
Overview

About the Department

The Department plays a pivotal role in meeting the challenges and fulfilling the vision set by the Government for education and early childhood development. The formation of the new Department in August 2007, presented a new set of challenges. As a result, in 2007–08, a completely new vision, mission and set of responsibilities were developed for the Department.

Vision

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

Mission

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

Key responsibilities

The Department brings together a range of services for young people from birth to adulthood.

The Department has four main responsibilities.

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

The Department is focused on the provision of services to children. These services are provided directly through government schools and indirectly through regulation or funding of early childhood services and non-government school education.

The Department supports and advises the Minister for Education and the Minister for Children and Early Childhood Development, and helps with the management and administration of their portfolios. During 2007–08, the Minister for Education was Bronwyn Pike, MP, and the Minister for Children and Early Childhood Development was Maxine Morand, MP.

More information on the Ministerial portfolios appears in Appendix 10 on pages 172–173.

Outputs

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

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

As a result of the August 2007 machinery-of-government changes, several outputs were divided between DHS and the Department.

The affected outputs were early childhood services and adolescent health services. Refer to the outputs and performance measures section on pages 19–28 for details on these transferred measures.

Revenues and expenses associated with these transferred measures for the period up to the date of transfer are recorded in the Department's financial report for 2007–08 on pages 68–123.

Corporate governance

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

Departmental governance is structured around the Portfolio Board, the Departmental Leadership Team and advisory Executive Committees.

Portfolio Board

The Portfolio Board determines strategic directions and monitors the effectiveness of the portfolio in achieving the Department's goals and objectives. It meets quarterly and comprises the Secretary and Deputy Secretaries of the Department, and the Chief Executive Officer of the Victorian Curriculum and Assessment Authority (VCAA). The Chief Executive Officer is included due to the significant policy advisory role of the VCAA.

The Portfolio Board's deliberations are informed by evidence of progress, using both outcome and lead indicators to measure performance of the strategic priorities in the corporate plan as well as the annual priority projects. In-depth analysis informs Portfolio Board discussion and subsequent development of policy options and responses.

Departmental Leadership Team

The Departmental Leadership Team (DLT) comprises the Secretary and the Deputy Secretaries from each of the five Offices of the Department. The DLT meets weekly to monitor key initiatives and to consider critical policy, program and resource matters. The DLT takes responsibility for driving the policy agenda set by Government, as reflected in Ministerial Directions and Statements. It also manages and coordinates stakeholder interaction and monitors progress against the Department's Corporate Plan. Members of the DLT have key strategic, operational and financial responsibilities and are accountable for Departmental outcomes.

In 2007–08, the DLT underwent several changes to its membership.

- Following the August 2007 machinery-of-government changes, Michael White was invited to join the DLT, initially as the Executive Director of the Office for Children and, following the Department's internal realignment, as the Acting Deputy Secretary for the Office for Children and Early Childhood Development. Mr White made a significant contribution to the work of the DLT over this period and provided critically important leadership in the establishment of the new Office for Children and Early Childhood Development.
- In October 2007, after almost three years as Deputy Secretary with the Department, Katherine Henderson transferred from central office to Western Metropolitan Region to take up the role of Regional Director.
- Tony Cook, then General Manager of the Department's Education Policy and Research Division, was appointed as the new Deputy Secretary of the Office for Planning, Strategy and Coordination and took up the position in January 2008.

- In March 2008, Robert Griev was appointed as the new Deputy Secretary of the Office of Children and Early Childhood Development. Mr Griev commenced this role on 7 July 2008.

Executive committees

The work of the DLT is supported by eight advisory executive committees:

- Portfolio Audit
- Resources
- People
- Statutory Authorities
- Research
- Regional Management
- Infrastructure Investment
- Accredited Purchasing Board.

Departmental Leadership Team member summary

PROFESSOR PETER DAWKINS SECRETARY

Professor Peter Dawkins is Secretary of the Department of Education and Early Childhood Development. He joined the Department in 2006 following a period as Deputy Secretary at the Victorian Department of Treasury and Finance. In 2006–07, Professor Dawkins chaired the Steering Committee that produced the *Future of Schooling in Australia* report for the Council of the Australian Federation. He has also been a significant contributor to the COAG National Reform Agenda, especially the Human Capital Reform Agenda, first as Deputy Secretary at the Victorian Treasury and more recently as a member of the COAG Productivity Agenda Working Group. Prior to joining the public service, Professor Dawkins was an academic economist who worked at a number of British and Australian universities. From 1996 to 2005 he was the Ronald Henderson Professor and Director of the Melbourne Institute of Applied Economic and Social Research at the University of

Melbourne. Professor Dawkins has undertaken extensive research and published widely on economic and social issues, especially relating to labour markets, education and training policy, welfare to work issues and the economics of industry and innovation.

MR TONY COOK DEPUTY SECRETARY OFFICE FOR PLANNING, STRATEGY AND COORDINATION

Mr Tony Cook has been the Deputy Secretary, Office for Planning, Strategy and Coordination since January 2008. Prior to this, Mr Cook headed the Department's Education Policy and Research Division, responsible for education policy development and the Department's research agenda. Prior to moving to Victoria, Mr Cook was Assistant Director of the Assessment and New Basics Branch with Education Queensland. He is a registered primary school teacher and has also been a Deputy Principal and taught in schools in Queensland and the United Kingdom.

The Office for Planning, Strategy and Coordination is responsible for the Department's overall strategic and corporate policy agenda. It coordinates support for the portfolio Ministers in relation to external and internal communications, data and evaluation, good governance, risk management and decision making. It also develops policy relating to the broader social, economic and political landscape.

DR DAHLE SUGGETT DEPUTY SECRETARY OFFICE FOR POLICY, RESEARCH AND INNOVATION

Dr Dahle Suggett was appointed Deputy Secretary in March 2004, with responsibility for leading reforms in teaching and learning and post-compulsory schooling. Currently Dr Suggett's responsibilities include policy development, research and innovation across the birth to adulthood spectrum. From 1998

to 2004, Dr Suggett was a partner in the Allen Consulting Group, specialising in public policy advice and business management. Prior to this she was in management positions with Exxon Chemical and subsidiaries in Australia and the United States, Assistant Commissioner of the Commonwealth Schools Commission and Executive Director of the Commonwealth Youth Bureau. She commenced working life as a teacher in Victorian government secondary schools. Dr Suggett has published in the areas of business and government relations, education, and employment. She lectures in public policy at the University of Melbourne.

The Office for Policy, Research and Innovation leads educational policy development, research and innovation for the Department and has responsibility for designing school system reform. This includes furthering connections between the government school sector and non-government schools to meet the educational needs of all young Victorians. The Office also has policy responsibility for leading the development of the next stage of educational reform in Victoria, improving transition pathways for young people and furthering international education.

MR DARRELL FRASER

DEPUTY SECRETARY
OFFICE FOR GOVERNMENT SCHOOL
EDUCATION

Mr Darrell Fraser joined the Department as Deputy Secretary on 14 January 2004. Prior to joining the Department's central office, Mr Fraser was principal of Glen Waverley Secondary College. Mr Fraser has received national recognition for his contribution to education through leadership, innovative pedagogy and leading practice in information and communications technology (ICT) and Intranet/Extranet solutions.

The Office for Government School Education is responsible for management, coordination and implementation of high-quality government school education across Victoria.

MR JEFF ROSEWARNE

DEPUTY SECRETARY
OFFICE FOR RESOURCES AND
INFRASTRUCTURE

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. This involved providing government with performance and budget advice on a wide range of portfolios, including Human Services, Justice and Infrastructure. As Deputy Secretary of the Office for Resources and Infrastructure, Mr Rosewarne has primary responsibility for the development and implementation of the resource strategy for the Department. The Office provides portfolio-wide services in the areas of finance, information technology, corporate services, resources strategy, human resources and infrastructure. Recent projects managed within the Office for Resources and Infrastructure include the State Budget and Expenditure Review Committee process, the Student Resource Package Benchmarking Review, the negotiation process for principal and teacher workforce Enterprise Bargaining Agreement, the \$1.9 billion being invested to rebuild, renovate or extend 500 schools by 2011 under the Victorian Schools Plan, and development of public-private partnerships for 11 new schools.

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

MR MICHAEL WHITE

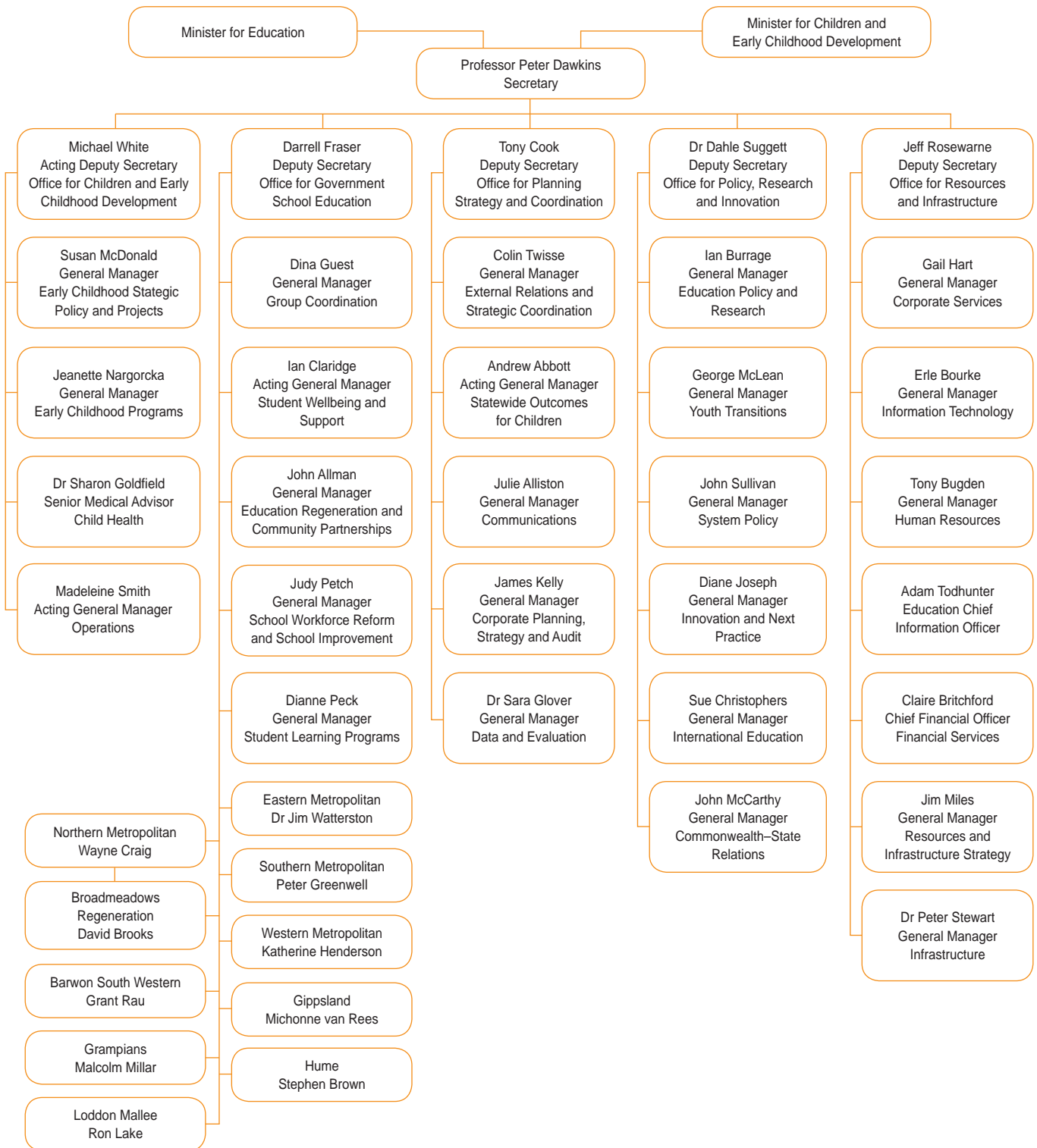
ACTING DEPUTY SECRETARY
OFFICE FOR CHILDREN AND EARLY
CHILDHOOD DEVELOPMENT

Michael White was appointed Interim Executive Director of the Office for Children on 27 August 2007. After the internal realignment of the Department following the machinery-of-government changes, Mr White was appointed Acting Deputy Secretary of the Office for Children and Early Childhood Development.

Prior to his role with the Office for Children and Early Childhood Development, Mr White was Director of School Education and Chief Executive Officer of the Victorian Curriculum and Assessment Authority (VCAA). Mr White has had eight years experience in the Victorian Public Service.

The Office for Children and Early Childhood Development was established in December 2007 to lead reform in the early childhood sector and build a seamless service system in partnership with Victorian schools, local government, community organisations and the Commonwealth. The Office is responsible for leading action across government and in the community to sustain and improve outcomes for children and young people and their families.

Organisation chart as at 30 June 2008



Human resources

As at June 2008, there were 54,021 full-time equivalent (FTE) staff employed by the Department. These staff were distributed across schools, central office and regions as indicated in the following table.

Full-time equivalent staff on pay as at June 2008

Location	FTE
Schools	
Teaching	40,447
Non-teaching	11,483
Subtotal	51,930
Central office and regions	2,091
Total*	54,021

*Total may not add up due to rounding

Further workforce statistics are contained in Appendix 4 on pages 139–146.

‘Your Job, Your Say’ survey

During May 2008, the Department conducted an organisational health survey, ‘Your Job, Your Say’, using a new provider. The survey collects information about the organisational and people management practices that influence employee wellbeing and organisational performance in central and regional offices.

The survey provides:

- Departmental results against other global benchmarks in the public sector and education industry
- information on a range of indicators that reflect the key people management issues underpinning staff wellbeing and performance which drive employee engagement
- information on key strengths and areas for improvement for teams across the Department
- information on key strengths and areas for improvement for all people managers.

The response rate for 2008 at 70.3 per cent was particularly encouraging as it shows that staff value the opportunity to provide feedback on workplace issues.

The workgroup results provided teams across the Department with key indicators of wellbeing and performance. Teams could then plan and implement strategies for improving the way they work and collaborate with other teams to achieve their goals and objectives in 2008–09.

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

Summary of financial results

The Department’s portfolio as described in the 2007–08 State Budget papers and as a consequence of machinery-of-government changes comprises six key output areas:

- Early Childhood Services
- Adolescent Health Services
- Compulsory Years
- Later Years and Youth Transitions
- Services to Students
- Policy and Regulation.

The financial statements presented in this annual report relate to the controlled operations of the Department and include corporate activities and 1587 government schools. They also include the results for the financial year period from 1 September 2007 for Adolescent Health Services, Child Health Services and Support Services, Early Childhood Education and Early Childhood Intervention Services which transferred from DHS following the machinery-of-government changes.

Other agencies within the portfolio report separately and therefore are not included within the controlled financial transactions of

the Department. These entities include the VCAA, the Victorian Institute of Teaching and the VRQA.

The table below provides information on the Department's financial results for 2007–08 and comparisons with the previous four financial years.

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

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

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

2007–08 result

The Department's result from ordinary activities for 2007–08 was \$17.6 million, compared with \$64.5 million in 2006–07. The Department's net result has reduced primarily due to greater expenditure for the new Enterprise Bargaining Agreement for teachers, higher expenditure by schools on maintenance and the inclusion of service agreement payments to child-care and kindergarten providers.

Revenue and expenses

The growth in the Department's revenue and expenditure primarily reflects the high level of service delivery achieved from the efficient delivery of output initiatives on behalf of the Government, the inclusion under the machinery-of-government changes of the Office for Children, general inflation-related indexation, offset by a decrease in school-generated locally raised funds as compared to the previous year.

During the year, the Department increased funding for initiatives approved in the 2007–08 State Budget and continued implementation of funding for initiatives approved in the previous budget for programs such as the Student with Disabilities, School Start Bonus and Schools for Innovation and Excellence grants.

Assets

The value of the Department's assets increased by \$2,446.9 billion in 2007–08. This increase reflects the revaluation of land and buildings assets and early payment of July 2008 service fees to kindergartens. It also reflects an increase in schools' cash and investment balances due to unspent additional third party revenue generated by schools.

	2003–04 \$ million	2004–05* \$ million	2005–06 \$ million	2006–07 \$ million	2007–08 \$ million
Operating revenue					
Income from State Government	5,757.0	6,205.9	6,600.5	6,391.7	6,428.1
Other revenue	429.5	491.5	441.3	670.1	697.4
Total operating revenue	6,186.5	6,697.4	7,041.8	7,061.8	7,125.6
Operating expenses	6,170.8	6,524.0	6,894.2	6,997.3	7,108.0
Operating surplus	15.7	173.4	147.6	64.5	17.6
Total assets	9,368.1	9,217.0	10,331.8	10,711.6	13,158.6
Total liabilities	1,111.9	1,170.0	1,228.3	1,326.8	1,493.3
Net assets	8,256.1	8,047.0	9,103.5	9,384.8	11,665.3
Net year end cash position	384.7	463.8	477.3	699.6	769.9

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

Goals and targets

In 2005, the Government released an update to *Growing Victoria Together*, which set out the following targets for the Department (now also including goals for early childhood):

- the wellbeing of young children will improve
- the proportion of Victorian primary school students achieving the national benchmark

levels for reading, writing and numeracy will be at or above the national average

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

Progress against these targets is shown in the following table.

Target	Measure	2001	2002	2003	2004	2005	2006	2007	Comment
The wellbeing of young children will improve.	The proportion of infants who were fully breastfed at three months ^(a)	53.1	52.0	50.6	50.5	48.5	51.8	51.8	The proportion of Victorian infants fully breastfed in 2006–07 is at the same level as the previous year.
	The proportion of infants who were fully breastfed at six months ^(a)	40.1	38.8	37.9	38.2	37.0	38.7	38.0	The proportion of Victorian infants fully breastfed in 2006–07 is generally at the same level as the previous year.
	The proportion of 4-year-olds participating in kindergarten ^{(b) (c)}	93.6	94.1	95.1	93.8	94.4	93.0	94.0	The participation rate has increased compared to 2006.
Proportion of Victorian primary school students achieving the national benchmark levels for reading, writing and numeracy will be at or above the national average. ^(d)	Percentage achieving national benchmark in Year 3 reading	89.0 (90.3)	92.0 (92.3)	90.4 (92.4)	90.5 (93.0)	91.7 (92.7)	91.5 (93.0)	93.6 (93.4)	In 2007, Victoria was at or above the national average (figure in brackets) for each of these measures. The 2007 results were released by MCEETYA ^(e) in September 2008.
	Percentage achieving national benchmark in Year 3 writing	94.7 (89.5)	95.3 (93.6)	96.1 (92.2)	97.1 (92.9)	97.5 (92.8)	96.6 (93.9)	94.1 (93.0)	
	Percentage achieving national benchmark in Year 3 numeracy	94.1 (93.9)	92.0 (92.8)	95.8 (94.2)	96.0 (93.7)	95.5 (94.1)	95.9 (93.0)	95.0 (93.2)	
	Percentage achieving national benchmark in Year 5 reading	90.9 (89.8)	87.3 (89.3)	89.6 (89.0)	87.6 (88.7)	88.7 (87.5)	89.9 (88.4)	91.4 (89.2)	
	Percentage achieving national benchmark in Year 5 writing	92.4 (94.0)	94.9 (93.6)	95.6 (94.1)	93.4 (94.2)	97.4 (93.3)	97.6 (93.8)	96.0 (94.1)	
	Percentage achieving national benchmark in Year 5 numeracy	94.7 (89.6)	93.2 (90.0)	94.7 (90.8)	94.7 (91.2)	95.4 (90.8)	94.9 (90.3)	91.5 (89.0)	
By 2010, 90 per cent of young people will successfully complete Year 12 or its educational equivalent.	Percentage of 20–24-year-olds in Victoria who have completed Year 12 or equivalent ^(f)	82.1	82.8	84.9	84.7	83.9	85.5	86.1	The Victorian result for 2007 was higher than the national average and higher than the other Australian states. This time series was revised by the Australian Bureau of Statistics in 2008.
	Percentage of 19-year-olds in Victoria who have completed Year 12 or equivalent ^(g)	75.7 ^(h)	75.8 ^(h)	78.4 ^(h)	78.8 ⁽ⁱ⁾	77.2 ⁽ⁱ⁾	78.5 ⁽ⁱ⁾	77.6	The percentage of young people successfully completing Year 12 or equivalent has grown since 2001. This time series was revised in 2008, based on the Australian Bureau of Statistics final estimated resident population.
The number of early school leavers who are unemployed after six months will decline.	Percentage of early school leavers who are unemployed ^(j)			18.5	15.0	14.3	14.6	13.5	The samples used for the On Track survey for young people who have left school early are relatively small. These results should be interpreted with care.

(a) This measure is reported by financial year, for example progress reported for 2001 applies to financial year 2000–01, and so on.

(b) The Australian Bureau of Statistics has released its final set of population estimates and changes in these estimates may impact on this measure.

(c) Participation figures are based on the number of 4-year-old children enrolled in the first year of state-funded kindergarten programs.

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

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

(f) Sourced from the Australian Bureau of Statistics annual Survey of Education and Work.

(g) Sourced from administrative data from the Department of Education and Early Childhood Development and the Department of Innovation, Industry and Regional Development and Australian Bureau of Statistics population estimates.

(h) Includes an estimate of completions in the VET sector, based upon the 2001 Census of Population and Housing.

(i) Data revision based on the final Australian Bureau of Statistics estimated resident population.

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