

Report of operations—year in review

Our mission

The Department of Education and Training exists to support Victorians to build prosperous, socially engaged, happy and healthy lives. We do this by supporting lifelong learning, through strengthening families and helping people to gain the skills and knowledge they need to thrive and participate in a complex and challenging economy and society.

The provision of high-quality education, training, development, wellbeing and child health services (i.e. our learning and development services) are central to rewarding lives for individuals and families, and for a strong society that has lower crime rates, better health outcomes, greater social mobility, and strong economic growth, productivity and employment. The goals we set, the changes we implement, the systems we support, and the services we offer all must lead to improved learning and development outcomes.

Values

The Department is a learning organisation. In our relationships with colleagues, children and young people, parents and families, partners, and local and global communities, we commit to the following values:

Collaboration and Knowledge Sharing—we proactively share our expertise and information and willingly work with others

Outcomes—we always strive to do things better and deliver quality outcomes

Respect and Diversity—we respect others and value diversity

Empowerment—we enable individuals to reach their potential and maximise their contribution.

Secretary's report

The Victorian Government has committed to make Victoria the Education State.

This exciting vision for Victoria is founded on the fact that public education does not serve a public, it creates a public. The vision is for the best future for Victoria and, as such, the Education State has the makings of one of the most far-reaching socioeconomic reform platforms in the state's living memory.

I began as Secretary in January 2015 and ever since then I've been talking with education professionals, principals, staff, experts and many others throughout Victoria about how we make the Education State a reality.

For the Department, already it has shaped our immediate priorities for consulting on a new regional model and for supporting our services and schools to improve performance. The early years and school years represent at once the best beginnings for every child in Victoria and the cornerstones of the Education State.

The vision for the Education State quickly changed how we do things too; we're in open conversation with Victorians on how we build the Education State across early childhood, schools and Vocational Education and Training (VET), we're strengthening governance arrangements to sharpen our focus on outcomes, and we've redoubled our commitment to proper public service.

The Education State represents the long-term trajectory for our education system, toward a system with much, much stronger connections between the early years, primary and secondary schooling, and VET and higher education.

This is a vision to ensure every child—regardless of their background, postcode or circumstance—has access to safe, high-quality early childhood services, to a great school with great teachers in every classroom, and to world-class training that gets them ready to succeed in the workplaces of tomorrow.

The Education State reform agenda was anchored by the 2015–16 State Budget, which auspices the largest investment in education on record.

This past year the Victorian Government secured two more years of funding for 15 hours of kindergarten. We're also making good on the Government's commitment to build and upgrade kindergartens and integrated children's centres across the state. Combined, our efforts will continue to increase access to the kind of high-quality early childhood education and care that helps prepare young Victorians for happy, healthy, meaningful lives.

We know that education can change people's lives; it can be especially powerful in a young person's life, for helping unlock their potential and reaching for opportunities they value. To this end and on the strength of this year's Budget we've been working across the education system to tackle disadvantage at every stage of a young person's life. Already we've established Breakfast Clubs, the Camps and Excursions Fund, and the Glasses for Kids program. And considerable work is underway to drive improvement in our schools and provide school leaders and teachers with the support they need to engage every child in a great education.

We're also supporting young people to kick-start their careers through stronger, more structured pathways. The Tech School initiative is a really exciting program aimed at equipping young people with the skills they need to move confidently into work or further training. More broadly, our work on the Government's VET funding and quality reforms will prove critical to making the sector sustainable and adaptive to the needs of industries and communities in Victoria's fast-changing economy. A strong VET sector is vital to making Victoria the Education State and supporting jobs, industry and economic growth through the Government's Back to Work Plan. We know that VET supports individuals to attain knowledge, skills and qualifications they need to improve their life chances, participate in society and contribute to the economy.

The Department itself needs strong foundations to be able to deliver on the Education State.

During this past year the Department cooperated with the Independent Broad-based Anti-corruption Commission (IBAC) on *Operation Ord*, which uncovered serious corruption and misconduct on the part of public sector employees as well as practices and behaviours that do not meet the standard Victorians expect and deserve.

The Department has been working to improve its financial controls and cultural practices. I appeared as the last witness at the *Operation Ord* public hearings and on that occasion I announced further changes to strengthen finance, procurement and audit functions, and set expectations for conduct, culture and behaviours based on integrity and the core public sector values.

The Department's people—people who exemplify service and dedication—have responded with determination and energy and shared commitment to restoring Victoria's trust and confidence in our important work.

I am confident that these changes along with the very strong commitment of our people will enable the Department to engage all of Victoria in the Education State, starting in 2015 and over the longer term.

I look forward to working with people in our Department, people across Victoria's education system and colleagues across government as we make Victoria the Education State.

Gill Callister

Secretary

About this report

In accordance with Ministerial Financial Reporting Direction (FRD) 30B that annual reports be “reports of the financial and business operations of an entity, produced to comply with relevant Victorian legislation and pronouncements”, material not required under relevant legislation and pronouncements is not included in this report. An index that identifies the Department’s compliance with statutory disclosure requirements is provided on page 166.

Purpose and functions

The Department is responsible for delivering statewide learning and development services to at least one-third of all Victorians every year.

The Department provides education and development services to children, young people and adults directly through government schools, and indirectly through the regulation and funding of early childhood services, non-government schools and training providers.

Early Childhood	School Education	Higher Education and Skills
Birth to 8 <i>more than 400,000 children and families</i>	5 to 18 <i>more than 915,000 students</i>	15 to 65+ <i>more than 443,000 in government-subsidised vocational education and training</i>
<ul style="list-style-type: none"> • Maternal and child health services • Early years learning and development including early childhood education and care services • Early childhood intervention services 	<ul style="list-style-type: none"> • Primary education • Secondary education • Special education • Health and wellbeing 	<ul style="list-style-type: none"> • Vocational education and training • Higher education • Apprenticeships and traineeships • Adult, community and further education
We have a diverse range of public, private and not-for-profit providers serving Victorians of all ages:		
<ul style="list-style-type: none"> • More than 4000 approved education and care services and approximately 450 licensed children’s services including services that provide long day care, kindergarten, outside school hours care, occasional care and family day care • 652 maternal and child health service locations 	<ul style="list-style-type: none"> • 1528 government schools • 700 non-government schools 	<ul style="list-style-type: none"> • 12 TAFE institutes • 8 public universities (four of which also provide vocational training), one specialised university and campuses of the multi-state Australian Catholic University • 314 registered adult and community education providers including two Adult Education Institutions • 497 government-contracted registered training organisations (including TAFEs, universities and Learn Local Providers)

The Department plays a significant role as system architect, regulator, and funder/purchaser across Victoria’s learning and development system. It is also the owner-operator of government schools. The Department’s roles are outlined below.

System architect

Improvements to the outcomes of Victoria’s learning and development system can be driven by improvements to its design. The Department’s role is to advise the Government on design improvements, especially those relating to funding and regulation. Liaison with the Commonwealth is also a critical element of this role.

Regular monitoring and evaluation of performance outcomes informs system improvements.

Regulator

The Department and the portfolio authorities play a critical role in the regulation of service providers and teachers across the early childhood, school and training sectors, thereby ensuring provision of high-quality and robust learning and development services to Victorians.

The Department regulates more than 4000 children's services as required by the *Education and Care Services National Law Act 2010* and *Children's Services Act 1996*, assesses education and care services against the National Quality Standard, responds to notifications and complaints, monitors compliance, grants licences, determines administrative and statutory sanctions, and provides advice and guidance to the sector to increase its capacity to comply with the legislation.

The Victorian Registration and Qualifications Authority (VRQA) is responsible for the registration of school education and senior secondary education providers and some providers in the vocational training sector. The VRQA is also responsible for the accreditation of courses and the registration of qualifications for registered providers.

The Victorian Institute of Teaching is responsible for the registration of teachers, develops standards of professional practice and approves and accredits pre-service teacher education courses.

Funder/purchaser

The Department administers the funding and associated reporting requirements for service providers including early childhood intervention services, kindergartens, maternal and child health services, non-government schools, and training providers. The administration of funding is guided by its broader work on systems architecture, to ensure that the funds available for learning and development services in Victoria are used to best effect.

Owner-operator

The Department is the largest owner-operator of educational providers in the state, with more than 1500 government schools. The size of Victoria's government school system is one of its great strengths, allowing economies of scale and enabling innovation to flourish and be shared.

As owner-operator, the Department gives schools a higher level of autonomy than is found in most systems around the world, while setting clear accountabilities and expectations and providing a range of support services.

The Department has a responsibility to ensure the services it offers are high-quality, efficient and fair. To this end it has significant streams of work in relation to:

- Talent development: to identify and develop great leaders and make sure Victorian institutions are distinguished by their cultures of professional learning
- Shared services: to provide economies of scale (such as allowing government schools to opt in to large information technology purchases) and other consolidated services (such as shared payroll services for departmental and Government Teaching Service staff).

System services and a Centre of Excellence

The Department and its authorities provide services to the education system to help service providers fulfil their obligations and improve their performance.

The Victorian Curriculum and Assessment Authority (VCAA) provides high-quality curriculum, assessment and reporting that enables lifelong learning.

The Department identifies, develops and actively shares good practice and resources to support learning and development providers. Historically, this has been most evident in the school sector (both government and non-government), but the Department has in recent years developed an increased role in sharing and supporting good practice among early childhood practitioners and within the training sector.

Structural changes to the Department during 2014–15

There were no changes to the Department's organisational structure during 2014–15 that resulted in changes to the Department's output structure.

Implementation of election commitments and development work around the Government's commitment to Victoria as the Education State has been the focus of the Department's work since December 2014.

Key initiatives and achievements

The Victorian Government has committed to make the Victoria the Education State. In 2015, the Department commenced whole-of-Government work and significant consultation with the community and stakeholders to build the vision and foundations of the Education State from the early years through to post-school education and training. These reforms and initiatives were supported by significant investment in education through the 2015–16 State Budget.

In the early years the Department continued to increase access to, and the quality of, early childhood services. The Government secured two further years of Commonwealth funding for 15 hours of kindergarten for four-years-olds under the National Partnership Agreement on Universal Access to Early Childhood Education. Victoria is expected to receive approximately \$204 million under the National Partnership across 2016 and 2017. In addition, the Victorian Government provided \$83.7 million over four years to support early childhood services to transition to improved educator-to-child ratios, as required under the National Quality Framework. From the start of 2016, Victorian kindergarten services will move from an educator-to-child ratio of 1:15 to 1:11 or better. On capital investment, the State Budget provided \$50 million over four years to upgrade kindergartens and integrated children's centres, particularly in areas experiencing rapid population growth and those with high levels of disadvantage. The Department opened the first capital grants round in May 2015 with funding to be provided to services from the second half of 2015.

In the education portfolio, initiatives focused on addressing disadvantage and achieving excellence, creating stronger pathways from school into work or further education, and building the high-quality infrastructure necessary to support the Education State in schools. A \$178 million package of initiatives was provided in the State Budget to address disadvantage faced by school-aged children. These initiatives include the establishment of a Camps, Sports and Excursions Fund to assist eligible students to cover the costs of school trips, camps and sporting activities; a new partnership with Foodbank to deliver breakfast clubs in 500 government primary schools across the state every school day; and extension of the Department's partnership with State Schools Relief to expand the current uniform programs to also fund the purchase of books, stationery and software, and establish a new Glasses for Kids program.

Two key reviews were launched in the education portfolio. Consistent with the Government's commitment, the Department is leading the Review of the Program for Students with Disabilities (PSD), as one of nine initiatives in the Special Needs Plan for Victorian Government Schools. The review is examining how to transition the current PSD to a family-friendly, strength-based approach to inclusive education for students with a disability, and is due to report to the Minister for Education in late 2015. The former premier, the Hon. Steve Bracks AC, is undertaking a review of government school funding to examine funding arrangements for schooling in Victoria for the period beyond 2017. The review will provide recommendations to the Minister for Education on how to improve the Student Resource Package and deliver a transparent school funding model, which supports schools and promotes excellent educational outcomes for all Victorian government school students. The 2015–16 State Budget also saw Victoria commit in full to our obligations under the Gonski National Agreement for the 2015, 2016 and 2017 school years. On capital investment, the Government provided \$730 million in the State Budget for a school building program—the largest school infrastructure investment ever in Victoria. This comprised \$567.5 million for government school capital works to be delivered by the end of 2018–19, \$120 million for non-government school infrastructure, and funding for maintenance and asbestos removal.

In 2014–15, planning works commenced on 10 state-of-the-art Tech Schools to be implemented in partnership with schools, higher education and training providers,

industry, local governments and communities. The Tech Schools will strengthen links between education and industry and equip Victorian students with the skills required to compete in a global economy.

In training and skills, two key external reviews were commissioned to guide reforms to strengthen and stabilise Victoria's vocational education and training (VET) sector. The independent VET Funding Review led by Bruce Mackenzie PSM was established in February 2015 under the *Inquiries Act 2014* and is due to report to Government in late 2015. The VET Funding Review is complemented by the Review of Quality Assurance in Victoria's VET System, which was released with the Government response in June 2015. In light of the review, the Department commenced immediate action to target a range of compliance and conduct issues in the current system and to exclude low-quality providers from government funding. In line with the Government's election commitment, the Department established a \$320 million TAFE Rescue Fund to support TAFEs to offer courses relevant to the communities they serve and improve their financial position. The first \$20 million was disbursed between seven TAFEs by the end of June 2015 to assist the institutes to retain staff, and improve training, courses and job opportunities for students. In addition, total funding of \$48 million was provided to all 12 TAFE institutes and two dual-sector universities from the TAFE Back to Work Fund to build capability and partnerships with businesses and industry, including those in the six growth sectors identified in the Government's Back to Work Plan.

Objectives, indicators and outputs

The Department's objectives, and indicators¹ for each objective, are set out in 2014–15 State Budget Paper No. 3 *Service Delivery* and shown in Table 1.

Budget Paper No. 3 also sets out the Department's outputs and the performance measures for each output. Each output is linked to each objective and indicator as shown in Table 1.

The Department's progress towards its objectives and indicators is reported under Progress towards objectives and indicators on page 10.

For each output, there are a range of performance measures. The Department's performance against its output performance measures is reported under Performance against output performance measures on page 17

¹ 'Departmental objectives' are represented in departmental strategic plans terms as 'outcomes', and 'indicators' and 'objective indicators' as 'performance indicators'.

Table 1—Departmental objectives, indicators and linked outputs

Objectives	Indicators	Outputs
Achievement Raise standards of learning and development achieved by Victorians using education, development and child health services	Children developmentally 'on track' on the Australian Early Development Index language and cognitive skills domains	Strategy, Review and Regulation Early Childhood Development School Education—Primary
	Students meeting the expected standard in national and international literacy and numeracy assessments	School Education—Secondary Support Services Delivery Support for Students with Disabilities
	VET course completions	Higher Education and Skills
	Year 12 or equivalent completion rates of young people	
Engagement Increase the number of Victorians actively participating in education, development and child health services	Participation in a kindergarten service in the year before school	Strategy, Review and Regulation Early Childhood Development
	Participation in Maternal and Child Health Services	School Education—Primary School Education—Secondary
	Students with acceptable levels of school attendance	Support Services Delivery
	Students with a positive opinion of their teachers providing a stimulating learning environment	Support for Students with Disabilities Higher Education and Skills
	VET enrolments by age and gender	
	VET enrolments by administrative region	
	Enrolments by skills shortage category courses	
	Enrolments by specialised category courses	
Wellbeing Increase the contribution education, development and child health services make to good health and quality of life of Victorians, particularly children and young people	Children developmentally 'on track' on the Australian Early Development Index social competence and emotional maturity domains	Strategy, Review and Regulation Early Childhood Development School Education—Primary School Education—Secondary
	Students feeling connected to their school	Support Services Delivery Support for Students with Disabilities
	Students with a positive opinion about their school providing a safe and orderly environment for learning	Higher Education and Skills
	Level of student satisfaction with VET	
Productivity Increase the economic and social return on expenditure on the Department's services	\$ per kindergarten student per year (or early childhood intervention services or maternal and child health)	Strategy, Review and Regulation Early Childhood Development School Education—Primary
	\$ per primary school student per year	School Education—Secondary Support Services Delivery
	\$ per secondary school student per year	Support for Students with Disabilities
	\$ per VET student contact hour	Higher Education and Skills

Progress towards objectives and indicators

The Department seeks to measure the progress of children and young people as they move from early childhood into their school years and then into further education and work.

This section reports on the Department's progress on its four objectives—*Achievement*, *Engagement*, *Wellbeing* and *Productivity*—through a range of indicators. Trends in these indicators demonstrate that the Department's performance story is complex; in some areas we have made gains, while in others there is significant room to improve.

In 2014–15, the Department finalised a review of its indicators. The review, which drew on best-available evidence, enabled the Department to address gaps in existing data collections to strengthen our tracking of performance and progress. The Department's *2015–19 Strategic Plan*, currently being developed, outlines strategies to improve performance for all Departmental objectives.

Achievement

For *Achievement* indicators, Victoria performs well in the triennial Australian Early Development Index, with the majority of Prep students assessed as on track in the development of their language and communication skills in 2012.

Results from the National Assessment Program—Literacy and Numeracy (NAPLAN) show that the proportion of Victorian students meeting the expected national standard in literacy and numeracy has remained stable with slight (but statistically insignificant) decreases for some Year levels. While Victorian students perform well in NAPLAN assessments when compared to other states and the Australian average, the educational achievement of our students has stalled over recent years. When looking at international results from the triennial Programme for International Student Assessment (PISA), the performance of Victorian students in reading and mathematics literacy has not improved in the past two assessments, and shows a slight decrease in performance at the top end of the scale.

The proportion of Victorian students completing their Year 12 or equivalent remains high, despite a small decrease in 2014.

In 2014 there were 249,700 vocational completions. This represents a significant increase from 2013 (13 per cent) and a result that is nearly two-thirds (64 per cent) higher than in 2010. It is likely that these completions are a result of the high level of delivery in previous years. While overall *numbers* of course completions have increased, other reported data¹ show that completion *rates* have been in decline, with most courses not being completed (62 per cent in 2013). A challenge will be to lift completion rates, particularly in training related to occupations in demand by industry.

Engagement

Engagement with early childhood services remains high. In 2014–15 nearly all newborns participated in their first maternal and child health consultation, and participation rates for the 12-month consultation increased. Rates of participation in kindergarten services for Victorian children in the year before school also remained high, at 96.4 per cent, with a new methodology (counting children rather than enrolments) providing a more accurate rate than previously.

Student attendance at school was similar to previous years, and the percentage of students reporting that their teachers provided a stimulating learning environment remained generally stable, with a minor decrease in positive responses from students in Years 11–12. The Department has committed to better tracking students at risk of disengaging from school as part of a program of works to strengthen school transitions.

¹ Victorian Training Market Report 2014, page 19, <http://www.education.vic.gov.au/training/providers/market/pages/reports.aspx>

In 2014 there were nearly 450,000 students enrolled in government-subsidised training in Victoria, an eight per cent decrease compared with 2013. This decline was particularly apparent for enrolments by young people aged 15 to 19 years, which fell 18 per cent over the past year. All areas of the state experienced a decline over the last year.

Government-subsidised enrolments in areas of skill demand and specialised training have steadily increased since 2010.

In early 2015 the Government commissioned an independent VET Funding Review to report on how to improve the quality, stability and sustainability of the Victorian training market. This will include consideration of alternative funding models and settings that match training delivery to the growing job opportunities in Victorian industries. The final report is due to be provided to Government in August 2015.

Wellbeing

For *Wellbeing*, indicators show positive trends in the early years. Breastfeeding rates at three and six months have remained stable. More than half of three-month-old infants are fully breastfed. The majority of Victorian children (nearly 80 per cent) are developmentally on track, according to the 2012 Australian Early Development Index.

The proportion of children who have no behavioural issues on entry to Prep (as identified by their teacher) has decreased slightly since 2010 but more than 85 per cent are identified as not having behavioural issues. The proportion of children who have no general developmental issues on entry to Prep (as identified by parents) has decreased significantly since 2010 (with only slight decreases since 2013). This may reflect increased awareness and concerns from parents about child development issues.

Students' feelings of wellbeing have remained relatively stable, with feelings of connectedness to school and perceptions that schools provide a safe and orderly learning environment changing little in recent years. There has, however, been an increase since 2013 in positive student responses to feeling safe at school.

The level of student satisfaction with the quality of vocational training appeared to decline in 2014. While this represents a modest reduction from a high base, it flags possible quality issues for the sector.

Productivity

Productivity is an important performance outcome because understanding the cost of our services is essential to making a balanced assessment of their value.

In 2015 the standard per-capita rate paid by the Victorian Government increased for funded maternal and child health services and for kindergarten services, reflecting the government's commitment to services in the early years.

The unit cost per school student (primary and secondary) remained fairly stable between 2010 and 2012, while the unit cost per VET student contact hour gradually decreased from \$11.70 per hour in 2010 to \$9.40 per hour in 2013.¹

¹ Unit cost per student contact hour is calculated by the Productivity Commission and includes Commonwealth and State funding with a series of adjustments made to ensure comparability across jurisdictions.

Achievement

Raise standards of learning and development achieved by Victorians using education, development and child health services.

Indicators	Unit	2010	2011	2012	2013	2014
Early childhood development						
Children developmentally 'on track' on the Australian Early Development Index language and cognitive skills domains						
Proportion of children developmentally 'on track' on the Australian Early Development Index ¹ language and cognitive skills domains	per cent	—	—	84.0	—	—
School education						
Students meeting the expected standard in national and international literacy and numeracy assessments²						
NAPLAN Proportion of students at or above the National Minimum Standard:						
Year 3—Literacy	per cent	95.4	95.3	95.2	96.0	94.6
Year 3—Numeracy	per cent	95.4	96.2	95.6	96.2	95.5
Year 5—Literacy	per cent	94.2	94.3	94.1	96.5	94.2
Year 5—Numeracy	per cent	95.7	95.6	95.0	94.4	94.7
Year 7—Literacy	per cent	96.2	95.8	95.5	95.6	95.6
Year 7—Numeracy	per cent	96.1	95.8	95.0	95.7	95.5
Year 9—Literacy	per cent	93.3	94.0	93.0	94.3	93.3
Year 9—Numeracy	per cent	94.8	94.6	95.0	92.2	94.8
Proportion of Year 4 students reaching the international benchmarks (PIRLS) ^{3,4} —Reading	per cent	—	80.0	—	—	—
Proportion of Year 4 students reaching the international benchmarks (TIMSS) ^{4,5} —Mathematics	per cent	—	75.0	—	—	—
Proportion of Year 8 students reaching the international benchmarks (TIMSS) ^{5,6} —Mathematics	per cent	—	65.0	—	—	—
Proportion of 15-year-old students in achieving level 3 or above in PISA Reading literacy ⁷	per cent	—	—	67.0	—	—
Proportion of 15-year-old students in achieving level 3 or above in PISA Mathematical literacy ⁷	per cent	—	—	58.0	—	—
Students meeting the expected standard in other key learning areas, such as science, arts, history and ICT²						
Proportion of Year 6 students at or above the Proficient Standard in scientific literacy ⁸	per cent	—	—	51.3	—	—
Proportion of Year 6 students at or above the Proficient Standard on the Information and Communications Technologies Literacy scale ⁹	per cent	—	64	—	—	—
Proportion of Year 10 students at or above the Proficient Standard on the Information and Communications Technologies Literacy scale ⁹	per cent	—	68	—	—	—

1 Source: Australian Early Development Index 2012. Data collected every three years.

2 Victorian government and non-government schools.

3 Progress in International Reading Literacy Study. Data collected every five years.

4 Source: Thomson, S., Hillman, K., Wernert, N., Schmid, M., Buckley, S. and Munene, A. (2012). Monitoring Australian Year 4 student achievement internationally: TIMSS and PIRLS 2011, ACER.

5 Trends in International Mathematics and Science Study. Data collected every four years.

6 Source: Thomson, S., Hillman, K. and Wernert, N. (2012). Monitoring Australian Year 8 student achievement internationally: TIMSS 2011, ACER.

7 Programme for International Student Assessment (PISA). Data collected every three years. In Australia, the national agreed baseline, as agreed in the Measurement Framework for Schooling in Australia, is Level 3. Sources: Thomson, S., De Bortoli, L., Nicholas, M., Hillman, K., Buckley, S. (2011). PISA 2012: how Australia measures up: The PISA 2012 assessment of students' mathematical, scientific and reading literacy, ACER.

8 Students achieving at a Proficient Level of 3.3 or better (from five levels) is considered to demonstrate exemplary understanding of Year 6 science. Data collected every three years. Source: National Assessment Program—Science Literacy Year 6 Report 2012, ACARA.

9 Year 6 students performing at a Proficient Level of 3 and above, and Year 10 students performing at a Proficient Level of 4 and above (from six levels) are considered to have met or exceeded their achievement in ICT Literacy. Data collected every three years. Source: National Assessment Program—ICT Literacy Years 6 & 10 Report 2011, ACARA.

Indicators	Unit	2010	2011	2012	2013	2014
Higher education and skills						
VET course completions						
VET completions ¹	number	152,600	187,500	238,500	220,500	249,700
Year 12 or equivalent completion rates of young people						
Year 12 or a non-school qualification at Certificate II level or above of young people 20–24 years ²	per cent	88.1	86.1	88.0	90.1	89.1

Engagement

Increase the number of Victorians actively participating in education, development and child health services.

Indicators	Unit	2010	2011	2012	2013	2014
Early childhood development						
Participation in a kindergarten service in the year before school						
Kindergarten participation rate for first year enrolments	per cent	95.1	94.6	97.9	98.2	96.4 ³
Participation in Maternal and Child Health Services⁴						
Home consultation	per cent	100	100	100	101 ⁵	—
12 months	per cent	81.9	80.7	82.0	83.4	—
3.5 years	per cent	62.8	64.4	66.5	64.9	—
School education						
Students with acceptable levels of school attendance⁶						
Average rate of student attendance:						
Year 5	per cent	93	93	93	93	93
Year 6	per cent	93	93	93	93	93
Years 7–10	per cent	90	90	90	90	90
Years 11–12	per cent	92	92	92	92	92
Students with a positive opinion of their teachers providing a stimulating learning environment^{6,7}						
Proportion of students who agree or strongly agree that their school provides a stimulating learning environment:						
Years 5–6	per cent	59.2	60.9	62.7	63.4	63.5
Years 7–10	per cent	17.1	18.5	21.4	21.2	21.7
Years 11–12	per cent	16.5	17.5	20.3	21.1	20.0

1 Government-subsidised and TAFE fee-for-service reported course completions. Data rounded. Likely to be an undercount of actual completions between 2010 and 2014 due to variations in administrative practices by Victorian training organisations in identifying, recording and reporting qualification completion and variations in student intent and behaviour in completing qualifications. Source: Department of Education and Training internal administrative data.

2 Survey estimates, subject to statistical error. Source: ABS Survey of Education and Work (cat.no. 6227.0).

3 The methodology for this performance measure changed slightly in 2014 due to an improvement in available data and analysis methods. The method for identifying and excluding second-year enrolments has been improved and the participation rate is now based on a child count rather than an enrolment count.

4 Figures for the 2010–11 under 2010, for 2011–12 under 2011, for 2012–13 under 2012, and for 2013–14 under 2013. Results for 2014–15 were not available at the time of publication.

5 Participation rates will exceed 100 per cent when the number of children attending the Maternal & Child Health Centre throughout the year is greater than the number of children registered at the Centre on 30 June.

6 Victorian government schools.

7 Derived from multiple questions. Only students who responded 'agree' or 'strongly agree' on all relevant questions are included. Other students gave mixed or opposing views. Source: Department of Education and Training Attitudes to School Survey.

Indicators	Unit	2010	2011	2012	2013	2014
Higher education and skills						
VET enrolments by age and gender¹						
15–19 years	number	88,300	108,700	120,500	104,600	85,300
20–24 years	number	71,400	87,800	100,900	96,300	93,000
25–44 years	number	112,600	148,500	180,200	178,700	167,100
45–64 years	number	60,200	77,100	96,400	92,900	87,400
Under 15, over 64 and not stated	number	6,700	8,100	11,800	11,800	10,700
Female	number	161,600	208,500	251,900	226,600	208,100
Male	number	176,400	220,700	257,200	257,600	234,900
VET enrolments by administrative region^{1,2}						
South-western	number	139,400	202,900	267,800	253,300	232,800
North-western	number	84,700	101,500	124,400	116,400	106,000
North-eastern	number	84,800	100,900	110,400	115,000	86,800
South-eastern	number	104,300	128,100	157,100	152,100	132,000
VET enrolments by courses in areas of skill demand³						
Government-subsidised enrolments in skill demand occupations	number	105,300	127,600	151,800	154,300	169,800
VET enrolments by specialised category courses³						
Government-subsidised enrolments in specialist occupations	number	64,200	71,100	79,500	90,300	133,800
VET participation by learners facing barriers³						
VET participation by unemployed learners	number	62,500	89,300	118,500	135,000	136,000

¹ Government-subsidised places. Data rounded. Source: Department of Education and Training internal administrative data.

² As some students are enrolled in more than one administrative region, enrolments by administrative region should not be summed as this will result in double counting.

³ Data rounded. Source: Department of Education and Training internal administrative data.

Wellbeing

Increase the contribution education, development and child health services make to good health and quality of life of Victorians, particularly children and young people.

Indicators	Unit	2010	2011	2012	2013	2014
Early childhood development						
Proportion of infants fully or partly breastfed at 3 and 6 months¹						
Infants fully breastfed at 3 months	per cent	51.8	51.7	51.0	50.6	—
Infants partly breastfed at 3 months	per cent	10.4	11.4	12.1	12.7	—
Infants fully breastfed at 6 months	per cent	35.7	34.8	33.8	33.9	—
Infants partly breastfed at 6 months	per cent	11.1	13.0	14.2	14.6	—
Children who have no development or behavioural issues on entry into Prep²						
Proportion of children who have no behavioural issues on entry into Prep	per cent	88.3	87.9	87.3	86.5	86.1
Proportion of children who have no general developmental issues identified by parents on entry into Prep	per cent	n/a ³	57.6	52.0	49.8	48.2
Children developmentally 'on track' on the Australian Early Development Index social competence and emotional maturity domains⁴						
Social competence domain	per cent	—	—	78.6	—	—
Emotional maturity domain	per cent	—	—	79.3	—	—
School education⁵						
Students feeling connected to their school						
Proportion of students who agree or strongly agree that they feel connected to their school:						
Years 5–6	per cent	62.9	64.9	66.1	66.6	66.6
Years 7–10	per cent	29.0	31.2	33.8	33.6	33.4
Years 11–12	per cent	23.9	24.8	27.2	27.8	26.0
Students with a positive opinion about their school providing a safe and orderly environment for learning						
Proportion of students who agree or strongly agree that their school is 'safe':						
Years 5–6	per cent	61.0	63.9	63.8	63.6	64.1
Years 7–10	per cent	55.3	58.1	59.1	58.8	60.0
Years 11–12	per cent	61.7	63.9	65.5	65.7	66.3
Proportion of students who agree or strongly agree that other students are disruptive in class:						
Years 5–6	per cent	15.0	13.5	14.2	14.4	14.1
Years 7–10	per cent	27.4	26.2	26.5	26.5	26.0
Years 11–12	per cent	20.3	18.8	18.7	18.0	17.0
Higher education and skills						
Level of student satisfaction with VET						
Proportion of graduates satisfied with the overall quality of training ⁶	per cent	86.2	87.8	87.6	85.4	84.6

1 Figures for the 2010–11 financial year under 2010, for 2011–12 under 2011, for 2012–13 under 2012, and for 2013–14 under 2013. Results for 2014–15 were not available at the time of publication. Source: Maternal & Child Health Services Annual Report.

2 School Entrant Health Questionnaire (SEHQ), Department of Education and Training.

3 2010 a break in the series due to a change in the collection methodology of SEHQ, to align with international standards.

4 Source: Australian Early Development Index 2012. Data collection for the index is undertaken every three years.

5 Victorian government schools. Derived from multiple questions. Only students who responded 'agree' or 'strongly agree' on all relevant questions are included. Other students gave mixed or opposing views. Source: Department of Education and Training Attitudes to School Survey.

6 Survey estimates, subject to statistical error. Source: Student Outcomes Survey, National Centre for Vocational Education Research 2014, Table 5: Key findings for graduates, 2005-2014.

Productivity

Increase the economic and social return on expenditure on the Department of Education and Training's services.

The following table reports progress against the *Productivity* indicators in the 2014–15 State Budget Paper No. 3 *Service Delivery*.

Indicators	Unit	2010	2011	2012	2013	2014
Early childhood development¹						
Dollar per child aged 0 to 3 years receiving a maternal and child health service per financial year²						
Minimum funding available to every child (provides 6.75 hours of maternal and child health service for each child aged 0 to 3 years) ³	\$ per child	543.2	560.3	605.9	618.0	630.4
Dollar per kindergarten student per financial year in the year prior to school^{2,4}						
Minimum funding available to the majority of children (approximately 96 per cent in 2014) who access a kindergarten program in the year prior to school ⁵	\$ per child	1,826.0	1,883.0	2,001.0	2,061.0	2,112.0
School Education—Primary						
Dollar per primary school student per financial year^{2,6}						
Victorian government real recurrent expenditure (including User Cost of Capital) per FTE student in primary schools (2012–13 dollars)	\$ per FTE student	11,785.3	11,954.3	11,928.0	n/a ⁷	n/a ⁸
School Education—Secondary						
Victorian government real recurrent expenditure (including User Cost of Capital) per FTE student in secondary schools (2012–13 dollars)	\$ per FTE student	15,096.0	15,276.4	15,166.0	n/a ⁷	n/a ⁸
Higher education and skills						
Dollar per VET student contact hour per calendar year⁹						
Victorian government real recurrent expenditure per annual hour (2013 dollars)	\$ per hour	11.7	11.4	10.9	9.4	n/a ⁸

1 Reflects the Victorian Government expenditure on early childhood services available to all children (that is, universal expenditure) and does not include the significant resourcing provided to deliver a range of targeted services for specific cohorts of children.

2 Figures for the 2010–11 financial year under 2010, 2011–12 under 2011, 2012–13 under 2012, 2013–14 under 2013 and 2014–15 under 2014.

3 Additional loadings are also made available to children living in rural or low socioeconomic areas. Additional resourcing of the delivery of this service is provided through matched local government funding.

4 Reflects the State Government component of the standard per capita rate at the end of the relevant financial year.

5 A small proportion of children (approximately five per cent in 2014) who access a kindergarten program in a non-government school receive less (between \$516 and \$1,674 in 2014). Additional loadings are provided for children based on characteristics including living in a rural area, Aboriginal or Torres Strait Islander status, or being holders of health care or pension cards or refugee or humanitarian visas. Additional resourcing of the delivery of program is provided through parental fees and service fundraising.

6 Victorian government and non-government schools. Source: Productivity Commission Report on Government Services 2015, Table 4A.12

7 Figures for School Education—Primary and School Education—Secondary not available for 2013.

8 Reports on Government Services are published in January each year; 2014 results not available at time of publication.

9 Source: Productivity Commission Report on Government Services 2015, Table 5A.19

Performance against output performance measures

This section reports on the Department's performance against the performance measures for each of its outputs.

One of the Department's outputs is Strategy, Review and Regulation; three represent life stages: Early Childhood Development, School Education, and Higher Education and Skills; and two support services: Support Services Development, and Support for Students with Disabilities.

These output measures refer to the financial year unless indicated.

Strategy, Review and Regulation

The Strategy, Review and Regulation output group develops, plans and monitors strategic policy settings across all stages of learning. It also includes intergovernmental negotiations as well as research, data and performance evaluations. This output group also supports regulation that ensures quality education and training is delivered and contributes to all the Department's objectives of *Achievement, Engagement, Wellbeing and Productivity*.

Performance measures	Unit of measure	2014–15 Target	2014–15 Actual	% variation	Result
Quality					
Stakeholder satisfaction with the Victorian Registration and Qualifications Authority and its services	per cent	65	74	13.8	✓
<i>This performance measure relates to the 2014 calendar year. The 2014–15 Actual is higher than the 2014–15 Target due to successful VRQA business improvement initiatives.</i>					
Percentage of government schools where an enrolment audit is conducted	per cent	31	32.8	5.8	✓
<i>This performance measure relates to the 2014 calendar year. This is a new performance measure for 2014–15 to reflect government priorities regarding accurate monitoring of student numbers in government schools, to improve government's ability to deliver education services. The 2014–15 Actual is higher than the 2014–15 Target due to increased efficiency in the audit process.</i>					
Quantity					
Participants benefiting from initiatives to increase the supply of trained/qualified teachers	number	640	525	-18.0	✘
<i>A number of scholarship and incentive programs combine to provide these data. All these programs have ceased taking in new cohorts. However, payments by the Department to current recipients will continue according to the terms and conditions of each program. In most programs, payments are staged and are conditional on activity such as completing the relevant Information Technology Education course, securing a position in a Victorian Government school, or continuous employment in a Victorian government school for more than 12 months. These conditions vary depending on the program the recipient is benefiting from. The ongoing number of payments is steadily declining and is difficult to forecast. The 2014–15 Actual is lower than the 2014–15 Target due to a higher than anticipated number of attraction or retention payments being forfeited where recipients did not meet the requirements for conditional payments.</i>					
Cost					
Total output cost	\$ million	102.8	90.2	-12.3	✓
<i>The 2014-15 Actual is lower than the 2014-15 Target primarily due to the timing in delivery of programs such as IT systems including licensing and maintenance payments</i>					
Key: ✓ Target achieved or exceeded ■ Target not achieved—less than 5% variance ✘ Target not achieved—more than 5% variance					

Early Childhood Development

The Early Childhood Development output group provides funding for a range of services that support children in the early years, including kindergarten and children's services, maternal and child health, and early intervention services for children with a disability. These outputs make a significant contribution to the Government's key outcomes in early childhood services. This group and its outputs contribute towards providing and improving services to support all the Department's objectives of *Achievement, Engagement, Wellbeing and Productivity*.

Performance measures	Unit of measure	2014–15 Target	2014–15 Actual	% variation	Result
Quality					
Families who are satisfied with the Early Childhood Intervention Services provided	per cent	90	91	1.1	✓
<i>The 2014–15 Actual was not available at the time of publication so the figure given is the Expected Outcome published in 2015–16 State Budget Paper No.3 Service Delivery.</i>					
Funded kindergarten services assessed under the National Quality Framework that have a quality assurance process	per cent	100	100	0.0	✓
<i>This performance measure relates to the 2014 calendar year.</i>					
Quantity					
Children funded to participate in kindergarten	number	71,250	74,627	4.7	✓
<i>This performance measure relates to the financial year and includes second-year participants.</i>					
Kindergarten participation rate	per cent	95	96.4	1.5	✓
<i>This performance measure relates to the 2014 calendar year and excludes second-year participants.</i>					
Maternal and child health clients with children aged 0–1 year receiving enhanced maternal and child health services	per cent	10	15	50	✓
<i>The 2014–15 Actual was not available at the time of publication so the figure given is the Expected Outcome published in 2015–16 State Budget Paper No.3 Service Delivery. The 2014–15 Actual is expected to be higher than the 2014–15 Target due to municipal councils providing services above the funded target cohort of 10 per cent of the population of families with a child from 0–1 years of age.</i>					
Number of early Childhood Intervention Service places and packages funded annually	number	11,258	10,722	-4.8	■
<i>This performance measure refers to Early Childhood Intervention Services places and Flexible Support Packages. The 2014–15 Actual is lower than the 2014–15 Target due to Early Childhood Intervention Services places and Flexible Support packages transferring to the National Disability Insurance Scheme on 1 July 2014. The transfer comprised 512 places and 24 flexible support packages.</i>					
Total number of Maternal and Child Health Service clients (aged 0–1 year)	number	73,000	73,000	0.0	✓
<i>The 2014–15 Actual was not available at the time of publication so the figure given is the Expected Outcome published in 2015–16 State Budget Paper No.3 Service Delivery.</i>					
Total number of children receiving Early Childhood Intervention Services	number	14,628	13,936	-4.7	■
<i>The 2014–15 Actual is lower than the 2014–15 Target due to Early Childhood Intervention Services clients transferring to the National Disability Insurance Scheme on 1 July 2014. The transfer comprised 512 places and 24 flexible support packages.</i>					
Timeliness					
Children aged 0–1 month enrolled at maternal and child health services from birth notifications	per cent	98.5	98.5	0.0	✓
<i>The 2014–15 Actual was not available at the time of publication so the figure given is the Expected Outcome published in 2015–16 State Budget Paper No.3 Service Delivery.</i>					
Cost					
Total output cost	\$ million	522.5	509.8	-2.4	✓
<i>The 2014–15 Actual is lower than the 2014–15 Target primarily due to the timing in delivery of programs such as Universal Access to Early Education because the funding was received from the Commonwealth late in the financial year.</i>					
Key: ✓ Target achieved or exceeded ■ Target not achieved—less than 5% variance ✖ Target not achieved—more than 5% variance					

School Education

The School Education output group consists of two outputs. The School Education—Primary output provides services to develop essential skills and learning experiences to engage young minds in the primary sector. The School Education—Secondary output delivers services to consolidate literacy and numeracy competencies including creative and critical thinking, as well as physical, social, emotional and intellectual development in adolescence. It also provides education services as well as varied pathways and support for transition across sectors to further study or employment. This output group contributes towards providing and improving services to support all the Department's objectives of *Achievement, Engagement, Wellbeing and Productivity*.

(i) School Education—Primary

This output provides education and other associated services designed to improve the quality of learning of students in Prep to Year 6 in government and non-government schools.

Except where indicated, these performance measures relate to:

- the 2014 calendar year rather than the 2014–15 financial year
- government and non-government schools.

Performance measures	Unit of measure	2014–15 Target	2014–15 Actual	% variation	Result
Quality					
Parent satisfaction with primary schooling on a 100-point scale	100-point scale	83	83	0	✓
<i>This performance measure relates to government schools.</i>					
Percentage of Indigenous students meeting the national minimum standard for numeracy in Year 3 (National Assessment Program Literacy and Numeracy—NAPLAN testing)	per cent	90.7	88.5	-2.4	✓
<i>NAPLAN results are subject to measurement error and, when interpreting results, a 95 per cent confidence interval of ± 3 percentage points needs to be considered.</i>					
Percentage of Indigenous students meeting the national minimum standard for numeracy in Year 5 (NAPLAN testing)	per cent	84.9	84.8	-0.1	✓
<i>NAPLAN results are subject to measurement error and, when interpreting results, a 95 per cent confidence interval of ± 2.6 percentage points needs to be considered.</i>					
Percentage of Indigenous students meeting the national minimum standard for reading in Year 3 (NAPLAN testing)	per cent	89.0	85.3	-4.2	■
<i>This performance measure relates to the calendar year and to government and non-government schools. NAPLAN results are subject to measurement error and when interpreting results, a 95 per cent confidence interval of ± 2.7 percentage point needs to be considered. The 2014-15 Actual is lower than the 2014-15 Target and was partly due to the ongoing high exemption rate for Year 3 Indigenous students (5.7 per cent). The rate continues to be between two and three times higher than for non-Indigenous students. (Exempted students are deemed not to have met the national minimum standard.)</i>					
Percentage of Indigenous students meeting the national minimum standard for reading in Year 5 (NAPLAN testing)	per cent	88.7	82.9	-6.5	✘
<i>This performance measure relates to the calendar year and to government and non-government schools. The 2014–15 Target was set based on the previous year result for reading in Year 5. This result has since been revealed as an abnormal spike experienced by all jurisdictions. NAPLAN results are subject to measurement error and when interpreting results, a 95 per cent confidence interval of ± 2.9 percentage point needs to be considered. The 2014–15 Actual is lower than the 2014–15 Target partly due to the exemption rate (7.0 per cent) for Year 5 Indigenous students. This rate is higher than in 2012 and 2013, and continues to be between two and three times higher than for non-Indigenous students. (Exempted students are deemed not to have met the national minimum standard.)</i>					
Percentage of students meeting the national minimum standard for numeracy in Year 3 (NAPLAN testing)	per cent	95	95.5	0.5	✓
<i>NAPLAN results are subject to measurement error and, when interpreting results, a 95 per cent confidence interval of ± 0.4 percentage point needs to be considered.</i>					

Performance measures	Unit of measure	2014–15 Target	2014–15 Actual	% variation	Result
Percentage of students meeting the national minimum standard for numeracy in Year 5 (NAPLAN testing)	per cent	95	94.7	-0.3	✓
<i>NAPLAN results are subject to measurement error and, when interpreting results, a 95 per cent confidence interval of ±0.4 percentage point needs to be considered.</i>					
Percentage of students meeting the national minimum standard for reading in Year 3 (NAPLAN testing)	per cent	95	94.6	-0.4	✓
<i>NAPLAN results are subject to measurement error and, when interpreting results, a 95 per cent confidence interval of ±0.4 percentage point needs to be considered.</i>					
Percentage of students meeting the national minimum standard for reading in Year 5 (NAPLAN testing)	per cent	95	94.2	-0.8	■
<i>This performance measure relates to the calendar year and to government and non-government schools. NAPLAN results are subject to measurement error and, when interpreting results, a 95 per cent confidence interval of ± 0.5 percentage points needs to be considered. There is a 95 per cent chance that the true result lies somewhere between 93.7 per cent and 94.7 per cent. The result of 94.2 per cent is outside the target; the difference is minimal. Several factors impacted the result, including the exemption rate (3.1 per cent) for Year 5 students. (Exempted students are deemed not to have met the national minimum standard.)</i>					
Years 5–6 students' opinion of their connectedness with the school	5-point scale	4.4	4.4	0.0	✓
<i>This performance measure refers to government schools. Data is from the Attitudes to School Survey, where a higher score represents a higher level of connectedness.</i>					
Quantity					
Average Prep–Year 2 class size	number	21	20.9	-0.5	✓
<i>This performance measure relates to government schools. Class size data based on the February school census.</i>					
Average rate of student attendance at Year 5	per cent	94	93	-1.1	■
<i>This performance measure relates to government schools. The attendance rate covers all absences, including those due to illness and approved family holidays.</i>					
Average rate of student attendance at Year 6	per cent	94	93	-1.1	■
<i>This performance measure relates to government schools. The attendance rate covers all absences, including those due to illness and approved family holidays.</i>					
Investment in non-government schools (primary)	\$ million	323.1	326.1	0.9	✓
<i>This performance measure relates to the financial year.</i>					
Number of Assistant Principals, aspiring leaders and leadership teams participating in leadership development programs	number	900	1,783	98.1	✓
<i>This performance measure relates to government schools. The 2014–15 Actual is higher than the 2014–15 Target due to increased provision of professional development programs offered by the Bastow Institute of Educational Leadership, including in rural and regional areas.</i>					
Number of Principals participating in statewide, centrally funded leadership development programs	number	380	728	91.6	✓
<i>This performance measure relates to government schools. The 2014–15 Actual is higher than the 2014–15 Target due to increased provision of professional development programs offered by the Bastow Institute of Educational Leadership, including in rural and regional areas.</i>					
Statewide computer to student ratio: primary	ratio	1:2.5	1:1.55	38	✓
<i>This performance measure relates to government schools and the calendar year. The full-year Actual is better than the published Target due to the inclusion of Bring Your Own Device (BYOD) computers.</i>					
Cost					
Total output cost	\$ million	4,336.5	4,368.3	0.7	■
<i>This performance measure relates to the financial year.</i>					
Key: ✓ Target achieved or exceeded ■ Target not achieved—less than 5% variance ✖ Target not achieved—more than 5% variance					

(ii) School Education—Secondary

This output involves provision of education and other associated services designed to improve the quality of student learning and transition of students in Years 7 to 12 in government and non-government schools. It also covers the provision of cross-sectoral services to improve the transition to further education, training and employment.

Except where indicated, these performance measures relate to:

- the 2014 calendar year rather than the 2014–15 financial year
- government and non-government schools.

Performance measures	Unit of measure	2014–15 Target	2014–15 Actual	% variation	Result
Quality					
Average rate of student attendance in Years 11 and 12	per cent	92	92	0	✓
<i>This performance measure relates to government schools.</i>					
Average rate of student attendance in Years 7–10	per cent	91	90	-1.1	■
<i>This performance measure relates to government schools. The attendance rate covers all absences, including those due to illness and approved family holidays.</i>					
Enrolments in units of accredited vocational programs in schools as a proportion of total VCE unit enrolments in schools	per cent	8.6	9.3	8.1	✓
<i>The 2014–15 Actual is higher than the 2014–15 Target due to increasing numbers of students enrolling in at least one unit of VET.</i>					
Median VCE study score	number	29	29	0	✓
<i>This performance measure relates to government schools.</i>					
Parent satisfaction with secondary schooling on a 100-point scale	100-point scale	75	76	1.3	✓
<i>This performance measure relates to government schools. Data is drawn from the Parent Opinion Survey, where a higher score represents a higher level of satisfaction.</i>					
Percentage of Victorian Certificates of Applied Learning satisfactorily completed by school students	per cent	75	78.6	4.8	✓
Percentage of school leavers completing a VCE VET certificate program in a school progressing to further education, training or work	per cent	92.0	95.7	4.0	✓
<i>This performance measure relates to the calendar year and to government and non-government schools.</i>					
Percentage of school leavers completing an Intermediate or Senior Victorian Certificate of Applied Learning in a school progressing to further education, training or work	per cent	80.0	85.1	6.4	✓
<i>This performance measure relates to the calendar year and to government and non-government schools. The 2014-15 Actual is higher than the 2014-15 Target due to an increasing proportion of students undertaking VCAL at Intermediate and Senior levels.</i>					
Percentage of students who remain at school from Year 7 to Year 12	per cent	86.2	89.1	3.4	✓
<i>Data based on the February school census. This performance measure relates to government schools. The statistic is the apparent retention rate (full-time equivalent enrolments of Year 12 students in 2014 divided by the full-time equivalent enrolments of Year 7 students in 2009).</i>					
Years 7–9 students' opinion of their connectedness with the school	5-point scale	3.7	3.7	0.0	✓
<i>This performance measure relates to government schools. Data is from the Attitudes to School Survey, where a higher score represents a higher level of connectedness.</i>					

Performance measures	Unit of measure	2014–15 Target	2014–15 Actual	% variation	Result
Percentage of Indigenous students meeting the national minimum standard for numeracy in Year 7 (NAPLAN testing)	per cent	87.5	83.6	-4.5	■
<i>This performance measure relates to the calendar year and to government and non-government schools. NAPLAN results are subject to measurement error and, when interpreting results, a 95 per cent confidence interval of ± 3.1 percentage point needs to be considered. The 2014–15 Actual is lower than the 2014–15 Target due to several factors including the high exemption rate (5.4 per cent) for Year 7 Indigenous students. (Exempted students are deemed not to have met the national minimum standard.)</i>					
Percentage of Indigenous students meeting the national minimum standard for numeracy in Year 9 (NAPLAN testing)	per cent	81	83.3	2.8	✓
<i>NAPLAN results are subject to measurement error and, when interpreting results, a 95 per cent confidence interval of ± 3.0 percentage points needs to be considered.</i>					
Percentage of Indigenous students meeting the national minimum standard for reading in Year 7 (NAPLAN testing)	per cent	87.5	84.3	-3.7	■
<i>This performance measure relates to the calendar year and to government and non-government schools. NAPLAN results are subject to measurement error and, when interpreting results, a 95 per cent confidence interval of ± 2.9 percentage points needs to be considered. There is a 95 per cent chance that the true result falls between 81.4 and 87.2 per cent. While the result of 84.3 per cent is outside the target, the difference is minimal. The 2014–15 Actual is lower than the 2014–15 Target due to several factors including the high exemption rate (5.4 per cent) for Year 7 Indigenous students. (Exempted students are deemed not to have met the national minimum standard.)</i>					
Percentage of Indigenous students meeting the national minimum standard for reading in Year 9 (NAPLAN testing)	per cent	82.7	81.8	-1.1	✓
<i>NAPLAN results are subject to measurement error and, when interpreting results, a 95 per cent confidence interval of ± 3.2 percentage points needs to be considered.</i>					
Percentage of Year 9 students reaching the top two bands (Bands 9 and 10) in NAPLAN numeracy	per cent	24	25.3	5.4	✓
<i>NAPLAN results are subject to measurement error and, when interpreting results, a 95 per cent confidence interval of up to ± 2.0 percentage point needs to be considered. The scale for each domain is divided into 10 bands to cover the full range of student achievement in the tests. The bands map the increasing complexity of the skills assessed by NAPLAN. Students in Year 9 are assessed between Bands 5 and 10.</i>					
Percentage of Year 9 students reaching the top two Bands (Bands 9 and 10) in NAPLAN reading	per cent	20.4	22.6	10.8	✓
<i>NAPLAN results are subject to measurement error and, when interpreting results, a 95 per cent confidence interval of up to ± 2.0 percentage points needs to be considered. The scale for each domain is divided into 10 bands to cover the full range of student achievement in the tests. The bands map the increasing complexity of the skills assessed by NAPLAN. Students in Year 9 are assessed between Bands 5 and 10.</i>					
Percentage of students meeting the national minimum standard for numeracy in Year 7 (NAPLAN testing)	per cent	95	95.5	0.5	✓
<i>NAPLAN results are subject to measurement error and, when interpreting results, a 95 per cent confidence interval of ± 0.5 percentage point needs to be considered.</i>					
Percentage of students meeting the national minimum standard for numeracy in Year 9 (NAPLAN testing)	per cent	94	94.8	0.9	✓
<i>NAPLAN results are subject to measurement error and, when interpreting results, a 95 per cent confidence interval of ± 0.6 percentage points needs to be considered.</i>					
Percentage of students meeting the national minimum standard for reading in Year 7 (NAPLAN testing)	per cent	95	95.6	0.6	✓
<i>NAPLAN results are subject to measurement error and, when interpreting results, a 95 per cent confidence interval of ± 0.5 percentage points needs to be considered.</i>					

Performance measures	Unit of measure	2014–15 Target	2014–15 Actual	% variation	Result
Percentage of students meeting the national minimum standard for reading in Year 9 (NAPLAN testing)	per cent	93	93.3	0.3	✓
<i>NAPLAN results are subject to measurement error and, when interpreting results, a 95 per cent confidence interval of ±0.6 percentage points needs to be considered.</i>					
Quantity					
Investment in non-government schools (secondary)	\$ million	338.2	339.4	0.4	■
<i>This performance measure relates to the financial year.</i>					
Number of certificate enrolments in accredited vocational programs in schools	number	55,000	57,017	3.7	✓
Number of school students enrolled in Victorian Certificate of Applied Learning	number	16,500	17,851	8.2	✓
<i>The 2014–15 Actual is higher than the 2014–15 Target due to higher than anticipated demand.</i>					
Number of school students participating in accredited vocational programs	number	43,000	45,860	6.7	✓
<i>The 2014–15 Actual is higher than the 2014–15 Target due to higher than anticipated demand.</i>					
Number of School students satisfactorily completing at least one Victorian Certificate of Applied Learning certificate	number	9,750	10,690	9.6	✓
<i>The 2014–15 Actual is higher than the 2014–15 Target due to higher than anticipated completion trends. An increasing number of students are undertaking VCAL at Intermediate and Senior levels as VCAL becomes more established as an alternative qualification to the VCE.</i>					
Number of school-based apprentices/trainees	number	3,200	3,801	18.8	✓
<i>The 2014–15 Actual is higher than the 2014–15 Target due to higher than anticipated demand.</i>					
Statewide computer to student ratio: secondary	ratio	1:1.5	1:0.94	37.3	✓
<i>This performance measure relates to government schools. The 2014–15 Actual is lower (better) than the 2014–15 Target due to the inclusion of Bring Your Own Device (BYOD) computers.</i>					
Cost					
Total output cost	\$ million	3,672.6	3,696.3	0.6	■
<i>This measure relates to the financial year</i>					
Key: ✓ Target achieved or exceeded ■ Target not achieved—less than 5% variance ✖ Target not achieved—more than 5% variance					

Higher Education and Skills

The Higher Education and Skills output responds to the labour and skills needs of individuals and industry. This output covers the system design, contracting and monitoring of VET services. It also involves the development and implementation of effective strategies for accredited and pre-accredited VET through adult community education. This output group contributes towards providing and improving services to support all the Department's objectives of *Achievement, Engagement, Wellbeing and Productivity*.

Except where indicated, these performance measures relate to the 2014 calendar year rather than the 2014–15 financial year.

Performance measures	Unit of measure	2014–15 Target	2014–15 Actual	% variation	Result
Quality					
Percentage of VET graduates who rate quality of training as four or more out of five	per cent	88.5	84.6	-4.4	■
<i>This performance measure relates to the calendar year. While the result is a modest reduction from a high base, the decline is consistent with the trend of recent years and the failure to meet the target may reflect quality issues for training provision. Such quality issues will be addressed through the Quality Review and the VET Funding Review.</i>					
Successful training completions as measured by module load completion rate	per cent	83.5	81.5	-2.4	■
<i>The 2014–15 Actual is lower than the 2014–15 Target due to changes to entitlement and subsidy levels which have had the effect of lowering overall demand.</i>					
VET graduates in employment six months following graduation	per cent	78.5	76.0	-3.2	■
<i>This performance measure relates to the calendar year. While the result is a modest reduction from a high base, the decline is consistent with the trend of recent years and the failure to meet the target may reflect quality issues for training provision. Such quality issues will be addressed through the Quality Review and the VET Funding Review.</i>					
Quantity					
Annual government-funded module enrolments	number (million)	5.6	5.3	-5.4	×
<i>The 2014–15 Actual is lower than the 2014–15 Target because of changes to entitlement and subsidy levels which have had the effect of lowering overall demand.</i>					
Government-funded student contact hours of training and further education provided	number (million)	183	181	-1.1	■
<i>The 2014–15 Actual is lower than the 2014–15 Target because of changes to entitlement and subsidy levels which have had the effect of lowering overall demand.</i>					
Number of apprenticeship/traineeship commencements by new employees	number	40,000	40,696	1.7	✓
<i>This performance measure relates to the financial year.</i>					
Apprentices/trainees who qualify for the completion bonus	number	7,000	2,872	-59.0	×
<i>This performance measure relates to the financial year. The 2014–15 Actual is lower than the 2014–5 Target as this initiative is discontinued and only applies to apprentices and trainees who commenced before July 2011.</i>					
Number of government-funded course enrolments in qualifications at diploma level or above	number	63,400	64,391	1.6	✓
Number of pre-accredited module enrolments government-funded through the Adult Community and Further Education (ACFE) Board—Adult Community Education organisations and Adult Education Institutes	number	42,000	46,242	10.1	✓
<i>The 2014–15 Actual is higher than the 2014–15 Target due to improved data quality and reporting by providers.</i>					

Performance measures	Unit of measure	2014–15 Target	2014–15 Actual	% variation	Result
Participation rate of 15–24-year-olds in training and further education in Victoria	per cent	33.2	32.8	-1.2	■
<i>In 2014–15 Budget Paper No.3 Service Delivery, this performance measure moved from quality to quantity to better reflect the nature of the measure. The 2014–15 Actual is lower than the 2014–15 Target because of changes to entitlement and subsidy levels which have had the effect of lowering overall demand.</i>					
Participation rate of 25–64-year-olds in training and further education in Victoria	per cent	12.3	13.0	5.7	✓
<i>In 2014–15 Budget Paper No.3 Service Delivery, this performance measure moved from quality to quantity to better reflect the nature of the measure. The 2014–15 Actual is higher than the 2014–15 Target because of increases in fee-for-service activity for this age group.</i>					
Cost					
Total output cost	\$ million	2,323.3	2,159.3	-7.1	✓
<i>This performance measure relates to the financial year. The 2014–15 Actual is lower than the 2014–15 Target primarily due to lower enrolments, fewer concessional enrolments and the timing of the delivery of programs such as the Victorian Training Guarantee.</i>					
Key: ✓ Target achieved or exceeded ■ Target not achieved—less than 5% variance ✘ Target not achieved—more than 5% variance					

Support Services Delivery

The Support Services Delivery output group covers the Department's Regional Services Group (the former Regional Support Group) and provides student welfare and support, the Education Maintenance Allowance, student transport (excluding transport for special needs students) and health services. This output group contributes towards providing and improving services to support all the Department's objectives of *Achievement, Engagement, Wellbeing and Productivity*.

Except where indicated, these performance measures relate to the 2014 calendar year rather than the 2014–15 financial year.

Performance measures	Unit of measure	2014–15 Target	2014–15 Actual	% variation	Result
Quality					
School satisfaction with student support services	per cent	85	92.4	8.7	✓
<i>This performance measure relates to government schools. The 2013–14 Actual is higher than the 2013–14 Target due to a greater focus on ensuring a safe and caring environment.</i>					
Quantity					
Investment in student transport (excludes special need students)	\$ million	44.2	44.4	0.5	■
<i>This performance measure includes government and non-government school and relates to the financial year.</i>					
Investment in student welfare and support	\$ million	215.9	220.4	2.1	■
<i>This performance measure includes government and non-government school and relates to the financial year.</i>					
Prep-aged students assessed by school nurses	number	57,500	63,412	10.3	✓
<i>This performance measure includes government and non-government schools. The 2014–15 Actual is higher than the 2014–15 Target due to an increase in Prep enrolments, resulting in regions providing services above the funded target of the School Entrance Health Questionnaire.</i>					
Provision of Education Maintenance Allowance	\$ million	12.3	11.6	-5.7	✘
<i>This performance measure relates to the financial year. Payments of the Education Maintenance Allowance (EMA) ceased on 31 December 2014. The 2014-15 Actual is lower than the 2014-15 Target due to a lower than expected number of parents being eligible for the EMA. EMA eligibility is based on the number of parents who qualify for a Centrelink concession card. The number varies from year to year and is driven by various external factors such as the unemployment rate, the economic climate and Centrelink's concession card eligibility policies.</i>					
School students (government) supported by conveyance allowance	number	10,500	9815	-6.5	✘
<i>The 2014–15 Actual is lower than 2014–15 Target due to the introduction of an online application system that has enabled greater accuracy for determining the number of eligible students.</i>					
School students (non-government) supported by conveyance allowance	number	31,700	30,286	-4.5	■
<i>The 2014–15 Actual is lower than the 2014–15 Target due to the introduction of an online application system that has enabled greater accuracy for determining the number of eligible students.</i>					
Schools allocated a nurse through the Secondary School Nursing Program	number	193	193	0	✓
<i>This performance measure relates to government schools.</i>					
Schools funded for primary welfare officers	number	804	806	0.2	✓
<i>This performance measure relates to government schools. This performance measure for 2014–15 relates to the 2015 calendar year. The target is based on an estimate of the number of schools eligible for funding for primary welfare officers.</i>					
Cost					
Total output cost	\$ million	272.4	276.4	1.5	■
<i>This performance measure relates to the financial year.</i>					
Key: ✓ Target achieved or exceeded ■ Target not achieved—less than 5% variance ✘ Target not achieved—more than 5% variance					

Support for Students with Disabilities

The Support for Students with Disabilities output group covers the Program for Students with Disabilities, transport for special needs students and welfare and support services for students with special needs. This output group contributes towards providing and improving services to support all the Department's objectives of *Achievement, Engagement, Wellbeing and Productivity*.

Except where indicated, these performance measures relate to the 2014 calendar year rather than the 2014–15 financial year. These performance measures relate to government schools.

Performance measures	Unit of measure	2014–15 Target	2014–15 Actual	% variation	Result
Quality					
Parent satisfaction with special education on a 100-point scale	100-point scale	85	86	1.2	✓
Quantity					
Eligible special school students provided with appropriate travel	number	8,500	8,487	-0.2	■
<i>This performance measure relates to the calendar year and to government schools.</i>					
Students funded under the disabilities program in government schools as a proportion of the total student population	per cent	4.1	4.1	0.0	✓
<i>This performance measure relates to the calendar year and to government schools.</i>					
Cost					
Total output cost	\$ million	835.5	817.5	-2.2	✓
<i>The 2014-15 Actual is lower than the 2014-15 Target primarily due to the timing in delivery of programs such as 'More support for students with disabilities' because the funding was received from the Commonwealth late in the financial year.</i>					
Key: ✓ Target achieved or exceeded ■ Target not achieved—less than 5% variance ✖ Target not achieved—more than 5% variance					

Five-year financial summary

The Financial Statements presented in this annual report relate to the controlled operations of the Department, including government schools.

Other agencies within the portfolio report separately and therefore their results are not included within the controlled financial transactions of the Department. These entities include the Adult, Community and Further Education Board, Adult Multicultural Education Services, the Victorian Curriculum and Assessment Authority, the Victorian Institute of Teaching, the Victorian Registration and Qualifications Authority and TAFE institutes.

Table 2 provides information on the Department's financial result for the financial year just completed and comparative information for the preceding four financial years.

Table 2—Five-year financial summary

	2014–15	2013–14 ¹	2012–13 ¹	2011–12	2010–11 ²
Operating revenue					
Revenue from State Government	10,683.5	10,517.1	10,382.3	10,216.9	8,877.6
Other revenue	777.2	749.9	734.8	676.3	671.9
Total income from transactions	11,460.7	11,267.0	11,117.0	10,893.2	9,549.5
Total expenses from transactions	11,282.8	11,101.5	11,028.1	10,990.7	9,542.0
Net result from transactions	178.0	165.6	88.9	(97.4)	7.5
Total other economic flows	(19.2)	(1.2)	34.6	(77.7)	6.7
Net result for period	158.8	164.3	123.5	(175.1)	14.2
Net cash flow from operations	185.2	364.3	451.9	141.6	297.3
Total assets	19,608.5	18,516.8	18,392.4	15,839.1	16,197.9
Total liabilities	1,940.8	1,889.0	1,843.9	2,117.6	2,221.5
Net assets	17,667.7	16,627.9	16,548.5	13,721.6	13,976.4

¹ Figures for 2013–14 and 2012–13 have been revised.

² Figures for 2010–11 include six months of the skills and adult, community and further education output.

Current year financial review

Financial performance

The Department's net result from transactions for 2015 is a surplus of \$178.0 million, compared with a surplus of \$165.6 million in 2014. With the inclusion of the other economic flows of \$19.2 million loss, the net result for the year is a surplus of \$158.8 million, compared to a surplus of \$164.3 million in 2014.

The Department's growth in revenue primarily reflects the increased funding in the State Budget for delivery of output initiatives on behalf of the Government, general inflation-related indexation, and an increase in schools' third-party revenue.

The Department's growth in expenditure mainly reflects increased payroll expenditure under the 2013 Enterprise Bargaining Agreement for teachers, offset by the decrease in grants to TAFE institutes for demand-driven training activities.

Balance sheet

The Department's net asset base as at 30 June 2015 was \$17.7 billion, comprising total assets of \$19.6 billion and total liabilities of \$1.9 billion.

The major assets of the Department are schools property, plant and equipment; these assets represent 86 per cent (\$16.8 billion) of the total assets of the Department. In 2015, the value of the Department's property, plant and equipment increased by \$686.1 million, mainly due to a land managerial revaluation. As part of the fair value assessment of land for the year ended 30 June 2015, land indices were applied to land parcels and resulted in a material movement in the fair value of 12 per cent, resulting in a managerial revaluation.

Liabilities of the Department mainly consist of payables, borrowings and employee benefit provisions, totalling \$1.9 billion. The increase of \$51.8 million in liabilities in 2015 mainly reflects by an increase in employee benefit provision due to a change in the discount rates used for calculating the liability and the salary increase under the teachers' Enterprise Bargaining Agreement, offset by a decrease in operating accruals.

Cash flows

The decrease in the net cash flows from operations is due mainly to changes in receivables, payables and provisions arising from the timing of cash payments and receipts against these items.

Capital projects

The Department and its statutory authorities manage a number of capital projects. For information on recent capital projects for the Department and the broader Victorian public sector, see 2014–15 State Budget Paper No. 4: *State Capital Program* at <http://www.dtf.vic.gov.au/State-Budget/2014-15-State-Budget/State-Capital-Program>. This publication also contains information on the Department's and its statutory authorities' asset investment programs.

Report of operations—governance and organisational structure

Ministers

The Department supports three ministers: the Hon. James Merlino MP, Deputy Premier and Minister for Education; the Hon. Steve Herbert MP, Minister for Training and Skills, and the Hon. Jenny Mikakos MP, Minister for Families and Children.

Deputy Premier and Minister for Education

The Hon. James Merlino MP

James Merlino MP is the Minister for Education and Deputy Premier of Victoria. As Minister for Education, he has responsibility for Victoria's schooling system, which educates almost 900,000 Victorian students in government, Catholic, and independent schools. This includes responsibilities for improving Victoria's educational outcomes in literacy, numeracy, science and the arts, as well as students' wellbeing and engagement, school infrastructure and capital funding, improvement support for developing the expertise of the teaching and education support workforces, school leadership, and support for Victoria's priority student cohorts.

Together with his ministerial colleagues, the Hon. Jenny Mikakos MP, and the Hon. Steve Herbert MP, Minister Merlino shares responsibility for improving Victoria's education, development and training system, from birth through to adulthood.

Minister Merlino is committed to establishing Victoria as the Education State, ensuring access to great schools for every community, excellent learning and teaching in every classroom and the promise of a bright future for every child, where success does not depend on background, circumstance, or postcode.

Minister for Training and Skills

The Hon. Steve Herbert MP

The Hon. Steve Herbert MP has been Minister for Training and Skills since November 2014.

Minister Herbert is committed to ensuring all Victorians have access to quality training that equips them with the skills they need to get and keep a job, and that industry has the skills required to boost productivity and help grow the Victorian economy.

His responsibilities include ensuring a strong and stable vocational education and training system is in place which meets the needs of individuals, industry and employers, and ensuring that funding is directed to areas of skills shortage. Minister Herbert's portfolio also includes International Education.

Minister for Families and Children

The Hon. Jenny Mikakos MP

Minister Mikakos is the Minister for Families and Children, and the Minister for Youth Affairs. The Minister has responsibility for early childhood education and development, including maternal and child health, parenting support services, supported playgroups, kindergarten programs, and early childhood services for children with disability or developmental delay.

The Minister's responsibilities in Families and Children, and Youth Affairs also include a range of services administered by the Department of Health and Human Services including child protection and family support services.

Minister Mikakos is committed to ensuring that all children, including the most vulnerable, have a strong start in life because children's health, education and care before they turn five set them up for the rest of their lives, shaping their happiness, wellbeing and success.

Senior executives

The Department is led by the Secretary who reports to the Minister for Education, the Minister for Training and Skills, and the Minister for Families and Children.

Secretary **Ms Gill Callister**

Gill commenced as Secretary of the Victorian Department of Education and Training on 1 January 2015.

Before joining the Department, Gill was Secretary of the Department of Human Services (2009 to 2014) and led policy, legislative and service delivery reform. In this role, Gill led an organisation of more than 11,000 staff with an annual budget of approximately \$4 billion. She was responsible for the delivery of child protection, disability, youth, housing and family violence services.

Gill began her career in the community sector serving disadvantaged Victorians. She then led child protection, family services and mental health units within the Department of Human Services and, in 2009, was Deputy Secretary at Skills Victoria.

Gill is President of the Institute of Public Administration Australia (Victoria). Her leadership in public policy was recognised in 2013 when she was named in the Australian Financial Review's 100 Women of Influence, and received a Sir James Wolfensohn Public Service Scholarship to attend Harvard University's Kennedy School of Government. In October 2014, Gill was awarded the IPAA National Fellowship award and a Monash University Fellowship.

Gill holds Bachelor degrees in Social Work (with Honours) and Arts.

Richard Bolt was Secretary of the Department until December 2014. Richard has had a diverse career in public service, policy research, public advocacy and engineering. Richard was Secretary of the Department of Primary Industries (2006 to 2011) and is currently the Secretary of the Department of Economic Development, Jobs, Transport and Resources.

Executive Board

The Department is managed by an Executive Board chaired by the Secretary, comprising the head of each of the Department's six groups, and the Chief Executive Officer of the Victorian Curriculum and Assessment Authority. The Executive Board is the ultimate governance and decision-making body for the Department. It is accountable for:

- strategic direction and leadership of the Department
- management of the Department
- decision-making
- risk management
- monitoring and evaluation of the Department's activities
- compliance
- stakeholder management.

Deputy Secretary, People and Executive Services Group
Ms Monique Dawson

Monique Dawson commenced as Deputy Secretary, People and Executive Services Group, in March 2012. As Deputy Secretary, Monique's leadership and guidance encompasses human resources, communications, stakeholder engagement, cabinet, legal services, ministerial support, information management, and audit and risk.

Monique has held senior roles in the Queensland and New Zealand public sectors, including General Manager, Policy Development Division, with the Queensland Department of Employment and Training, and Deputy Secretary, Work Directions, New Zealand Department of Labour.

Monique holds a Bachelor of Laws and a Graduate Diploma of Legal Practice and is an Executive Fellow of the Australia New Zealand School of Government (ANZSOG).

Deputy Secretary, Infrastructure and Finance Services Group
Mr Jim Miles

Jim Miles commenced as Deputy Secretary, Infrastructure and Finance Services Group, in March 2012. Before his appointment, Jim acted as Executive Director for the Office of Resources and Infrastructure. In both roles, Jim has been responsible for managing the Departmental budget process and financial monitoring and reporting, and for delivering large-scale financial and asset-management projects.

Jim's previous roles include General Manager, Resources and Infrastructure Strategy, and 11 years with the Department of Treasury and Finance.

Jim holds a Bachelor of Arts, Postgraduate Diploma in Economics and a Master of Commerce.

Deputy Secretary, Strategy and Review Group
Mr Simon Kent

Simon Kent joined the Department in April 2013 from the Department of Premier and Cabinet (DPC), where he was the Director, Social Policy Branch.

Simon has extensive experience in policymaking across the education, human services, health and justice portfolios. He has developed good public policy in complex and contested interdepartmental and intergovernmental contexts, and uses multi-disciplinary analysis to inform policy development.

Simon commenced his career in higher education advocacy and political advisory roles, then expanded to include schools policy while in the Federal Parliament before joining DPC where he worked for eight years, including work on reform of vocational education and early childhood development.

He holds a Bachelor of Arts and an Australia and New Zealand School of Government Executive Master of Public Administration from the University of Melbourne.

Deputy Secretary, Early Childhood and School Education Group
Dr Sonia Sharp

Sonia Sharp joined the Department in August 2012 as Deputy Secretary, Early Childhood Development. The Deputy Secretary, Early Childhood and School Education Group, works collaboratively with the DET executive to design the early learning and education system with a focus on improved development, learning and wellbeing outcomes for young people from birth to 18 years.

Building on a career within education and children's services that spans 30 years, Sonia has worked in urban and rural regions of the UK. She has been instrumental in driving significant reform to build an integrated approach to education from birth to young adulthood, inclusive of social services, health, and youth services, in order to improve outcomes for children and young people.

Sonia's background is in teaching English and drama, in research and in educational psychology. She holds a Master degree and Doctorate in Education Psychology and the National Professional Qualification for Head Teachers in the UK.

Penny Croser was Acting Deputy Secretary, Early Childhood and School Education Group, from January 2015 until June. Penny has worked in policy reform in a number of jurisdictions including the United Kingdom, the Commonwealth and South Australia. Penny holds a Bachelor of Law, a Bachelor of Science and a Master of Science in Public Policy from the London School of Economics.

David Clements was the Acting Deputy Secretary from June to September.

Deputy Secretary, Regional Services Group
Mr Nicholas Pole

Nicholas Pole commenced as Deputy Secretary, Regional Services Group, in April 2012 and held this role until June 2015. Nicholas has more than 28 years' experience across the education, welfare and public sectors, and a reputation for leading and implementing reform. Before joining the Department, he was Deputy Secretary, Special Education and Canterbury Earthquake Recovery, for the New Zealand Ministry of Education. Nicholas holds a Bachelor of Education, a Diploma in Teaching and a Master of Business Administration.

Bruce Armstrong is currently Acting Deputy Secretary, Regional Services Group. In this role, he is responsible for the interface between the Department's regions and central office in the provision of early childhood development services and school education.

Bruce's career spans 30 years of active contribution to Victorian public education as a teacher, principal and system leader. Immediately before taking up his current role, Bruce was Executive Director of the Department's Leadership, Professional Practice and Accountability Division, which leads significant system-wide reform in leadership, school improvement and accountability, and workforce strategy. Bruce also served as the inaugural director of the Bastow Institute of Educational Leadership from 2009 to 2014 and was principal of Balwyn High School (2002–08).

Bruce holds a Master of Education, Bachelor of Arts, Bachelor of Theology and a Graduate Diploma of Education. He is a Fellow of the Australian Council for Educational Leaders and in 2015 was awarded a Public Service Medal for outstanding public service to educational improvement in Victoria.

Deputy Secretary, Higher Education and Skills Group
Ms Kym Peake

Kym Peake was Deputy Secretary, Higher Education and Skills Group (formerly Skills Victoria), from January 2010 to December 2014.

As Deputy Secretary, Kym oversaw the implementation of major reform to Victoria's demand-driven vocational training market. The reforms are underpinned by student entitlement and market contestability, with a focus on increasing participation, enabling informed consumer choice, greater industry engagement, market facilitation, targeted government investment and the provision of high-quality training.

Kym has extensive experience working at State and Commonwealth levels, leading complex policy, legislation and service delivery reforms. Before commencing at the Department, Kym worked at the Department of Prime Minister and Cabinet as Executive Coordinator, Productivity and Inclusion, and as Senior Departmental Advisor, Policy Liaison, to the Prime Minister's Office.

Kym holds a Bachelor of Laws and an Executive Master of Public Administration.

Acting Deputy Secretary, Higher Education and Skills Group
Mr Rob Wood

Rob Wood was Acting Deputy Secretary, Higher Education and Skills Group, from December 2014 to May 2015. Rob took on this role after the 2014 State election and was instrumental in overseeing the group's transition to working with the new Government in a space that has undergone significant change.

Rob joined the Department in August 2014 as Executive Director, TAFE Transition Taskforce (now TAFE and Tertiary Education Support and Oversight Division), following his move from Canada where he was the Deputy Minister of Education in British Columbia.

Rob is the former Deputy Minister of Community Services in Nova Scotia where he was responsible for a wide range of social services. He has also held executive roles as Assistant Deputy Minister of Court Services and Executive Director of the Ministry of Housing and Social Development in British Columbia. Rob spent 10 years in private sector telecommunication where he held a variety of leadership and business development roles.

Rob holds a Bachelor of Arts in Political Science and a Master degree in Public Administration.

From May to July 2015, Lee Watts, Executive Director, Training Market Operations, served as interim Acting Deputy Secretary until a permanent Deputy Secretary, Craig Robertson, was appointed.

Chief Executive Officer, Victorian Curriculum and Assessment Authority
Mr John Firth

John Firth has been CEO of the Victorian Curriculum and Assessment Authority (VCAA) since August 2005, having managed curriculum for the previous 12 years. John has been a curriculum leader for many years and was responsible for the development of the Victorian Essential Learning Standards as the curriculum for Victorian schools for the Prep to 10 years.

John has overseen the continuing development of the Victorian Certificate of Education (VCE) as a Year 12 credential of international status, the full recognition of VET within the VCE, and the implementation of the Victorian Certificate of Applied Learning as an additional vocational pathway for senior secondary students. Under his leadership, the VCAA has considerably expanded its international work, especially increasing the number of schools working with international partners to offer the VCE. The VCAA has also developed and supported the implementation of the first educational framework for pre-school children, the Victorian Early Years and Development Framework.

John has been a member of many state and national groups and speaks frequently at state and national forums. In 2008 he was appointed as a member of the Interim National Curriculum Board. In 2009 he was appointed to the board of the Australian Curriculum Assessment and Reporting Authority and made a Fellow of the Australian College of Educators.

John holds a Bachelor of Commerce and a Diploma of Education.

Standing subcommittees

During 2014–15, the Executive Board had four standing subcommittees:

Budget and Infrastructure Committee

The Budget and Infrastructure Committee is responsible for ensuring effective strategic development and coordination of Departmental finances, physical assets and information technology, and providing advice to the Executive Board on these matters.

The committee's focus includes the Department and the statewide statutory authorities primarily funded through the Department.

Policy and Performance Standing Committee

The Policy and Performance Standing Committee is responsible for ensuring effective development and coordination of Department-wide strategy and policy, research and evaluation. The committee ensures there are links between the Department's strategy and the resultant policy and evaluation. The committee's scope covers all Departmental portfolios, including statutory authorities.

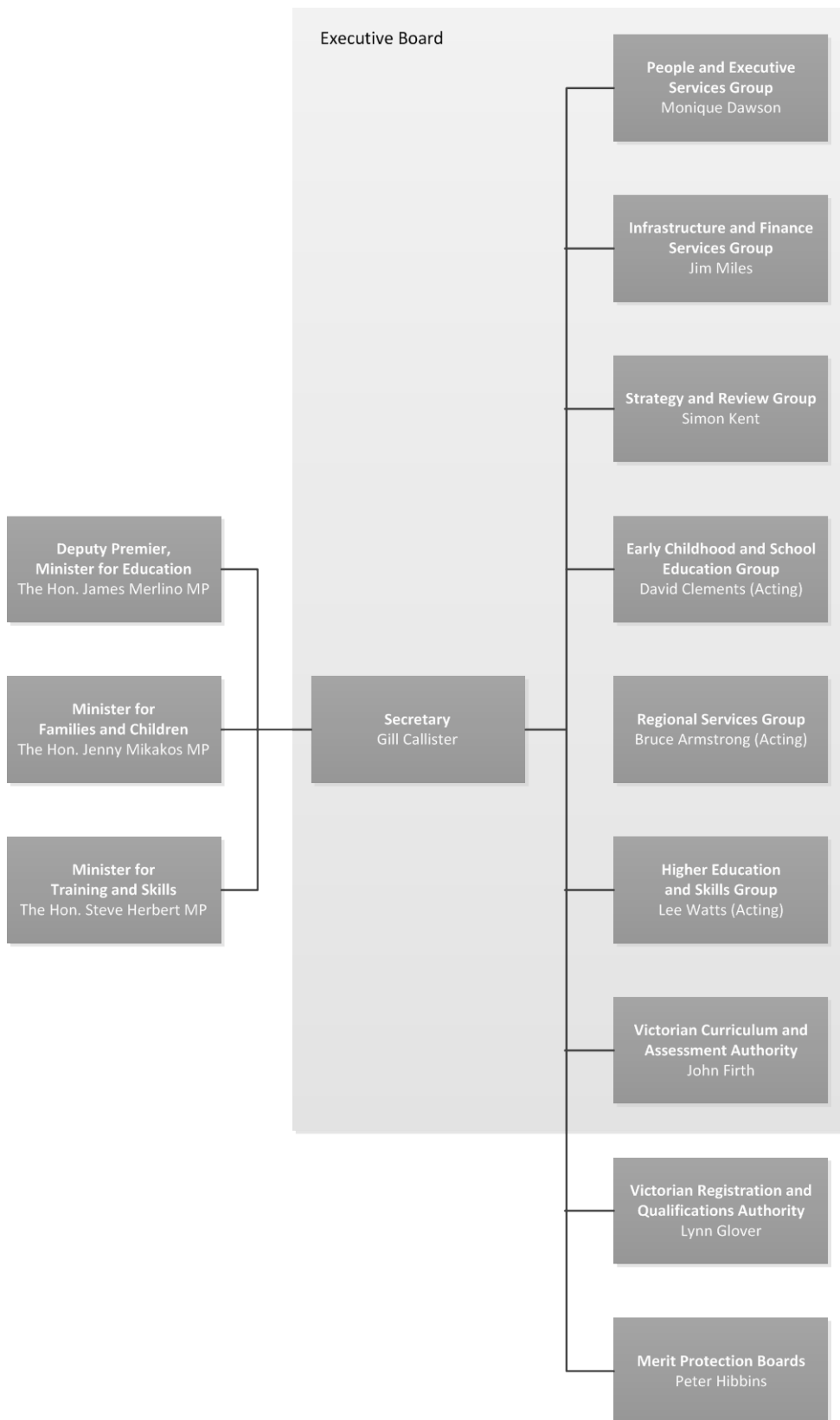
People and Culture Standing Committee

The People and Culture Standing Committee is responsible for the effective delivery of the People Strategy 2013–15, ensuring the implementation of outcomes meets identified success measures outlined in the strategy. The committee is responsible for the oversight of the annual review and refresh of the People Strategy as part of the review of the Department's overall strategy.

Service Planning and Delivery Standing Committee

The Service Planning and Delivery Standing Committee is responsible for providing advice to the Executive Board on the effective planning, coordination, integration and oversight of the delivery of early childhood development, school education, and higher education and skills services across the Department's regions from the perspective of the Department's customers and clients.

Organisational structure at 30 June 2015



People and Executive Services Group

The People and Executive Services Group provides critical strategic, assurance, operational and advisory functions that underpin and support the effectiveness of our organisation as a whole. The group is also responsible for leading the Department's people, information, and communications strategies, designed to strengthen our organisation and enable a high-performing workforce. This work plays an important role in supporting the delivery of quality, cost-effective learning and development outcomes for the people of Victoria.

Infrastructure and Finance Services Group

The Infrastructure and Finance Services Group develops and implements finance and infrastructure policies, procedures and strategy. It provides direct services to the Department's central office, regional offices and government schools in the areas of finance and resourcing, information technology, procurement, project management, environmental support and infrastructure.

Strategy and Review Group

The Strategy and Review Group leads and collaborates on the development of cross-portfolio policy and strategy, and provides advice on emerging issues and government priorities. The group informs evidence-based decision-making, including by managing data on system performance and Departmental outcomes, and generating analytic insights. The group manages annual planning and reporting as part of the Department's Corporate Management Framework, as well as intergovernmental relations and key external partnership arrangements.

Early Childhood and School Education Group

The Early Childhood and School Education Group focuses on the learning, development and wellbeing of children and young people from birth to 18 years. Its role is to design a learning and development system that delivers improved outcomes for all children, young people and their families. The group delivers education and support in government and non-government schools, maternal and child health, kindergarten and playgroup programs, early childhood intervention services, Aboriginal services, integrated children's services and school nursing, and licenses and monitors more than 4000 children's services.

Regional Services Group

The Regional Services Group is responsible for the design, development, planning and delivery of integrated local learning and development services, including early childhood services, schools, registered training organisations and other providers. It also manages the Department's emergency management response and monitored and reported on the VET market.

Higher Education and Skills Group

The Higher Education and Skills Group facilitates participation and achievement in tertiary education and training by supporting partnerships between providers, employers and the community, and by advising on public funding and regulation. It manages the government-funded training market, public provider governance and accountability, and the apprenticeship system.

Portfolio Audit and Risk Committee

The Portfolio Audit and Risk Committee was established to comply with the Standing Directions of the Minister for Finance under the *Financial Management Act 1994*. It is responsible to the Secretary. It oversees governance and provides advice on audit, risk management and business assurance activities across the education and training portfolios.

In fulfilling its responsibilities, the committee undertakes to advise the Secretary whether internal processes of the Department are operating within an acceptable level of risk and whether appropriate controls are in place to meet external regulatory and public accountability requirements.

The committee comprises four independent members and two internal members:

Ms Fiona Bennett

Chair, independent member

Fiona Bennett is a director of a number of entities including Beach Energy Limited, Hills Limited and Boom Logistics Limited. She is also Chairperson of the Legal Services Board (Victoria).

Fiona is a chartered accountant with extensive experience in commercial and financial management, governance, risk management and auditing. She has held senior executive positions at BHP Billiton Ltd and Coles Group Ltd, and has been chief financial officer of several organisations in the health sector.

Fiona is a Fellow of the Institute of Chartered Accountants, the Australian Institute of Company Directors and the Australian Institute of Management.

Ms Jan Begg

Independent member

Jan Begg is a non-executive director, Fellow of the Australian Institute of Company Directors, chair and independent member of audit committees and advisory boards, and Managing Director of Azulín, an independent practice providing business consulting, governance and systems architecture services. Jan previously had senior executive roles in Australia, UK and USA.

Jan is the chair and Australian Institute of Company Directors representative of the Standards Australia IT Governance Committee and represents Australia internationally. She has undertaken research and authored academic papers in the areas of strategy implementation and project governance.

Ms Carol Pagnon

Independent member

Carol Pagnon has extensive senior executive experience in strategic oversight and planning, decision-making, and learning and development. She has specialist experience in accounting and assurance, governance, project and organisation risk management and compliance matters. This has been primarily within the Victorian public sector in her previous role as Director, Assurance Operations, Victorian Auditor-General's Office.

Carol provides facilitation and advisory services across public and not-for-profit sectors on governance, risk management, project management and change management.

She is a Fellow of CPA Australia and a graduate of the Australian Institute of Company Directors.

Mr Stuart Gooley

Independent member, July 2009 to April 2015

Stuart Gooley, a former partner with Arthur Andersen and consultant with Ernst and Young, has extensive audit experience in a wide range of industries with roles in the accounting and audit profession.

A board member of Trinity College at the University of Melbourne and a director of the Stem Cell Foundation of Australia and a private manufacturing company, Stuart has been involved in school council finance and audit committees.

Stuart is a Fellow of the Institute of Chartered Accountants and a Fellow of CPA Australia. He is a past President of CPA Victoria and represented the accountancy profession for a number of years on the International Audit Practice Committee.

Recruitment is underway to appoint an additional independent member.

Ms Monique Dawson

Internal member

Monique Dawson's biography is on page 32.

Mr Greg Norton

Internal member

Greg Norton joined the Department in 2013 as Executive Director, Intergovernmental Relations Division, Strategy and Review Group. Greg has responsibility for providing high-quality support to Ministers and senior officials to achieve positive outcomes for Victorians through negotiations with Commonwealth, State and Territory Governments.

Statutory authorities

The Department works in conjunction with the following statutory authorities:

- Adult, Community and Further Education Board
- Adult Migrant English Service
- Children's Services Coordination Board
- Council for Adult Education
- Disciplinary Appeals Boards
- Merit Protection Boards
- TAFE institutes
- Victorian Children's Council
- Victorian Curriculum and Assessment Authority
- Victorian Institute of Teaching
- Victorian Registration and Qualifications Authority.

Reports of the Children's Services Coordination Board, Disciplinary Appeals Boards, Merit Protection Boards and Victorian Children's Council appear as Appendix 3 of this report.

The Adult, Community and Further Education Board, Victorian Curriculum and Assessment Authority, Victorian Institute of Teaching and Victorian Registration and Qualifications Authority make their own annual reports for a 1 July to 30 June financial year. The Adult Migrant English Service, the Council for Adult Education and TAFE institutes make their own annual reports for a 1 January to 31 December financial year.

Report of operations—Workforce data

Occupational health and safety

The Department is committed to providing safe and healthy workplaces for all employees, students, visitors and contractors, and aims to continuously improve occupational health and safety and workers' compensation performance and practices.

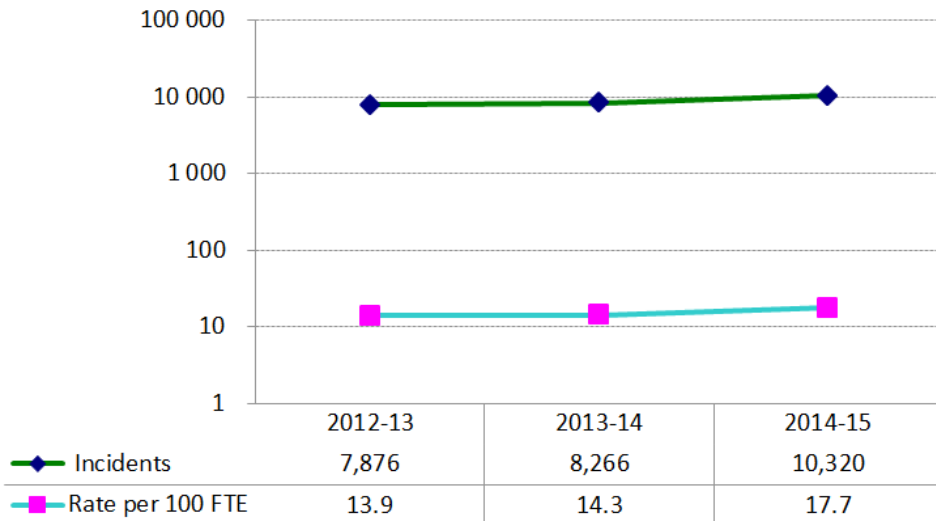
The main activities during 2014–15 were:

- implementation of an OHS Management System Monitoring and Improvement Pilot program
- provision of support and advice on implementation and maintenance of the OHS management system in Department schools and workplaces, including more than 4438 communications, of which 608 were site visits, including 328 OHS management system support and improvement program visits
- completion of all 198 scheduled AS4801 occupational health and safety audits in schools
- continued implementation of an online OHS Learning Management System hosting 14 OHS training modules. Completion rate for all DET employees of 67.7 per cent (excluding specialist modules) with 270,734 OHS eLearning modules completed
- establishment of ongoing Safety Management for School Leaders training program at Bastow Institute of Educational Leadership
- provided access to an online Health and Wellbeing portal, including individual self-driven health checks, to all DET employees
- conduct of mental health awareness workshops for senior DET executives
- 4132 hours of sessional Employee Assistance Program counselling, manager assist contacts, and critical incident responses accessed by DET employees
- 1179 hours of conflict resolution services accessed by DET workplaces including mediation, conflict coaching and team facilitations
- extensive OHS consultation with a range of stakeholders via various consultative forums including the statewide OHS Consultative Committee and the School Support Services Health and Safety Committee.

Incident management

Incidents reported across the Department, including injuries and other hazard-related incidents, increased from 14.3 per 100 FTE in 2013–14 to 17.7 per 100 FTE in 2014–15 (Figure 1). This equates to an additional 2054 reported incidents, with 10,320 in 2014–15 compared with 8266 in 2013–14.

Figure 1—Number of incidents and rate per 100 FTE



Workers' compensation

Workers' compensation initiatives delivered by the Department aimed to improve return-to-work outcomes for injured employees, reduce human and financial costs associated with workplace injuries, provide support and advisory services to workplace managers and injured workers, build the capability of the organisation to manage workers' compensation and return-to-work responsibilities effectively, and meet legislative compliance.

The main activities during 2014–15 were:

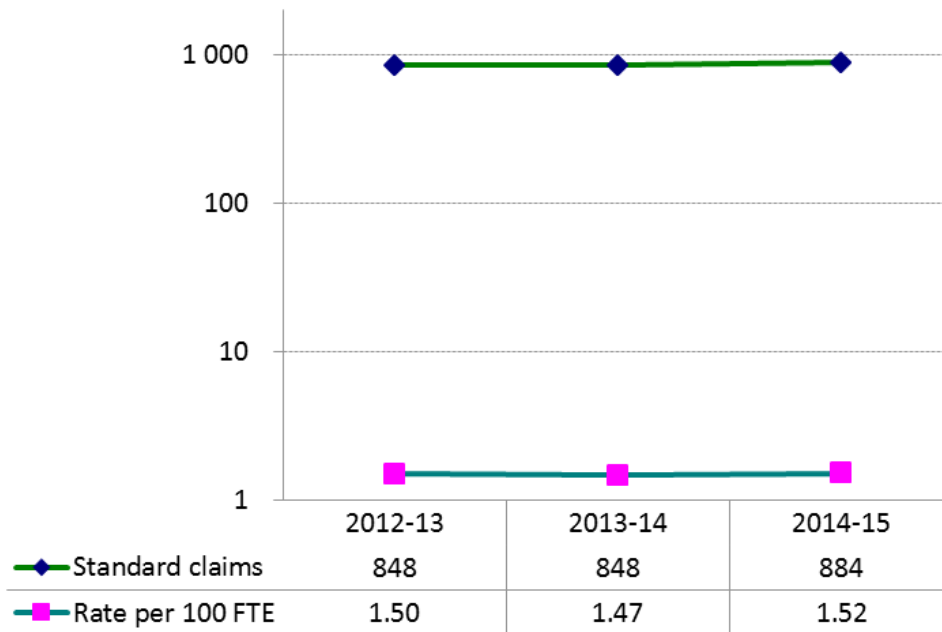
- ongoing improvement of the Department's workers' compensation management through employee and stakeholder consultation and analysis of workplace data
- review of existing workers' compensation claims and incident management systems, data and processes to identify opportunities for improvement
- provision of support and advice to Department workplaces and schools through the workers' compensation Advisory Service
- ongoing improvement in workers' compensation management through initiatives to promote early intervention and improve claims performance
- implementation of a new panel of rehabilitation providers and early referral to rehabilitation services to support the return to work of injured workers
- continued implementation of online learning workers' compensation training.

Workers' compensation initiatives for 2014–15 resulted in:

- 51.1 per cent improvement in return to work of injured workers
- 24.3 per cent reduction in minor claims converting to standard claims
- 25.6 per cent reduction in mental health claims converting from minor to standard claims
- 62.3 per cent of injured workers returning to work within 13 weeks.

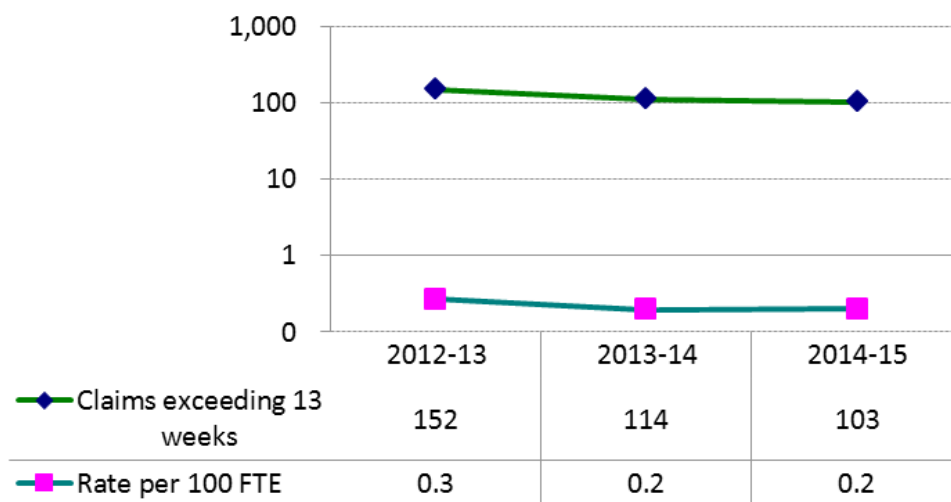
There were 884 standard workers' compensation claims in 2014–15, compared with 848 in 2013–14, while the rate per 100 staff increased from 1.47 per 100 in 2013–14 to 1.52 in 2014–15 (Figure 2).

Figure 2—Number of standard claims and rate per 100 FTE



The number of claims exceeding 13 weeks decreased to 103 in 2014–15 compared with 114 in 2013–14 (Figure 3).

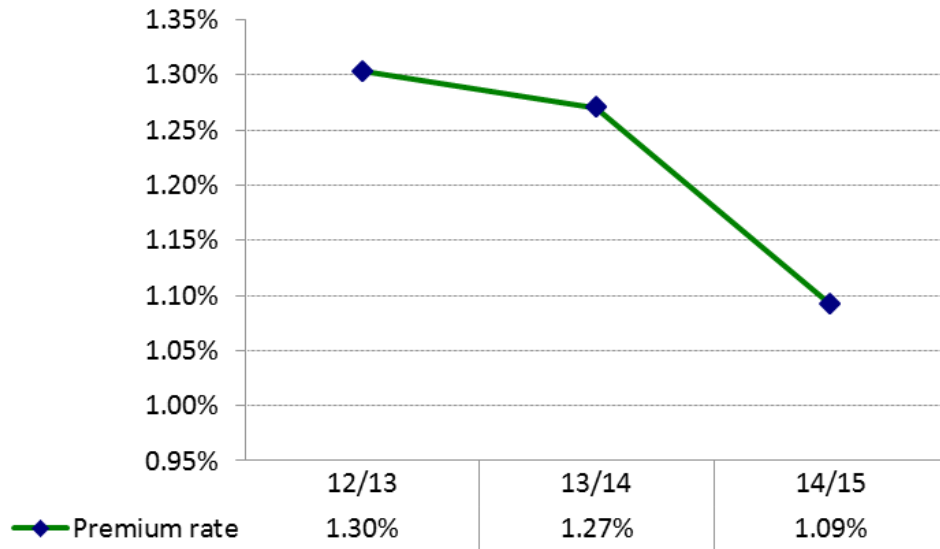
Figure 3—Claims exceeding 13 weeks and rate per 100 FTE



The Department's initial workers' compensation premium decreased from \$59.62 million (excluding GST) in 2013–14 to \$53.85 million in 2014–15 despite a rise in staff remuneration. The Department's workers' compensation premium rate decreased in 2014–15 (Figure 4). The decrease in premium and rate is due to improved workers' compensation claims management processes and initiatives. The

average cost per standard claim decreased from \$42,603 in 2013–14 to \$40,047 in 2014–15.

Figure 4—Premium rate 2012–13 to 2014–15



Performance against occupational health and safety and workers' compensation management measures

Measure	Key performance indicator	2012–13	2013–14	2014–15
Incidents	Number of incidents	7,876	8,266	10,320
	Rate per 100 FTE	13.93	14.29	17.7
Claims	Number of standard claims ¹	848	848	884
	Rate per 100 FTE	1.50	1.47	1.52
	Number of lost time claims ¹	323	326	321
	Rate per 100 FTE	0.552	0.563	0.551
	Number of claims exceeding 13 weeks ¹	152	114	103
	Rate per 100 FTE	0.268	0.197	0.200
Fatalities	Fatality claims	0	1 ²	1 ²
Claim costs	Average cost per standard claim (\$) ¹	49,639	42,603	40,047
Management commitment	Evidence of occupational health & safety policy statement, objectives, regular reporting to senior management & plans (signed by CEO or equivalent)	Complete	Complete	Complete
	Evidence of occupational health & safety criteria in purchasing guidelines (including goods, services & personnel)	Complete	Complete	Complete
Consultation & participation	Evidence of agreed structure of designated workgroups, health & safety representatives, & issue resolution procedures	Complete	Complete	Complete
	Compliance with agreed structure of above	Complete	Complete	Complete
Risk management	Percentage of internal audits/inspections conducted as planned	100	100	100
	Percentage of issues identified actioned arising from internal audits, health & safety representatives, provisional improvement notices & WorkSafe notices	100	100	100
Training	Percentage of managers & staff that have received OH&S training (induction, management training, & contractors, temps & visitors) (%)	>11	60	66
	Percentage of HSRs trained (acceptance of role, re-training/refresher, & reporting of incidents & injuries) (%)	100	60	77

¹ Data sourced from Victorian WorkCover Authority (VWA). Standard claims include those that the VWA accepts and rejects.

² A fatality claim was lodged with the Victorian WorkCover Authority but liability was rejected on the grounds that it was not work-related.

Public administration values and employment principles

The Department complies with the requirements of the *Public Administration Act 2004* with respect to upholding public sector values, conduct and employment principles, managing and valuing diversity, managing underperformance, and reviewing personal grievances.

Departmental employment processes ensure that employment decisions are based on merit, employees are treated fairly and reasonably, equal employment opportunity is provided, human rights as set out in the *Charter of Human Rights and Responsibilities Act 2006* are upheld, public sector employees have a reasonable avenue of redress against unfair or unreasonable treatment, and a career public service is fostered.

Employees have been correctly classified in workforce data collections.

Comparative workforce data

Table 3—Full-time equivalent staffing (FTE) trends from 2011 to 2015^{1,2,3}

	2011	2012	2013	2014	2015
Victorian Public Service	2,975.4	2,831.1	2,326.3	2,349.9	2,332.2
Government Teaching Service	53,272.2	53,677.1	54,365.6	55,499.4	56,349.2
Total	56,247.6	56,508.2	56,691.9	57,849.3	58,681.4

¹ Figures are for staff on pay during the last full pay period in June of each year and exclude those on leave without pay or absent on secondment, external contractors and consultants, temporary staff employed by employment agencies, and a small number of people who are not employees but appointees of a statutory office as defined in the *Public Administration Act 2004*.

² Victorian Public Service comprises Executive Officers, VPSG-classified staff, allied health staff, nurses, senior medical advisers and ministerial transport officers. Figures include employees of the Victorian Curriculum and Assessment Authority and the Victorian Registration and Qualifications Authority who are also reported in those authorities' annual reports.

³ Government Teaching Service comprises Executive Class, Principal Class, Teacher Class and Education Support Class.

Table 4—Summary of employment levels in June 2014 and 2015^{1,2,3}

	Ongoing employees			FTE	Fixed-term & casual employees FTE
	Employees (headcount)	Full time (headcount)	Part time (headcount)		
June 2014					
Victorian Public Service	2,474	1,768	706	2,215.8	134.1
Government Teaching Service	47,753	32,712	15,041	42,405.7	13,093.7
Total	50,227	34,480	15,747	44,621.5	13,227.8
June 2015					
Victorian Public Service	2,432	1,713	719	2,168.9	163.3
Government Teaching Service	47,546	32,352	15,194	42,083.0	14,266.2
Total	49,978	34,065	15,913	44,251.9	14,429.5

¹ Figures are for staff on pay during the last full pay period in June of each year and exclude those on leave without pay or absent on secondment, external contractors and consultants, temporary staff employed by employment agencies, and a small number of people who are not employees but appointees of a statutory office as defined in the *Public Administration Act 2004*.

² Victorian Public Service comprises Executive Officers, VPSG-classified staff, allied health staff, nurses, senior medical advisers and ministerial transport officers. Figures include employees of the Victorian Curriculum and Assessment Authority and the Victorian Registration and Qualifications Authority who are also reported in those authorities' annual reports.

³ Government Teaching Service comprises Executive Class, Principal Class, Teacher Class and Education Support Class.

Table 5—Victorian Public Service staff employment levels, June 2014 and 2015^{1,2}

	2014			2015		
	Ongoing employees Employees (headcount)	FTE	Fixed-term & casual employees FTE	Ongoing employees Employees (headcount)	FTE	Fixed-term & casual employees FTE
Gender						
Male	612	598.3	23.9	595	581.4	36.3
Female	1,862	1,617.5	110.2	1,837	1,587.5	127.0
Total	2,474	2,215.8	134.1	2,432	2,168.9	163.3
Age						
Under 25	24	24.0	12.6	21	20.9	10.2
25–34	440	401.8	57.8	398	361.1	73.6
35–44	594	512.2	23.5	610	525.6	42.1
45–54	714	643.8	20.1	670	602.0	23.4
55–64	634	579.3	15.3	659	598.3	11.0
Over 64	68	54.9	4.8	74	61.0	3.0
Total	2,474	2,215.8	134.1	2,432	2,168.9	163.3
Classification						
VPSG1	4	3.8	—	4	3.8	0.5
VPSG2	107	96.9	14.6	107	97.1	18.7
VPSG3	270	250.2	17.3	272	253.4	15.6
VPSG4	329	312.2	31.0	329	309.7	40.1
VPSG5	611	577.0	34.9	617	579.3	32.4
VPSG6	298	292.7	7.5	308	300.1	13.7
STS	12	12.0	1.0	14	14.0	0.8
Executive Officers	81	80.3	—	75	74.3	—
Allied Health	518	410.4	12.4	462	363.6	19.3
Nurse	240	177.4	15.5	242	172.8	22.2
Other ³	4	3.0	—	2	0.9	—
Total	2,474	2,215.8	134.1	2,432	2,168.9	163.3

¹ Figures are for staff on pay during the last full pay period in June of each year and exclude those on leave without pay or absent on secondment, external contractors and consultants, temporary staff employed by employment agencies, and a small number of people who are not employees but appointees of a statutory office as defined in the *Public Administration Act 2004*.

² Victorian Public Service comprises Executive Officers, VPSG-classified staff, allied health staff, nurses, senior medical advisers and ministerial transport officers. Figures include employees of the Victorian Curriculum and Assessment Authority and the Victorian Registration and Qualifications Authority who are also reported in those authorities' annual reports.

³ For 2015, comprises senior medical advisers.

Table 6—Government Teaching Service staff employment levels in June 2014 and 2015^{1,2}

	2014			2015		
	Ongoing Employees (headcount)	FTE	Fixed term & casual employees FTE	Ongoing Employees (headcount)	FTE	Fixed term & casual employees FTE
Gender						
Male	11,732	11,180.7	2,749.8	11,668	11,121.5	3,032.5
Female	36,021	31,225.0	10,343.9	35,878	30,961.4	11,233.7
Total	47,753	42,405.7	13,093.7	47,546	42,083.0	14,266.2
Age						
Under 25	611	588.2	1,911.2	493	475.0	2,074.6
25–34	10,660	9,990.5	4,608.6	10,537	9,840.6	5,220.6
35–44	9,576	8,348.1	2,656.6	10,070	8,724.7	2,830.5
45–54	13,622	12,048.3	2,581.1	12,951	11,442.7	2,783.4
55–64	12,109	10,523.9	1,222.4	12,182	10,584.0	1,243.5
Over 64	1,175	906.6	113.7	1,313	1,016.0	113.6
Total	47,753	42,405.7	13,093.7	47,546	42,083.0	14,266.2
Classification						
Executive Class	71	70.5	1.5	72	71.5	1.5
Principal Class ³	3,028	3,005.5	—	3,032	3,010.4	—
Teacher Class ⁴	34,112	30,812.9	7,829.6	33,836	30,411.7	8,661.9
Education Support Class	10,542	8,516.7	5,262.6	10,606	8,589.4	5,602.8
Total	47,753	42,405.7	13,093.7	47,546	42,803.0	14,266.2

¹ Figures are for staff on pay during the last full pay period in June of each year and exclude those on leave without pay or absent on secondment, external contractors and consultants, temporary staff employed by employment agencies, and a small number of people who are not employees but appointees of a statutory office as defined in the *Public Administration Act 2004*.

² Government Teaching Service comprises Executive Class, Principal Class, Teacher Class and Education Support Class.

³ Comprises Principals, Assistant Principals and Liaison Principals.

⁴ Comprises Classroom Teachers and Paraprofessionals.

Workforce inclusion

The Department is committed to supporting and developing a diverse workforce. In addition to its adherence to the principles of access, equity and equal opportunity, the Department's policies and practices encourage people of all backgrounds to pursue challenging and rewarding public sector careers at all levels of seniority.

During the year considerable work was done in refreshing the Department's Aboriginal Inclusion Plan 2012–14. The new plan, *Wirralung Ganai*—'Our People': Aboriginal Inclusion Plan 2015–17, sets out the actions the Department will take to provide better support to Aboriginal people working within the Department and ensure inclusive practice is embedded into business as usual.

The plan aligns with broader state-level strategies, including the Victorian Economic Strategy 2013–20, the Victorian Aboriginal Inclusion Framework and *Kareeta Yirramboi*—the Aboriginal Public Sector Employment and Career Development Action Plan 2010–15. The Department's progress in becoming an employer of choice for Aboriginal people will be outlined in future annual reports.

Industrial relations

All Departmental employees are covered by industrial agreements providing that no industrial action will be taken on matters within the agreements during the term of the agreements.

The *Victorian Government Schools Agreement 2013*, covering Government Teaching Service employees, has a nominal expiry date of 31 October 2016. The Victorian Public Service Workplace Determination 2012 and the Nurses (Department of Education and Early Childhood Development) Agreement 2012 both expire on 31 December 2015.

No time was lost due to industrial action during 2014–15.

Executive officers

Table 7—Number of Executive Officer positions excluding statutory authorities

Class	All		Ongoing		Special projects	
	Number	Variance	Number	Variance	Number	Variance
Secretary	1	–	1	–	–	–
EO-1	3	–	3	–	–	–
EO-2	40	–	40	–	–	–
EO-3	32	–	32	–	–	–
Total	76	–	76	–	–	–

Table 8—Breakdown of Executive Officers by gender excluding statutory authorities

Class	Ongoing					Special projects				
	Male		Female		Vacancies Number	Male		Female		Vacancies Number
	No.	Var.	No.	Var.		No.	Var.	No.	Var.	
Secretary	–	(-1)	1	+1	–	–	–	–	–	–
EO-1	1	–	1	(-1)	1	–	–	–	–	–
EO-2	20	–	18	–	2	–	–	–	–	–
EO-3	10	(-4)	16	(-1)	6	–	–	–	–	–
Total	31	(-5)	36	(-1)	9	–	–	–	–	–

Table 9—Reconciliation of Executive Officer numbers

		2014	2015
	Executives with total remuneration over \$100,000 (see Note 20)	78	78
Add	Vacancies (Table 9)	3	9
	Executives employed with total remuneration less than \$100,000	14	13
	Accountable Officer (Secretary)	1	1
Less	Separations	(11)	(17)
Less	Portfolio entity executives included in Note 20	(9)	(8)
	Total executive numbers at 30 June	76	76

Note: The total of 76 executives shown here differs from the total shown in the table accompanying Note 20 in the financial statements as a result of executive officer movements throughout the year. The total remuneration of executive officers who exit includes base remuneration plus any accrued long service leave, accrued annual leave and any other legal entitlements.

Table 10—Number of Executive Officers for the Department's portfolio agencies

Portfolio agencies	Total		Vacancies Number	Male		Female	
	Number	Variance		Number	Variance	Number	Variance
VCAA	6	–	0	4	–	2	–
VRQA	2	–	1	1	–	1	–
Total	8	–	1	5	–	3	–

Table 11—Number of Executive Officers for the Department’s portfolio entities as at 30 June 2015

Portfolio agency	2014			2015			Change		
	Female	Male	Total	Female	Male	Total	Female	Male	Total
Adult Multicultural Education Services	3	5	8	3	4	7	0	-1	-1
Bendigo Kangan Institute	4	8	12	5	6	11	1	-2	-1
Box Hill Institute	7	3	10	6	6	12	-1	3	2
Centre for Adult Education	0	0	0	0	0	0	0	0	0
Chisholm Institute	3	4	7	5	5	10	2	1	3
Federation Training Institute	3	4	7	2	2	4	-1	-2	-3
Gordon Institute of TAFE	1	1	2	1	2	3	0	1	1
Goulburn Ovens Institute of TAFE	0	3	3	1	3	4	1	0	1
Holmesglen Institute	9	8	17	9	10	19	0	2	2
International Fibre Centre	0	1	1	0	1	1	0	0	0
Melbourne Polytechnic	8	13	21	8	11	19	0	-2	-2
South West Institute of TAFE	2	3	5	2	2	4	0	-1	-1
Sunraysia Institute of TAFE	3	2	5	3	2	5	0	0	0
VET Development Centre	1	0	1	1	0	1	0	0	0
Victorian Institute of Teaching	1	0	1	1	0	1	0	0	0
William Angliss Institute of TAFE	0	4	4	0	5	5	0	1	1
Wodonga Institute of TAFE	1	3	4	1	3	4	0	0	0
Total	46	62	108	48	62	110	2	0	2

Pecuniary interests

Declarations of pecuniary interests have been duly completed by all relevant officers.

Shares held by senior officers

No senior officer holds shares as a nominee or beneficiary in a statutory authority or subsidiary.

Report of operations—other disclosures

Victorian Industry Participation Policy

The *Victorian Industry Participation Policy Act 2003* requires departments and public sector bodies to report on the implementation of the Victorian Industry Participation Policy. Departments and public sector bodies are required to apply the policy in all procurement activities valued at \$3 million or more in metropolitan Melbourne and for statewide projects, or \$1 million or more for procurement activities in regional Victoria.

During 2014–15, the Department commenced and completed contracts under both the State Capital Works Program and the Commonwealth Government’s Building the Education Revolution Program.

Under the State Capital Works Program, the Department commenced 35 contracts to which the Victorian Industry Participation Policy applied, totalling \$224.65 million. The contracts included 23 metropolitan contracts totalling \$160.80 million and 12 regional contracts totalling \$63.85 million.

The commitments under the policy included:

- an average level of local content of 88 per cent across the contracts
- 1399 continuing and new full-time equivalent jobs and 275 continuing and new full-time equivalent apprenticeships or traineeships
- benefits to the Victorian economy through:
 - development and implementation of technology in schools
 - professional development for staff
 - skills development through work on infrastructure projects and participation in related training in occupational health and safety and various trade areas.

Government advertising expenditure

Table 12—Campaigns with media spend of \$150,000 or greater 2014–15 (\$ excluding GST)

Campaign	Summary	Start/End	Advertising (media)	Creative & campaign dev'tment	Research & evaluation	Print & collateral	Other	Total
Bully Stoppers	To encourage parents and students to speak up about cyberbullying and inform them on how to deal with cyberbullying by providing information and resources via the Bully Stoppers website	Sept–Oct 2014	352,384	92,494	0	0	1,408	446,286

Campaign	Summary	Start/End	Advertising (media)	Creative & campaign dev'tment	Research & evaluation	Print & collateral	Other	Total
Education campaign	To raise awareness of, and build confidence in, Victoria's education system and modern-day schooling. Support parents to play an active role in their child's learning.	Aug–Oct 2014	614,169	308,218	54,500	2,469	31,588	1,010,945
Skills Week	To celebrate Skills Week by featuring local case studies from across the state	August 2014	283,410	3,425	0	457	8,298	295,591
No kids in hot cars	To raise awareness of the dangers of leaving children unattended in cars on hot days and the speed at which the temperature doubles inside a parked car. Provide tips for parents and carers to help them avoid unintentionally leaving a child in a car on a hot day. Campaign in partnership with KidSafe.	Nov 2014–March 2015	271,925	41,800	11,000	0	20,191	344,916
SchoolMate	To launch the SchoolMate app and drive downloads. SchoolMate is an app aimed at Victorian parents to help them better understand the key components of the Victorian curriculum so that they can be more involved with their children's education.	May 2015–June 2015	144,958	60,013	0	0	0	204,971

Consultancy expenditure

Details of consultancies valued at 10,000 or greater

In 2014–15, there were 100 consultancies where the total fees payable to the consultants were \$10,000 or greater. The total expenditure incurred during 2014–15 in relation to these consultancies was \$5.6 million (excluding GST). A complete list of these consultancies is published in the *Department of Education and Training Annual Report 2014–15 Additional Information* available at www.education.vic.gov.au.

Details of consultancies valued at less than 10,000

In 2014–15, there were two consultancies where the total fees payable to the consultants were less than \$10,000. The total expenditure incurred during 2014–15 in relation to these consultancies was \$10,091 (excluding GST).

Disclosure of major contracts

The Department has disclosed all contracts greater than \$10 million in value that it entered into during 2014–15. They can be viewed on the Victorian Government contracts publishing system at www.contracts.vic.gov.au.

Freedom of Information

The *Freedom of Information Act 1982* allows the public a right of access to documents held by the Department. During 2014–15, the Department received 304 applications. Of these, 10 were requests from members of Parliament, 32 from media and 26 from members of the public seeking access to policy-related documents. The remaining requests were categorised as requests from individuals seeking access to personal records.

In most instances full or partial access was provided; 16 decisions were reviewed by the Freedom of Information Commissioner and four were reviewed by the Victorian Civil & Administrative Tribunal (VCAT). The FOI Commissioner also investigated three complaints where the Department could not locate documents.

The information required to be published pursuant to Section 7 of the Freedom of Information Act is contained elsewhere in this report or at <http://www.education.vic.gov.au/about/contact/Pages/foi.aspx>.

Making a request

Access to documents may be obtained through written request to the relevant Freedom of Information officer as detailed in Section 17 of the Freedom of Information Act. In summary, a request must:

- be in writing
- identify as clearly as possible which document is being requested
- be accompanied by the appropriate application fee (the fee may be waived in certain circumstances).

Requests for documents should be addressed to the relevant agency.

Table 13—Freedom of Information contacts

Agency	Postal address	Email	Telephone
Department of Education and Training	Manager, Information Management Department of Education and Training GPO Box 4367 Melbourne 3001	foi@edumail.vic.gov.au	(03) 9637 2670
Merit Protection Boards	Freedom of Information officer Merit Protection Boards Level 4, Casselden Place 2 Lonsdale Street Melbourne 3000	meritboards@edumail.vic.gov.au	(03) 9032 1701
Disciplinary Appeals Boards	Freedom of Information officer Disciplinary Appeals Boards Level 4, Casselden Place 2 Lonsdale Street Melbourne 3000	dab@edumail.vic.gov.au	(03) 9032 1701

Requests can also be lodged online at www.foi.vic.gov.au.

Access charges may apply once documents have been processed and a decision on access is made; for example, photocopying and search and retrieval charges.

Further information regarding Freedom of Information can be found at www.foi.vic.gov.au

Compliance with DataVic Access Policy

Consistent with the DataVic Access Policy issued by the Victorian Government in 2012, the data included in this report is available at www.data.vic.gov.au in an open format for public use.

In 2014–15, the Department released a total of 81 datasets to DataVic. These datasets represent a cross-section of the Department's information assets, including:

- Victorian Child and Adolescent Monitoring System indicators, which report against health, wellbeing, safety, learning and development outcomes
- government school enrolment, attendance, and completion data
- training market data from the higher education and skills portfolio
- maternal and child health data
- On Track post-school destination data
- annual report data.

The Department of Education and Training was one of three departments or statutory authorities to release annual report data for 2013–14 and has embedded the practice in the annual report process for the 2014–15 cycle.

Compliance with the *Building Act 1993*

Mechanisms to ensure that buildings conform with the building standards

The Department conforms with the requirements of the Building Act and other statutory obligations with respect to the construction and modernisation of educational facilities. The school modernisation program and building compliance program progressively ensure that existing buildings comply with relevant legislative requirements.

Major works projects (greater than \$50,000)

For details of all such projects, see 2014–15 Budget Paper No. 4 *State Capital Program*.

During 2014–15, major works (greater than \$50,000) not subject to certification of plans, mandatory inspections of the works and issue of occupancy permits or certificate of final inspection were undertaken at the following schools:

Table 14—Location of major works (greater than \$50,000) not subject to certification of plans, mandatory inspections of the works and issue of occupancy permits or certificate of final inspection

Albion Primary School	North Geelong Secondary College
Altona P–9 College	Newcomb Secondary College
Armadale Primary School	Northern Bay P–12 College
Baimbridge College	Osborne Primary School
Brentwood Secondary College	Pascoe Vale Girls Secondary College
Burwood East Special Development School	Surfside Primary School
Ceres Primary School	Swan Hill Primary School
Cheltenham Secondary College	Tallangatta Secondary College
Cranbourne Secondary College	Tate Street Primary School, Geelong
Doncaster Secondary College	Teesdale Primary School
Epping Secondary College	Traralgon (Kosciuszko Street) Primary School
Fyans Park Primary School	Wantirna Primary School
Geelong East Primary School	Wantirna South Primary School
Grovedale College	Wattle Park Primary School
Heatherwood School	Westall Secondary College
Kangaroo Ground Primary School	Wheeler Hill Secondary College
Kurunjang Primary School	Whittlesea Primary School
Lara Lake Primary School	Willmott Park Primary School (Craigieburn)
Lara Primary School	Wilmot Road Primary School (Shepparton)
McGuire College	Yinnar Primary School

Mechanisms for inspection, reporting, scheduling and carrying out of rectification and maintenance works on existing buildings

The Department undertakes regular audits of all buildings in every Victorian government school to determine their general condition. The program includes a methodology and an assessment approach that includes assigning buildings a numerical rating equivalent to ‘poor’ through to ‘excellent’.

The Department also engages the program managers of compliance programs to carry out inspections, reporting, scheduling, and rectification works designed to bring existing buildings into compliance with current building regulations. The compliance programs

cover areas such as asbestos removal, fire service upgrade, integration (disability access), environmental (such as the removal of underground petroleum storage systems) and works aimed at preventing falls. The Department also operates an emergency maintenance program to respond to any health and safety issues that arise.

Number of buildings conforming with building standards

In 2011–12, to supplement the above frameworks, a condition assessment was undertaken of the 27,000 buildings in all government schools. The government established a condition threshold for these facilities and is progressively repairing or replacing the 3100 buildings identified as being below the threshold.

Number of buildings that have been brought into conformity during the reporting period

The 2011–12 condition assessment identified the need for a \$420 million maintenance program to raise the condition of all Victorian government school buildings above the threshold. As at 30 June 2015, the condition of almost 1500 of the 3100 buildings identified as being below the threshold (48 per cent) has been raised above the threshold.

National Competition Policy

Under the National Competition Policy, the guiding legislative principle is that legislation, including future legislative proposals, should not restrict competition unless it can be demonstrated that:

- the benefits of the restriction to the community as a whole outweigh the costs
- the objectives of the legislation can only be achieved by restricting competition.

Competitive neutrality requires government businesses to ensure, where services compete or potentially compete with the private sector, any advantage arising solely from their government ownership be removed if it is not in the public interest. Government businesses are required to cost and price these services as if they were privately owned and thus be fully cost-reflective. The National Competition Policy provides government businesses with a tool to enhance decisions on resource allocation. It does not override other policy objectives of government and focuses on efficiency in the provision of services.

The Department continues to comply with the requirements of the National Competition Policy.

Assessment of new legislation and regulations

All new legislation and regulations enacted within the portfolio during 2013–14 were subject to an assessment against National Competition Policy requirements to ensure continued compliance with the policy.

Compliance with the *Protected Disclosure Act 2012* (formerly *Whistleblowers Protection Act 2001*)

The *Protected Disclosure Act 2012* encourages and assists people in making disclosures of improper conduct by public officers and public bodies. It provides protection to people who make disclosures in accordance with it and establishes a system for the matters disclosed to be investigated and rectifying action to be taken.

The Department does not tolerate improper conduct by employees, or the taking of reprisals against those who come forward to disclose such conduct. It is committed to

ensuring transparency and accountability in its administrative and management practices, and supports the making of disclosures that reveal corrupt conduct, conduct involving a substantial mismanagement of public resources, or conduct involving a substantial risk to public health and safety or the environment.

The Department will take all reasonable steps to protect people who make such disclosures from any detrimental action in reprisal for making the disclosure. It will also afford natural justice to the person who is the subject of the disclosure to the extent it is legally possible.

In 2014–15, the Department received 50 disclosures, three of which are matters referred by the Independent Broad-based Anti-corruption Commission (IBAC) to the Department pursuant to Section 73 of the *Independent Broad-based Anti-corruption Commission Act 2011*. Thirty-eight were deemed not to be protected disclosures. Nine were referred to IBAC, of which two were referred by IBAC to the Ombudsman for investigation.

Making a disclosure

Disclosures of improper conduct or detrimental action by the Department or any of its employees may be made to:

Ms Melissa Dwyer
Protected Disclosure Coordinator
Director, Audit and Risk
Department of Education and Training

Street address:
2 Treasury Place
East Melbourne Victoria 3002

Document Exchange address:
DX 210083

Postal address:
GPO Box 4367
Melbourne VIC 3001

Telephone: 03 9651 3650
Email: dwyer.melissa.j@edumail.vic.gov.au

or one of the following officers of the Department:

- a manager or supervisor of a person from the Department who chooses to make a disclosure
- a manager or supervisor of a person from the Department about whom a disclosure has been made
- the Secretary of the Department.

or:

Independent Broad-based Anti-corruption Commission

Street address:
Level 1, North Tower
459 Collins Street
Melbourne Vic 3000

Postal address:
GPO Box 24234
Melbourne Victoria 3001

Telephone: 1300 735 135
Internet: www.ibac.vic.gov.au

Further information

The Department has published guidelines regarding the procedures it has instituted to comply with the Protected Disclosures Act:
<http://www.education.vic.gov.au/about/contact/Pages/protecteddisclosure.aspx>

Compliance with the *Carers Recognition Act 2012*

The Department is committed to ensuring that the rights and interests articulated in the Carers Recognition Act are considered in the delivery of its services to clients who are in a care relationship and has taken all practical measures to comply with its obligations under the Act.

Compliance with the *Disability Act 2006*

In 2013, the Minister for Education launched the 2013–16 Department of Education and Early Childhood Development Disability Action Plan, which sets out the Department's commitments and actions within the Victorian State Disability Action Plan.

Office-based environmental impacts

The Department's Environmental Management System (EMS) provides a structured approach to planning and implementing environment protection measures in the Department's office-based activities. In line with government directives, the Department reports on energy, paper and water consumption, waste generation, transportation, greenhouse gas emissions, and sustainable procurement for all non-school office sites with at least 10 FTE staff.

The EMS objectives include:

- reducing the amount of waste and maximising the amount reused and recycled
- separating office waste into reusable, recyclable, compost and true waste
- minimising energy, paper and water consumption
- reducing passenger vehicle fleet emissions
- ensuring new office accommodation incorporates environmental sustainability principles
- adopting an environmental management system based on ISO14001
- communicating environmental performance through regular reporting
- encouraging staff to reduce environmental impacts.

Unlike energy companies, water retailers and waste collection companies are not on a State Purchasing Contract, which means detailed and accurate data is not always available.

Unless otherwise stated, all consumption data is for 1 April 2014 to 31 March 2015.

Energy

The data presented below was collected through energy retailer billing information and represents 100 per cent of sites and 100 per cent of FTE staff.

Indicator	2013–14			2014–15		
	Electricity	Natural gas	Green power	Electricity	Natural gas	Green power
Total energy usage segmented by primary source, measured in megajoules (MJ)	20,891,924 (20,579,589)	6,860,789 (6,853,140)	0	19,682,232	5,195,820	0
Greenhouse gas emissions (t CO ₂ e)	7,660	380 (379)		7,271	287	
Units of energy used per FTE (MJ/FTE)	14,874 (14,703)			12,053		
Percentage of electricity purchased as green power	0			0		
Units of energy used per unit of office area (MJ/m ²)	751 (742)			664		

Note: Bracketed figures were published in the 2013–14 Annual Report. They have been revised to incorporate more accurate data which has since become available.

Actions undertaken

- solar panels have been installed at one regional office
- lighting sensors and times restored where necessary across all central and some regional offices
- the lease on four premises at one energy-intensive regional office was not extended; staff were relocated to an existing office
- significant improvements conducted to the HVAC gas system of the centrally based offices
- the Department participated in the national Earth Hour event.

Target

Reduce energy consumption per square metre by 15 per cent of 2013–14 levels by 31 March 2024, averaging an incremental reduction of 1.5 per cent each year for 10 years.

Explanatory notes

Reductions in both electricity and gas (six per cent and 24 per cent respectively) saw the overall energy consumption (MJ) decline by 10 per cent.

The Department's previous target to "Reduce energy use per FTE by two per cent compared with 2013–14 by 31 March 2015" was exceeded. The result was a 19 per cent reduction per FTE.

All central and some regional offices share energy meters with other non-Departmental buildings. The data presented is based on a percentage of the net lettable area held by the Department.

Waste

The Department continues to address waste generation through a variety of re-use and recycling methods. The data below is based on collections at four central offices, which comprise 57 per cent of the total reportable net lettable area and 53 per cent of FTE.

The landfill, co-mingled recycling and compost data was collected through four five-day waste audits at the sites and extrapolated pro-rata for the year. Data for shredded paper and 'Other' represents all waste of that variety disposed of for the year. 'Other' includes collection of toner cartridges, polystyrene, steel, reusable plastics and batteries.

Indicator	2013–2014				2014–15					
	Landfill	Co-mingled recycling	Compost	Shredded paper	Other	Landfill	Co-mingled recycling	Compost	Shredded paper	Other
Total units of waste disposed of by destination (kg/yr)	14,456	6,941	8,870	47,421	581	15,198	9,225	10,103	36,507	2,138
Units of waste disposed of per FTE by destination (kg/FTE)	14	6	8	44	0.6	14	8	9	33	2
Recycling rate (% of total waste)			82					79		

Target

Increase recycling rate to a minimum of 85 per cent by 31 March 2016.

Explanatory notes

Total waste consumption declined by five per cent compared to the previous year, caused by the significant reduction in shredded paper waste.

Inconsistencies with the waste guidelines were identified with the waste collection company and waste auditors, leading to updated guidelines being distributed to all stakeholders in January 2015. The confusion of guidelines had contributed to the variances noted in waste streams in recent years.

Successful educational campaigns in central offices have resulted in a four per cent increase in the proportion of comingled recycling and compost being diverted from landfill.

Office movements in late 2014 contributed to a significant increase in 'Other' waste.

Paper

The data presented below was collected through stationery suppliers and represents 100 per cent of sites and 100 per cent of FTE staff.

Indicator	2013–14	2014–15
Reams units of copy paper used	29,879	27,967
Reams of copy paper used per FTE	16	13
Percentage of 75–100% recycled content copy paper purchased	52	79
Percentage of 50–74% recycled content copy paper purchased	31	11
Percentage of 0–49% recycled content copy paper purchased	17	9
Total reams of A4-equivalent paper used in publications	39,952	39,326

Target

Reduce paper consumption to 12 A4 reams per FTE by 31 March 2016.

Explanatory notes

Consistent with recent years, the Department has decreased its paper use in corporate offices and publications.

Achieving a six per cent reduction in copy paper consumption, the Department surpassed its target to “Reduce paper consumption to 14 A4 reams per FTE by 31 March 2015”, with a result of 13 reams.

The additional target to “Increase the amount of copy paper purchased with 75–100 per cent recycled content to minimum of 65 per cent by 31 March 2015” was exceeded, with 79 per cent of purchases fitting that category—the highest proportion in the Department’s reporting history.

By moving to more online publications, the need for printed copies has decreased, resulting in a record low for the total units of A4 equivalent paper used in publications.

Water

The data presented below is based on water meter readings at 82 per cent of office sites covering 86 per cent of FTE staff.

Indicator	2013–14	2014–15
Total units of metered water consumed by usage types (kL)	17,056 (18,198) ¹	17,723
Units of metered water consumed in offices per FTE (kL/FTE)	9.94 (10.61) ¹	9.96
Units of metered water consumed in offices per unit of office area (kL/m ²)	0.51 (0.49) ²	0.51

Note: Bracketed figures were published in the 2013–14 Annual Report.

¹ Data was previously based on estimates. Actual data has since been received.

² Incorrect m² was used in calculations.

Target

Reduce water consumed per FTE by 15 per cent of 2013–14 levels by 31 March 2024, averaging an incremental reduction of 1.5 per cent each year for 10 years.

Explanatory notes

All central and some regional offices share a water meter with other non-Departmental buildings. The data presented is based on the percentage of the net lettable area held by the Department's buildings. The central region—consistently the Department's highest consumer for each utility—recorded a seven per cent increase in consumption. Due to the shared meter, it is not possible to ascertain if the increase was caused by the Department's consumption or that of non-Departmental buildings.

Due to difficulties in obtaining water data in a timely manner, leaks are often not identified for some months.

Water consumption data at some regional offices is unavailable due to the offices being shared facilities.

Transport

The Department-owned operational fleet comprises 263 vehicles. Of these, 53 per cent are hybrid electric vehicles, 31 per cent are petrol-fuelled, 10 per cent are diesel-fuelled and six per cent are LPG-fuelled.

The data presented below measures the kilometres, energy consumption and associated emissions for work-related travel by corporate employees, segmented by transport type (excluding public transport).

Operational vehicles	2013–14				2014–15			
	Hybrid	LPG	Petrol	Diesel	Hybrid	LPG	Petrol	Diesel
Total energy consumption by vehicles (MJ)	4,559,783	2,862,828 (2,872,801)	4,757,544 (4,884,050)	846,970 (848,455)	4,680,322	1,387,730	4,532,459	1,149,078
Total vehicle travel associated with entity operations (km)	2,302,276	883,041 (885,685)	1,844,737 (1,900,942)	326,495 (327,069)	2,509,970	437,410	1,635,819	434,770
Total greenhouse gas emissions from vehicle fleet (t CO ₂ e)	329	187	343 (353)	64	338	90	327	86
Greenhouse gas emissions from vehicle fleet per 1000 km travelled (t CO ₂ e)	0.14	0.21	0.19	0.19 (0.20)	0.13	0.21	0.20	0.20

Note: Bracketed figures were published in the 2013–14 Annual Report. They have since been revised as it was identified that use by statutory authorities had been included when they should have been omitted.

Air travel	2013–14			2014–15		
	Short <500 km	Medium 500–3,700 km	Long >3,700 km	Short <500 km	Medium 500–3,700 km	Long >3,700 km
Total distance travelled by aeroplane (km)	254,595	537,746	487,684	234,744	660,031	1,197,003

Sustainable commuting	2013–14		2014–15	
	CBD	Regional	CBD	Regional
Percentage of employees regularly (>75 per cent of work attendance days) using public transport, cycling, walking or car-pooling to and from work or working from home, by workplace locality type	80	17	70	4

Target

Reduce total kilometres travelled by operational vehicles by five per cent of 2014–15 levels by 31 March 2016.

Explanatory notes

Operational fleet data comprises that for Department-owned vehicles and vehicles used by the Department from the Victorian Government fleet and, in accordance with Financial Reporting Direction 24C, excludes executive vehicles.

Total kilometres travelled by the operational vehicle fleet fell by six per cent against the previous year, resulting in the reduction target of five per cent being achieved. Hybrid-fuelled vehicles were the most used vehicle and contributed to a 10 per cent fall in total energy consumption against last year. These factors clearly led to the nine per cent reduction in total emissions.

Total distance of air travel rose by 811,752 km, representing an overall 63 per cent increase from 2013–14. The majority of this upturn was due to the rise in long-distance flights, increasing by 709,319 km. Note that 2013–14 figures for long-distance flights were the lowest they had been in the past five years.

Sustainable commuting figures are obtained by a staff survey and are dependent on response rates.

Greenhouse gas emissions

Total emissions by activity type are presented below to show the Department's greenhouse gas footprint.

t CO ₂ e associated with activity	2013–14	2014–15
Energy use	8,040 (8,419)	7,559
Waste production	17	18
Paper purchases	108	103
Water consumption	43	24
Vehicle fleet	923 (933)	842
Air travel	334	477
Total t CO₂ e emissions created by the Department	9,464 (9,474)	9,023

Note: Bracketed figures were published in the 2013–14 Annual Report. They have been updated as more accurate data has become available.

Target

Reduce the Department's office-based greenhouse gas emissions by 15 per cent of 2013–14 levels by 31 March 2024, averaging an incremental reduction of 1.5 per cent each year for 10 years.

Explanatory notes

The Department reduced its greenhouse gas emissions across four of the six indicators, achieving a five per cent reduction overall. This achievement exceeds the incremental 1.5 per cent reduction target required each year.

Procurement

Last year a target was set to increase the percentage of EarthSaver stationery items purchased. This currently cannot be measured; however the Department continues to promote the purchase of environmentally friendly products, and specifically in the stationery/office products category. This is achieved by incorporating more environmentally friendly items listed as 'preferred product options'. Business Units are also encouraged to visit the Department's 'Swap Shop'—a stationery reuse system—before purchasing new stationery items.

The Department continues to work with the print management provider Finsbury Green to ensure all publications printed externally are completed in the most sustainable manner by, for example, using vegetable dyes and minimal packaging.

The Procurement Division encourages procurement evaluation panels to factor in and weight environmental policies/commitments into the Invitation to Supply template. This template is made available to all business units on request.

Infrastructure project tenders are evaluated against the criterion of their ability to satisfy environmental protection requirements.

Additional departmental information available on request

Standing Directions of the Minister for Finance require details in respect of certain items to be retained by the Department and made available on request subject to the provisions of the *Freedom of Information Act 1982*.

Of these, details of the following are published in this report:

- a statement that declarations of pecuniary interests have been duly completed by all relevant officers
- details of shares held by a senior officer as nominee or held beneficially in a statutory authority or subsidiary
- details of publications produced by the entity about itself, and how these can be obtained
- details of changes in prices, fees, charges, rates and levies charged by the entity
- details of assessments and measures undertaken to improve the occupational health and safety of employees.
- a general statement on industrial relations within the entity and details of time lost through industrial accidents and disputes
- details of all consultancies including:
 - consultants engaged
 - services provided
 - expenditure committed to for each engagement

Details of the following are published in the *Department of Education and Training Annual Report 2014–15 Additional Information* and are available at www.education.vic.gov.au:

- details of changes in prices, fees, charges, rates and levies charged by the entity
- details of any major external reviews carried out on the entity
- details of major research and development activities undertaken by the entity
- 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 entity to develop community awareness of the entity and its services
- a list of major committees sponsored by the entity, the purposes of each committee and the extent to which the purposes have been achieved
- details of all contractors including:
 - contractors engaged
 - services provided
 - expenditure committed to for each engagement.

Attestation for compliance with the Australian/New Zealand Risk Management Standard

RISK ATTESTATION WORDING FOR ANNUAL REPORT 2014/15

I, Gill Callister, certify that the Department of Education and Training has partially complied with Ministerial Standing Direction 4.5.5. - Risk.

Risk management processes consistent with AS/NZS ISO 31000:2009 are in place. The risk profile of the Department has been critically reviewed within the last 12 months, but recent investigations by the Independent Broad-based Anti-corruption Commission (IBAC) have revealed weaknesses in the risk management system. This indicates only partial compliance to the requirement of having an internal control system in place that enables the executive to understand, manage and satisfactorily control risk exposures.

The Department will adopt a preventative approach to managing risk, underpinned by clear accountabilities and a strong integrity culture, to effectively mitigate non-compliance. A new 'three lines of defence' risk management model will be developed to meet this goal.

The Department's Portfolio Audit and Risk Committee verifies this partial assurance and will oversee activities that will be undertaken to review the department's risk management practices and implement improvements over the course of the next 12 months.



Gill Callister
Secretary
7 September 2015

Attestation for compliance with the Ministerial Standing Direction 4.5.5—Insurance

INSURANCE ATTESTATION FOR ANNUAL REPORT

Other Disclosures and Attestations

Insurance

I, Gill Callister, certify that the Department of Education and Training has complied with Ministerial Direction 4.5.5 – Insurance, except for maintaining a current register of all indemnities. The Department has provided a list of significant indemnities to the Victorian Managed Insurance Authority and accounts for these as contingent liabilities.



Gill Callister
Secretary
27 September 2015