criteria) awarded during the reporting period that are in excess of, less than or equal to \$10,000 (excluding GST).

During the reporting period no consultancies (within the accepted criteria) in excess of, less than or equal to \$10,000 (excluding GST) were awarded, and no contracts with a value of \$10 million or above were awarded.

The *Victorian Industry Participation Policy Act 2003* requires public bodies and departments to report on the implementation of the Victorian Industry Participation Policy (VIPP). The VIPP is applied to all Victorian Government short-listed individual tender responses over \$3 million in metropolitan Melbourne and over \$1 million in regional Victoria. During the 2011–12 reporting period, the VCAA recorded two contractual engagements requiring application of the VIPP provisions. The Provision of a Secure Courier Service for the VCE had a total value of approximately \$3.5 million (including GST) over three years (2011–16) while the delivery of the NAPLAN had a total value of approximately \$7.4 million (including GST) over 2 years (2012–13). Both engagements were in metropolitan Melbourne.

Competitive neutrality

In a report to DEECD on the National Competition policy, the VCAA was identified as not subject to the Competition Code. The report found that the VCAA had little, if any, potential to be involved in anti-competitive practices. Although the VCAA's activities are mainly regulatory in nature, the VCAA is empowered to charge fees for the services it provides under section 2.5.5 of the *Education and Training Reform Act 2006*.

Building Act 1993

The building occupied by the VCAA at 41 St Andrews Place is a government-owned building. A formal occupancy arrangement with DEECD is current. The VCAA is committed to providing a safe and secure building for staff and visitors and full compliance with the provisions of the *Building Act 1993*.

Most of the VCAA's assessment-related units are based at a site in Coburg. The VCAA also has the occupancy of a single warehouse facility to cater for the organisation's storage needs.

Public accountability and compliance

Under the accrual output-based appropriation, budgeting, performance monitoring and reporting model introduced by the Government in the 1998–99 budget, accountability for departments and government agencies commenced with the publication of budget portfolio Financial Statements in the annual Budget Paper No. 3 and ended with the publication of actual results in respective annual reports.

The VCAA, in conjunction with DEECD, reported its performance against outputs on a quarterly basis and its financial aggregates on a monthly basis to the Department of Treasury and Finance.

Industrial disputes and time lost due to injury

Industrial disputes

There were no staff hours lost as a result of industrial disputes during the financial year.

Industrial accidents

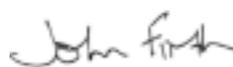
There were no new claims submitted in the 2011–12 financial year. Four hundred and sixty-two staff hours were lost due to an existing claim.

Risk attestation compliance statement

We, Adam Shoemaker and John Firth, certify that the VCAA has risk management processes in place consistent with the Australian/New Zealand Risk Management Standard AS/NZS ISO 31000:2009 (or its successor) and an internal control system in place that enables the executive to understand, manage and satisfactorily control risk exposures. The Audit Committee verifies this assurance and that the risk profile of the VCAA has been critically reviewed within the last 12 months.



Professor Adam Shoemaker



John Firth

Appendix 3 Workforce data

Full-time equivalent of staff in the VCAA on pay by gender and classification, year ending June 2012

Classification	2011–12			2010–11		
	Males	Females	Total	Males	Females	Total
Victorian Public Service						
Executive Officers	4.0	1.0	5.0	4.0	1.0	5.0
VPSTEC	1.0	–	1.0	1.0	–	1.0
VPSG6	17.0	15.8	32.8	18.0	17.8	35.8
VPSG5	21.3	41.8	63.1	19.9	41.3	61.2
VPSG4	12.0	19.2	31.2	13.0	18.2	31.2
VPSG3	22.6	28.2	50.8	18.7	26.5	45.2
VPSG2	7.7	9.6	17.3	8.7	12.6	21.3
VPS Casual	0.6	–	0.6	–	–	–
Other non–VPS*	–	–	–	1.0	1.0	2.0
Total	86.2	115.6	201.8	84.3	118.4	202.7

VCAA staff are included in DEECD workforce data.

* 1.0 FTE substantive Government Teaching Service staff acting in VPS roles in the VCAA

Occupational health and safety

The VCAA's occupational health and safety (OHS) objectives are:

- to prevent injury/illness from occurring in the workplace
- to maintain the good health and wellbeing of all staff
- to comply with all statutory requirements of Acts and Regulations, codes of practice and standards.

To fulfil these objectives the VCAA:

- is proactive in ensuring that the workplace is safe and without risk to health
- is continually monitoring the health and wellbeing of the employees and conducting quarterly risk assessments of the work environment
- is actively assisting OHS representatives to maintain their knowledge and keep abreast of any legislative changes to the *Occupational Health and Safety Act 2004*
- developed and applied OHS policies, procedures and practices in accordance with statutory requirements and accepted health and safety standards.

Major initiatives in 2011–12 included:

- supporting the management representative and the OHS representative to maintain the skills and knowledge required for their roles
- actively encouraging staff to report any and all OHS and first aid issues
- continuing to review and upgrade first aid skills, including automatic external defibrillator training, of all first aid officers
- maintaining the knowledge level of all building wardens through practical drills
- actively seeking additional wardens.

Performance targets

OHS performance met or exceeded its targets in 2011–12. During the reporting period, the VCAA received no standard claim and no Improvement or Prohibition Notices were issued to the VCAA.

The target for 2012–13 is to maintain this standard.

Workplace Consultative Committee

The Workplace Consultative Committee was established in 2004 as a forum to identify and resolve staff issues related to accommodation, OHS, professional development and training, planned changes to structures and programs, and human resource activities.

The Committee meets to develop and recommend policies and practices to promote a healthy and mutually supportive work culture and environment within the organisation, provide a consultation forum for staff and management, and act in an advisory capacity to executive management.

Merit training

Three VCAA staff completed the accreditation training during the reporting period. Ninety-five current staff have trained in merit-based selection procedures.

A merit protection-accredited person is required to be included on all selection panels and in many other situations where personnel decisions are made.

Appendix 4 Freedom of Information

Publication requirements

The information required to be published pursuant to section 7 of the *Freedom of Information Act 1982* (FOI Act) follows, except for information required by that section published elsewhere in this report.

Queries about the availability of and charges for other material prepared under Part II of the FOI Act should be directed to the following address:

The FOI Officer
41 St Andrews Place
East Melbourne 3002
Telephone (03) 9651 4535
Email: foi.vcaa@edumail.vic.gov.au

Categories of documents

The following are the general categories of documents maintained by the VCAA:

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

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

Personnel documents

Paper records on remuneration and appointments to the VCAA are maintained in registered files.

Accounting records

Accounting records are maintained on a computerised accounting system. The records deal with general ledger entries, accounts payable, payroll and other accounting functions. Paper records are also kept as registered files.

Student records

Personal, enrolment and assessment information for VCE and VCAL students is maintained using the Victorian Assessment Software System, a web-based system that provides direct communication between the VCAA and VCE and VCAL provider schools.

Other categories of documents maintained internally include records associated with curriculum and examinations. Some records are protected from public release on the grounds of personal privacy, others by the restrictions placed on examination materials. Previous examination papers are published on the VCAA website.

Information provided by the VCAA about its operations covers VCE and VCAL areas of study, school assessment, examinations, curriculum and standards for F-10, the VELS, NAPLAN, GAT and other more general information.

Freedom of Information arrangements

Access to records

Access to some records held by the VCAA, such as for VCE students wishing to obtain replacement statements and/or certificates, can be organised via established routine procedures. The VCAA's Information Services staff can provide initial information to people regarding such protocols. Applicants seeking access to documents that are not the subject of VCAA access procedures should address their request to the authorised officer.

Requesting access under the FOI Act

Applicants are required under the FOI Act to submit applications requesting access to documents in writing in a way that clearly describes the document(s) sought. The request should specify that the application is made under the FOI Act and should not form part of a letter on another subject. The applicant should provide the following information:

- name
- address
- telephone number (where applicant can be contacted during business hours)
- details of document(s) requested
- the form of access required, such as copies of documents, inspection of files or other.

Fees

An application fee is required unless evidence of hardship is provided. Applicants are advised that other charges may be made in accordance with the Freedom of Information (Access Charges) Regulations 2004. Details of the fee and access charges can be found at www.foi.vic.gov.au.

Appeals

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

Correction of personal information

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

Summary for year ended 30 June 2012

In 2011–12, two requests under the FOI Act were made.

Appendix 5 Additional information

In compliance with the requirements of the Standing Directions of the Minister of Finance, details in respect of the items listed below have been retained by the VCAA and are available to the relevant ministers, members of parliament and the public on request (subject to freedom of information requirements, if applicable):

- a statement that declarations of pecuniary interests have been completed by all relevant officers of the VCAA
- details of shares held by senior officers as nominees or held beneficially in a statutory authority or subsidiary
- details of publications produced by the VCAA about the activities of the VCAA and where they can be obtained
- details of changes in price, fees, charges, rates and levies charged by the VCAA for its services, including services that are administered
- details of any major external reviews carried out in respect of the operation of the VCAA
- details of any other research and development activities undertaken by the VCAA that are not otherwise covered either in the report of operations or in a document that contains the financial statement and report of operations
- 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 VCAA to develop community awareness of the services provided by the VCAA
- details of assessments and measures undertaken to improve the occupational health and safety of employees, not otherwise detailed in the report of operations
- a general statement on industrial relations within the VCAA and details of time lost through industrial accidents and disputes, which are not otherwise detailed in the report of operations
- a list of major committees sponsored by the VCAA, the purposes of each committee and the extent to which the purposes have been achieved.

Enquiries regarding details of this information should be addressed to:

Executive Director Planning, Strategy and Corporate Support
 VCAA 41 St Andrews Place East Melbourne 3002
 Telephone (03) 9651 4348
 Email: vcaa@edumail.vic.gov.au

Appendix 6 *Whistleblowers Protection Act 2001*

The *Whistleblowers Protection Act 2001* (WP Act) DEECD Guidelines have been adopted as the appropriate procedures for managing disclosures made under the WP Act concerning Board members and/or employees of the VCAA.

VCAA Guidelines

The VCAA 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 WP Act.

The VCAA 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 WP Act.

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/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 VCAA

Disclosures of improper conduct or detrimental action by employees of the VCAA may be made directly to the following:

Protected Disclosure Coordinator

Ms Lea Saddington
Executive Director
Planning, Strategy and Corporate Support
Telephone: (03) 9651 4348

Protected Disclosure Officer

Mr Doug Hamilton
Senior Investigator Compliance FOI and Privacy Officer
Telephone: (03) 9651 4535

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.

Alternative contact persons

A disclosure about improper conduct or detrimental action by employees of the VCAA 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
 Email: ombudvic@ombudsman.vic.gov.au
 Telephone: (03) 9613 6222

Report on activity under the *Whistleblowers Protection Act 2001*

No disclosures were made during the reporting period.

The number and types of disclosure made to the public body during the year	0
The number of disclosures referred during the year by the Ombudsman	0
The number and types of disclosed matters referred to the public body during the year by the Ombudsman	0
The number and types of disclosed matters referred during the year by the public body to the Ombudsman to investigate	0
The number and types of investigations of disclosed matters taken over by the Ombudsman from the public body during the year	0
The number of requests made under section 74 during the year to the Ombudsman to investigate disclosed matters	0
The number and types of disclosed matters that were substantiated on investigation and the action taken on completion of the investigation	0
The number of types of disclosed matters that were substantiated on investigation and the action taken on completion of the investigation	0
Any recommendations of the Ombudsman under this Act that relate to the public body	0

Appendix 7 Privacy policy

The VCAA is committed to the privacy principles in all its data-gathering procedures.

Complaints-handling procedures

Contacting the VCAA

The VCAA makes every attempt to settle queries or complaints about privacy through direct communication with the party involved.

First contact is made through the Privacy Officer or via email:

<privacy.vcaa@edumail.vic.gov.au>.

If, through informal discussion, a complaint is not resolved to the satisfaction of the complainant, then a written complaint is lodged with the VCAA.

Lodging a complaint in writing

Written complaints are lodged with:

The Privacy Officer
VCAA
41 St Andrews Place
East Melbourne 3002

Details provided in the complaint must include:

- name and address of person lodging the complaint
- privacy concern(s)
- if applicable, how concern(s) could be remedied.

Confirmation from the VCAA

Within 14 days of receipt of a complaint, the Privacy Officer:

- confirms receipt of the complaint in writing and informs the complainant that an investigation will be conducted and a response provided as soon as practicable, but in no more than 45 days from the day the complaint is received at the VCAA
- commences an investigation into the complaint.

Summary for the year

For the year ending 30 June 2012, no complaints were lodged during the reporting period.

For further information regarding privacy legislation, refer to the Victorian Privacy Commissioner's website at www.privacy.vic.gov.au.

Appendix 8 Disclosure index

Ministerial Directions

Report of operations

Legislation	Requirement	Page
Charter and purpose		
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FRD 22C	Objectives, functions, powers and duties	13
FRD 22C	Nature and range of services provided	13
Management and structure		
FRD 22C	Organisational structure	17
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FRD 8B	Budget portfolio outcomes	n/a
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FRD 22C	Employment and conduct principles	91
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FRD 22C	Compliance with building and maintenance provisions of <i>Building Act 1993</i>	88
FRD 22C	Statement on National Competition Policy	88
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FRD 22C	Details of consultancies over \$10 000	88
FRD 22C	Details of consultancies under \$10 000	88
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SD 4.2(b)	Balance sheet	37
SD 4.2(b)	Cash flow statement	39
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SD 4.2(c)	Compliance with Ministerial Directions	n/a
SD 4.2(d)	Rounding of amounts	49
SD 4.2(c)	Accountable officer's declaration	84
SD 4.2(f)	Compliance with Model Financial Report	83
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FRD 11	Disclosure of ex-gratia payments	n/a
FRD 13	Disclosure of parliamentary appropriations	n/a
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	<i>Building Act 1993</i>	88
	<i>Whistleblowers Protection Act 2001</i>	95
	<i>Victorian Industry Participation Policy Act 2003</i>	88
	<i>Financial Management Act 1994</i>	41
	<i>Public Administration Act 2004</i>	n/a

Appendix 9 Board meeting attendance

	A	B	C
Esmerelda Bamblett	3	7	
Richard Bolt ¹	6	6	
Professor Adrienne Clarke ²	n/a	n/a	
Polly Flanagan	6	7	1
Tony Larkin	6	7	
John Maddock	7	7	
Vicki Miles ²	n/a	n/a	
Dale Pearce ²	n/a	n/a	
Glen Pearsall	6	7	
Debra Punton	6	7	1
Jeff Rosewarne	1	1	
Professor Adam Shoemaker	7	7	
Helen Staindl	6	7	1
Professor Collette Tayler ²	n/a	n/a	

A Number of meetings attended.

B Number of meetings scheduled while in office.

C Number of meetings for which leave of absence was granted.

¹ Represented by Chris Wardlaw on 29 Feb 2012 and 18 April 2012 and by John Sullivan on 30 May 2012.

² Appointed 1 June 2012.

Acronyms and abbreviations

AAS	Australian Accounting Standard
AASB	Australian Accounting Standards Board
ACARA	Australian Curriculum, Assessment and Reporting Authority
ALD	Assessment for Learning and Development
ANU	Australian National University
APS	Assessment Processing System
ATAR	Australian Tertiary Admission Rank
ATO	Australian Tax Office
AUD	Australian dollar
Auslan	Australian Sign Language
BEIP	Broadband Enabled Innovation Program
CAS	Computer algebra system
CAT	Computer-adaptive test
CCAFL	Collaborative Curriculum and Assessment Framework
CECV	Catholic Education Commission Victoria
CEO	Chief Executive Officer
CLIL	Content and Language Integrated Learning
CMS	Content Management System
DEECD	Department of Education and Early Childhood Development
DTF	Department of Treasury and Finance
ESL	English as a second language
FMA	Financial Management Act
FOI	Freedom of Information
FTE	Full-time equivalent
GAAP	Generally Accepted Accounting Principles
GAT	General Achievement Test
GFS	Government Finance Statistics
GG	General Government
GGS	General Government Sector
GPC	Government Purpose Classification

GST	Goods and services tax
KMP	Key Management Personnel
LOTE	Languages other than English
MLTAV	Modern Languages Teachers Association of Victoria
NAPLAN	National Assessment Program – Literacy and Numeracy
NMS	National Minimum Standard
NQF	National Quality Framework
OCI	Other comprehensive income
OHS	Occupational health and safety
PDS	Personal Development Skills
PFC	Public financial corporations
PNFC	Public non-financial corporation
QA	Quality assurance
RDR	Reduced Disclosure Requirement
SFS	Skills for Further Study
TAFE	Training and Further Education
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
VIPP	Victorian Industry Participation Policy
VLT	VCAL Liaison Teachers
VOSS	VCAA Online Scoring System
VPS	Victorian Public Service
VTAC	Victorian Tertiary Admissions Centre
WP	Whistleblowers Protection

