

# Department of Education & Training



**ANNUAL REPORT 2003–2004**

# Contents

## ABOUT THIS REPORT

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

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

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

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

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

October 2004

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

Dear Ministers

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

Yours sincerely



Grant Hehir  
Secretary

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# SECRETARY'S REPORT



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

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

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

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

## SCHOOL EDUCATION

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

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

### Effective teachers

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

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

### Effective leaders

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

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

### Effective schools

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

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

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

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

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

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

## POST-COMPULSORY EDUCATION AND TRAINING

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

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

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

## TRAINING AND TERTIARY EDUCATION

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

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

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

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

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

## ALIGNMENT WITH GOVERNMENT PRIORITIES

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

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

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



**GRANT HEHIR**  
Secretary

# OVERVIEW

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

## VISION

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

## MISSION

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

- raises achievement
- reduces disparity
- leads to opportunities.

## KEY RESPONSIBILITIES

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

The Department's primary functions include:

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

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

# GOALS AND TARGETS

The Government's goals for education and training are:

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

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

## Progress against the Government's targets

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

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

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

# ABOUT THE DEPARTMENT

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

## Ministers

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

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



**LYNNE KOSKY**  
Minister for Education  
and Training



**JACINTA ALLAN**  
Minister for Education  
Services

### Department outputs and relationships with statutory authorities

#### Department outputs

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

##### School education

###### Primary education

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

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

###### Junior secondary education

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

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

###### Senior secondary education

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

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

###### Non-government school education

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

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

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*Department outputs*

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

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**Student welfare and support**

Provision of services relating to student welfare and wellbeing

**Students with disabilities**

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

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

**Education Maintenance Allowance**

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

**Student transport**

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

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

**TAFE places**

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

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

**ACE places and community support**

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

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

**Higher education**

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

- VCAA facilitates extension studies (university subjects) in the VCE for high-achieving students.
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*Policy, strategy and information services*

**Policy, strategy and executive services**

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

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

**International education**

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

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

**Public information and promotion**

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

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

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

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

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

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

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

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

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

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

## 2003–04 RESULT

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

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

## REVENUE AND EXPENSES

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

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

## ASSETS

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

# CORPORATE GOVERNANCE

Corporate governance is the framework through which the Department:

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

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

## DEPARTMENT EXECUTIVE

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

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

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

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

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

### MR GRANT HEHIR

*Secretary*

Mr Grant Hehir joined the Department in May 2003 following a career in public sector budget management and policy development. Mr Hehir joined the Department of Treasury and Finance in 1998 as Deputy Secretary, Budget and Financial Management Division. In this role, he provided advice to Government on State budget strategy and management and advised on emerging policy issues. In early 2003, he joined the Department of Premier and Cabinet as Deputy Secretary, Strategic, Economic and Social Policy, advising the Premier on social and economic policy matters.

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

### MR DARRELL FRASER

*Deputy Secretary, Office of School Education*

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

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

**DR DAHLE SUGGETT**

*Deputy Secretary, Office of Learning and Teaching*

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

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

**MR JIM DAVIDSON**

*Deputy Secretary, Office of Training and Tertiary Education*

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

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

**MS JENNY SAMMS**

*Deputy Secretary, Office of Strategy and Review*

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

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

**MR JEFF ROSEWARNE**

*Deputy Secretary, Office of Resources Management and Strategy*

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

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

## ASSET MANAGEMENT

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

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

## INFORMATION AND COMMUNICATIONS TECHNOLOGY

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

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

## PORTFOLIO AUDIT COMMITTEE

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

The key responsibilities of the Portfolio Audit Committee are to:

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

## Membership

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

John Warburton (independent)

Kim Langfield-Smith (independent)

John Fischer (independent)

Jenny Samms, Deputy Secretary, Office of Strategy and Review

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

## RISK MANAGEMENT

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

## PROBITY AND ETHICS

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

### People Principles

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

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

### Purchasing and contracting

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

## Acceptable use of the Internet

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

### Information privacy

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

# HUMAN RESOURCES

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

Human resources information is available through HRWeb at <[www.eduweb.vic.gov.au/hrweb](http://www.eduweb.vic.gov.au/hrweb)>.

## ORGANISATIONAL DEVELOPMENT

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

### Leadership development

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

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

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

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

### Focus on women

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

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

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

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

## Staff development

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

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

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

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

## Managing diversity

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

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

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

## Employee relations

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

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

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

## HUMAN RESOURCES SYSTEMS AND SERVICES

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

## Workforce planning

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

Key initiatives include:

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

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

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

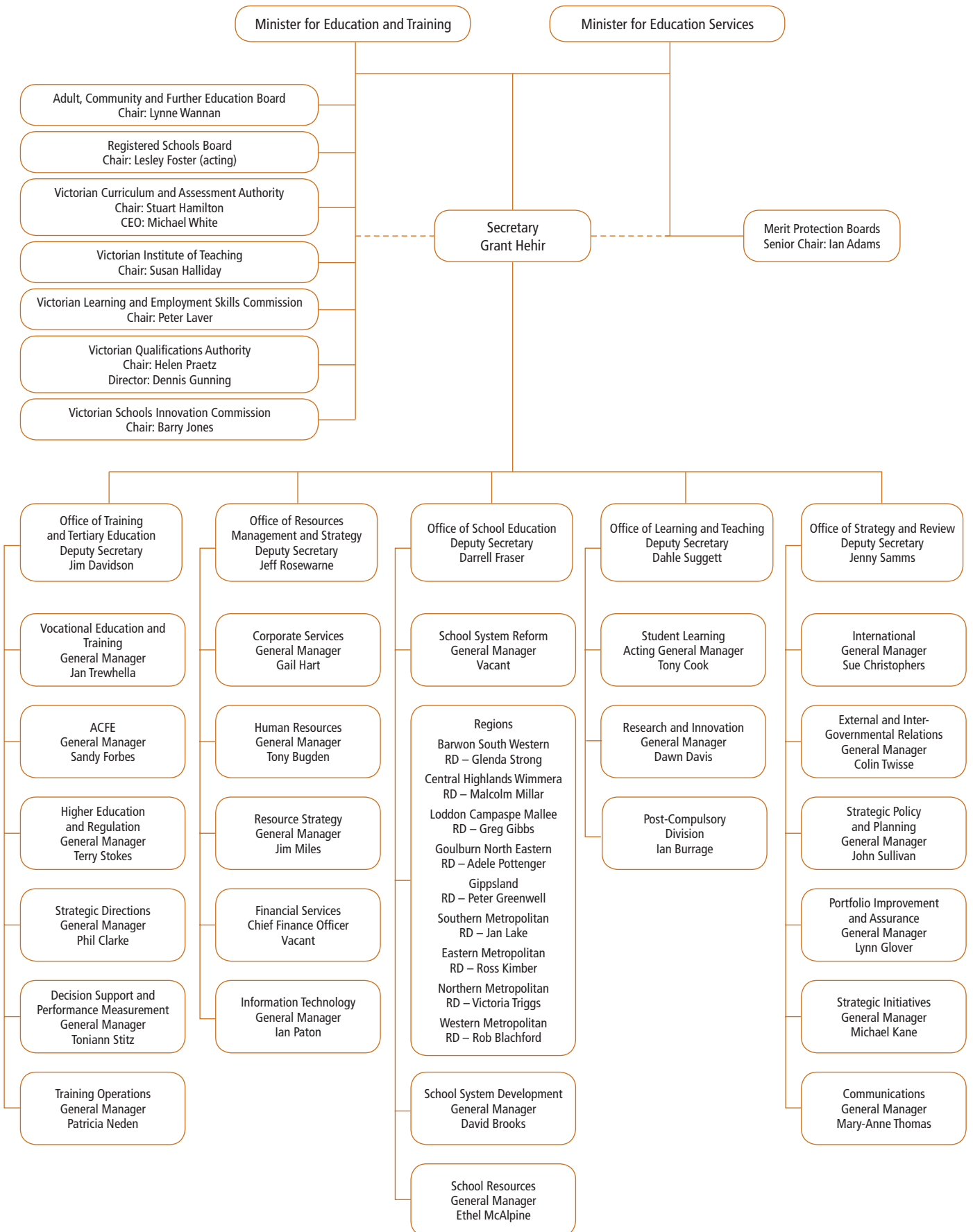
- appointing 460 graduates through the Teacher Graduate Recruitment program by 30 June 2004
- awarding 217 scholarships to student teachers under the Teaching Scholarship scheme
- continuing the development of the Recruitment Online database where teachers can advertise their employment interest online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

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

## **EMPLOYEE HEALTH, SAFETY AND WELLBEING**

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

# Organisation chart as at 30 June 2004



## CONDUCT AND ETHICS

### Criminal record checks

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

## WORKFORCE

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

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

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

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

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

Source: Department of Education & Training