

Victorian Institute of Teaching



Letter of transmittal

October
2008

Bronwyn Pike, MP
Minister for Education
2 Treasury Place
East Melbourne Victoria 3002

Dear Minister

I am pleased to submit the annual report of the Victorian Institute of Teaching (the Institute) in accordance with the *Financial Management Act 1994* and the *Education and Training Reform Act 2006*.

Yours sincerely

A handwritten signature in black ink that reads "Susan Halliday". The signature is written in a cursive style with a large, looping 'S' at the beginning.

Susan Halliday
Chairperson

The Victorian Institute of Teaching

Our establishment

The Victorian Institute of Teaching is the independent statutory authority for the teaching profession in Victoria and the single registration authority for all teachers in Victorian schools.

Established in December 2002, the Institute operates under and administers section 2.6 of the *Education and Training Reform Act 2006* and reports to Parliament through the Minister for Education.

The Council of the Victorian Institute of Teaching is responsible for ensuring that the Institute's legislative functions are fulfilled in the public interest.

Recognising, promoting, regulating

At the heart of the work of the Institute is the Institute's first legislated function: to recognise and promote the profession of teaching and regulate members of the teaching profession.

The Institute's other functions include:

- approving teacher education courses
- recommending qualifications, criteria and standards for registration
- developing standards of professional practice
- maintaining a register of teachers
- developing a code of conduct for the teaching profession
- investigating the conduct, competence and fitness to teach of registered teachers
- developing a Professional Learning Framework
- undertaking professional development programs and activities related to its functions
- undertaking and promoting research about teaching and learning practices.





Registered teacher Jason Pietzner, Fitzroy High School

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Susan Halliday
Chairperson
Victorian Institute
of Teaching Council

I am pleased to present the sixth annual report of the Victorian Institute of Teaching. It has been a most productive year. Effective regulation of the profession has again proven to be a means by which to promote teaching as a profession, and in turn protect the professional status of those who are a credit to their profession.

As the regulatory authority administering Victoria's system of universal registration for all school teachers, the Institute has once again recognised the many additional benefits of drawing together the experience and views of teachers from government and non-government schools across the state, as well as those not currently teaching.

The *Victorian Teaching Profession Code of Conduct* was launched in 2008. Articulating the ideals to which they aspire, and the behaviour they expect of their professional colleagues, Victorian teachers played a vital role in the development of the Code. Its production and distribution is indeed a historic achievement.

In accordance with its legal obligations and strategic plan, the Institute Council has overseen the completion of a contemporary standards-based regulatory framework for teachers in Victoria. The framework articulates standards for the accreditation of initial teacher education courses, entry to the profession, induction and continuing membership of the profession. In addition over the past year the process of 'renewal of registration' was undertaken by teachers for the first time. The completion of this mammoth task within a reasonable timeframe was largely due to the extraordinary efforts of Institute staff and the diligence of the vast majority of Victoria's teachers.

To support teachers' continuing professional development the Institute developed and launched Pdi, 'the right PD choice'. This professional development search facility provides all registered teachers with free access to information about professional development activities, courses and services. The innovative school multimedia facility chosen for the launch of Pdi showcased many of the opportunities available for teacher professional learning, and also highlighted ways in which teacher and student learning is encouraged via Pdi.

This year also saw the Australasian Forum of Teacher Registration and Accreditation Authorities (AFTRAA) becoming incorporated and renamed the Australasian Teacher Registration Authorities (ATRA) in February 2008. Joining and working with other teacher regulatory authorities to ensure adherence to Commonwealth mutual recognition requirements and the progression of national frameworks, as well as creating a sound platform for comprehensive research, has been high on the Institute's agenda.

The five-year review of the Institute and its legislative functions was also progressed throughout the year. While the outcomes of the review will be announced later in 2008, it is important to acknowledge all those who made submissions.

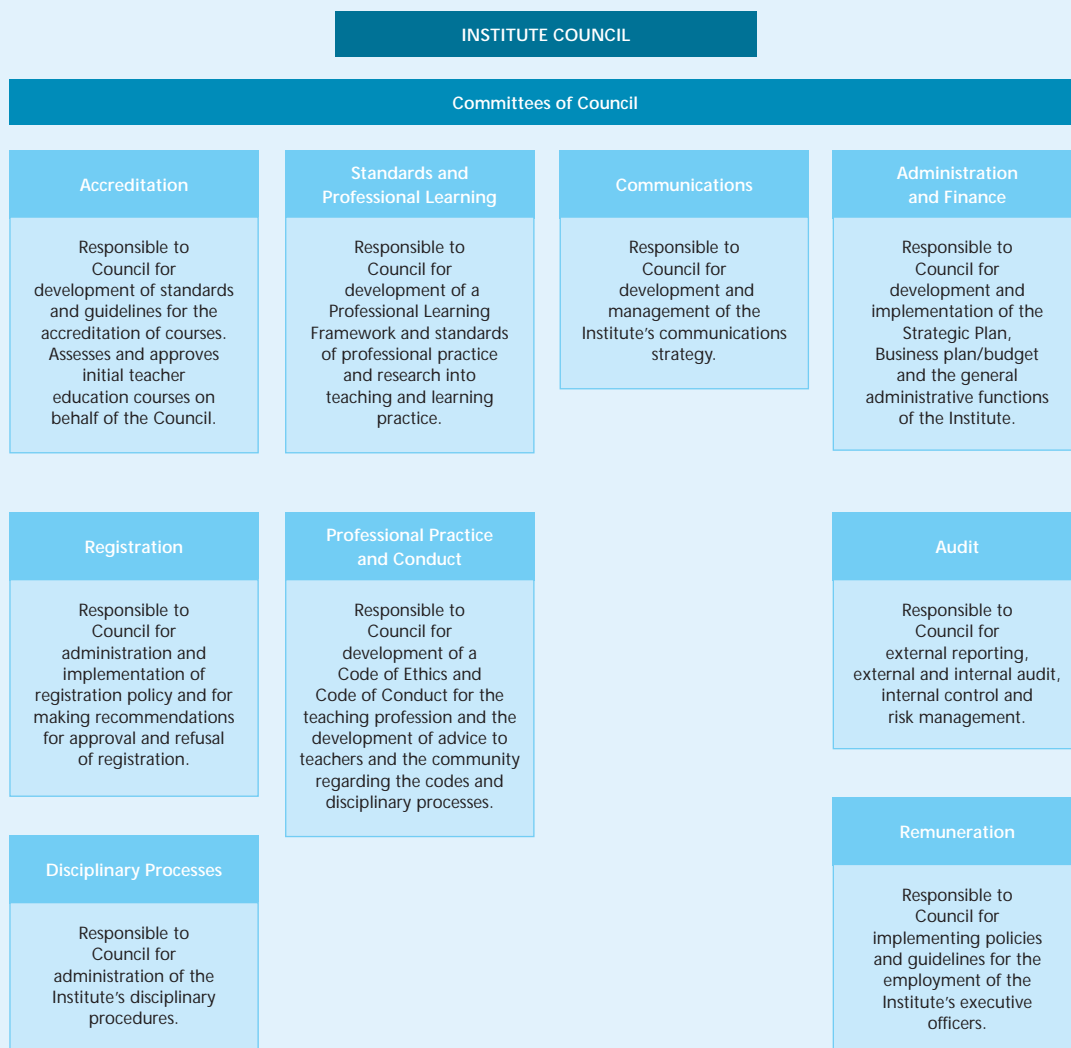
I would like to thank the Institute staff for their exceptional contribution this year, and note that the commitment and contributions of the current Council, including a number of individuals who have been with the Institute since its establishment in June 2002, have been exemplary.

Finally I wish to note that Victoria's teaching profession, comprising those who hold appropriate qualifications and are deemed fit to teach, has engaged actively with the work of the Institute in an informed and positive manner throughout the year. This contribution has helped to ensure the successful attainment of the Institute's goals. On behalf of the Institute Council I extend a sincere thank you to Victoria's teachers and all those within the broader community who have supported them.



Susan Halliday

Governance structure



The Secretariat

Under the *Education and Training Reform Act 2006*, the Victorian Institute of Teaching:

RECOGNISES the profession of teaching by:	PROMOTES the profession of teaching by:	REGULATES the members of the profession through:
<ul style="list-style-type: none"> establishing standards of professional practice establishing standards for accrediting initial teacher education courses developing a professional learning framework promoting a code of ethics and code of conduct 	<ul style="list-style-type: none"> upholding the professional position of Victorian teachers nationally and internationally engaging in education research engaging with stakeholders on matters of strategic importance developing community support for teachers through positive publicity 	<ul style="list-style-type: none"> approving initial teacher education courses assessing teachers' qualifications, probity and standards of professional practice for initial and renewal of registration maintaining a public register of teachers sanctioning teachers found to have engaged in serious misconduct, incompetence or who are not fit to teach.

Our vision, values and strategic objectives

Vision

Our vision is the highest standards of professional practice and conduct, in the interests of students, the public and the teaching profession in Victoria.

Values

The Institute's values are those of the Victorian teaching profession.

The Institute demonstrates its:

integrity by:

- acting in the public interest
- exercising expertise and authority independently to fulfil its legislative obligations
- behaving openly, honestly and accountably and adhering to accepted principles of fairness in all dealings

respect by:

- acknowledging the professionalism, needs and commitment of all teachers and all others with a legitimate stake in the outcome of its work

responsibility by:

- being aware of the impact its work and decisions have on teachers, students and the wider community – and acting accordingly
- striving to be knowledgeable, objective, responsive, efficient and effective in everything it does.

Our commitments

In realising its vision for a teaching profession with the highest standards of professional practice and conduct, the Institute is committed to acting in the interests of:

- students and their learning
- the public
- the members of the profession.

The Institute embraces a commitment to:

- good governance
- quality systems and services
- its own workplace.

Strategic objectives

- Maintain and promote the highest standards of professional practice and conduct through a contemporary, standards-based regulatory framework.
- Develop and promote a Professional Learning Framework that guides and supports teachers in their continuing education and professional development.

- Continue to build the Institute as a strategic, forward-looking, responsive, effective and efficient organisation.
- Identify key issues and challenges affecting the future development of the teaching profession and act appropriately to influence the wider educational agenda.
- Engage with the profession and the wider community to recognise, celebrate and communicate the positive contribution of the teaching profession to society.

The Report of Operations 2007–08 provides details of the progress the Institute has made against these strategic objectives.

The report is framed against the three key concepts of the Institute's established purpose:

- to recognise the profession of teaching
- to promote the profession of teaching
- to regulate its members.



The full Strategic Plan is published on the Institute's website at www.vit.vic.edu.au.

This annual report of the Institute's sixth year of operation sees the completion of all the major policy work associated with the Institute's regulatory functions and signals the beginning of a new phase in the organisational life of the Institute.

In 2007–08, the final component of the registration process was implemented as approximately 77,000 teachers were invited to renew their registration by 31 December 2007 and begin a second five year period of registration. 73,966 teachers took this opportunity to confirm their professional standing and renewed their registration. Entrants to the teaching profession in Victoria continued to out-number those departing such that the number of teachers holding active registration on the Institute's register stands at 105,526 at 30 June 2008.

Associated with the registration renewal process was the requirement that all registered teachers have a current and satisfactory national criminal history record check recorded with the Institute. A total of 46,956 National Criminal History Record Checks (NCHRCs) were therefore conducted in this reporting period. In line with the Working with Children's legislation all registered teachers are required to have a current and satisfactory criminal history record check conducted every five years. The Institute now operates a rolling five year cycle on both registration renewals and updating of NCHRCs.

The Victorian Teaching Profession Code of Conduct and the related Code of Conduct Online were launched in June 2008. The Code of Conduct Online is a web-based resource for teachers to support their understanding of the Code and to prompt professional dialogue on the ethical dilemmas that teachers face. The publication of this resource marks the beginning of a new environment for teachers with a clear articulation of the professional and personal conduct expected of all teachers.

Published in June 2007, the Institute's policy document *Preparing Future Teachers* framed the Institute's work in 2007–08 in auditing existing and accrediting new initial teacher education courses against these new standards.

The first of what is expected to be an annual survey of registered teachers was conducted to ascertain teachers' awareness and acceptance of the Institute's regulatory role and their awareness and opinions regarding the Institute's communications mechanisms. More than 80 per cent of teachers indicated an acceptance of each of the Institute's regulatory responsibilities.

The Institute has also looked inward to review elements of its organisational capacity, scoping a redevelopment of its online business and communications capacity and reviewing its approach to knowledge management. A Disaster Recovery Plan has been developed and tested to ensure that the Institute can continue with core functions in the event of a significant disaster.

The Institute continues to hold a sound financial position with our operational performance delivering a budget surplus of over \$129,000. Through on-going service delivery improvements, our operating costs were able to be contained, despite teacher registration and communications activity to support the renewal of registration process rising to unprecedented levels in 2007–08.

There were also significant changes within the Secretariat's management group with the retirements of Peter Gonzales, Group Manager, Corporate Services Branch, and Geoff Emmett, Group Manager, Standards and Professional Learning Branch, in 2007. I acknowledge with sincere thanks the invaluable contributions of both Mr Gonzales to the development of the Institute's organisational strength and Mr Emmett to the development of the Institute's standards framework and the highly valued mentoring and induction program for beginning teachers.

A new phase for the Institute will take shape in 2008–09 as the findings of the review of the Institute are delivered and with the implementation of the Victorian Government's response to the review.

We present this year's report of operations in terms of our existing legislated functions, of recognising and promoting the teaching profession and regulating its members. We look forward to working with government and stakeholders to develop a new and strengthened role for the Institute into the future.



Andrew Ius

Highlights 2007–08

- *Victorian Teaching Profession Code of Conduct* and the *Code of Conduct Online* developed, published and distributed.
- Continuing professional development requirement for renewal of registration implemented in 2008.
- Graduate teacher survey to research the effectiveness of teacher education courses developed.
- First four-year initial undergraduate course for specialist teachers of special education in Victoria approved.
- Registrations of 73,959 teachers, initially 'deemed' registered on 31 December 2002, renewed in first renewal process for Victorian teachers.
- 46,956 new national criminal history record checks processed, ensuring that all teachers on the public register have a current criminal record check recorded.
- Online Register of Teachers developed and published on the Institute website.
- Online professional development search facility, Pdi, developed and launched.
- Support program for casual relief teachers trialed and extended.
- *Research Digest for Teachers* published and promoted.
- Research into teacher professional development across Australia commissioned and conducted.
- Customer service contacts with the Institute increased by more than 30 per cent.
- New disaster recovery infrastructure and plans implemented.

Profile of the profession

Figure 1
Number of teachers registered as at 30 June, 2008

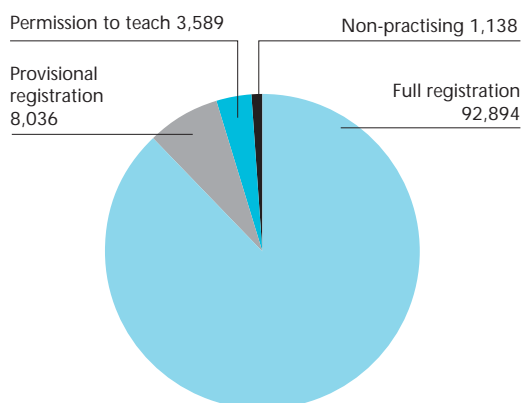


Figure 2
Gender of teachers registered as at 30 June, 2008

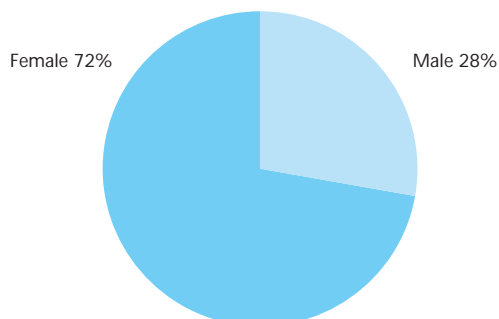
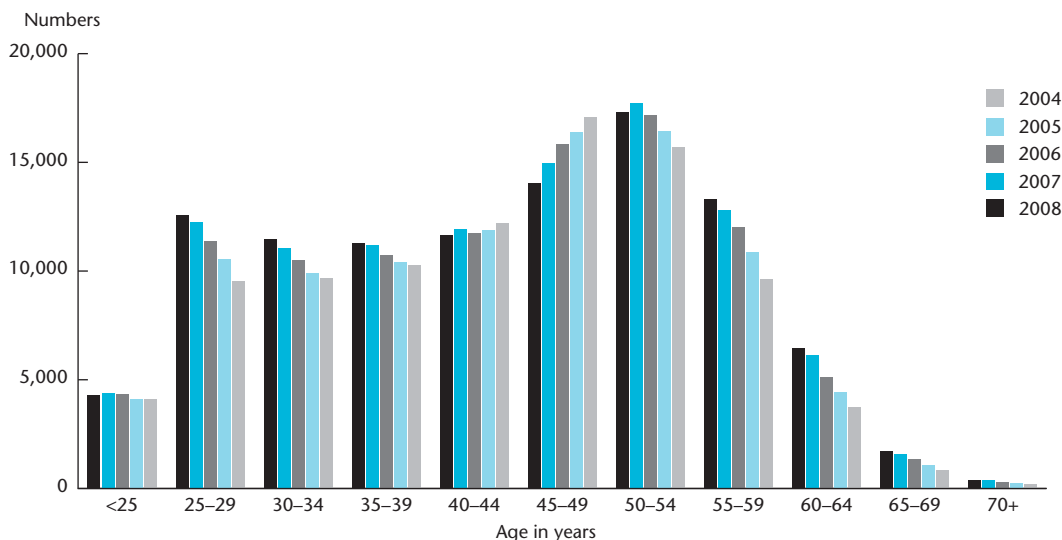


Figure 3
Age profile of teachers registered as at 30 June, 2008



Our performance

Strategic objectives

Objective	Progress
High standards	
Recognise professional conduct	Code of Conduct launched June 2008
Promote professional practice	Continuing professional development for renewal of registration implemented
Contemporary regulation	
Complete the regulatory framework	Deemed registered teacher renewal process completed May 2008
Ensure awareness of register	<i>VITonline</i> principals' search facility refined and online public register enabled May 2008
Work nationally	Agreement reached to build nationally consistent standards for accreditation of initial teacher education courses
Professional learning	
Continuing professional development	Online search engine for professional development, Pdi, launched April 2008
Support teachers' professional development	Casual Relief Teacher (CRT) Support Seeding Grants program initiated
Future Development	
The national agenda	Teacher registration authorities incorporate as ATRA to advance nationally consistent registration of teachers
Research	Annual teacher survey conducted June 2008
New technology	Teacher online communications researched and project scoped
Positive recognition	
Engage the community	Careers Promotion program expanded to include representation at metropolitan and regional exhibitions
Communicate positively	Extensive positive coverage of World Teachers' Day, Code of Conduct and Pdi launch events in metropolitan and regional media
Organisational effectiveness	
Improve customer service	Improved induction and training of new staff and increased numbers of staff interacting with registered teachers.
Business continuity	New disaster recovery infrastructure and plans implemented

Performance indicators

Objective	2008
High standards	
Teacher awareness of Code of Ethics	74%
Teacher awareness of Code of Conduct – launched June 2008	39%
Complaints against teachers investigated	29
Number of formal hearings completed	15
Number of approved initial teacher education courses	73
Number of mentors trained	3,176
Contemporary regulation	
Teacher registration renewals	73,959
Teachers reporting very positive dealings with the Institute	64%
Number of schools contacted via Field Officer visits	94
Professional learning	
Number attending Institute professional development activities	9,533
Awareness of Professional Development Interface (Pdi) – launched April 2008	36%
Future development	
Teachers willing to embrace electronic communication streams	79%
Number of visits to Institute website	435,850
Positive recognition	
Teachers placing value on professional registration	84%
Organisational effectiveness	
Number of full-time customer service staff	7
Number of calls to Teachers' Hotline	77,990
Ratio of registered teachers to FTE staff	1:2028
Financial prudence/going concern (surplus)	\$129,357

Areas of operation and outlook

Chief Executive Officer

Mr Andrew Ius is the Chief Executive Officer responsible to the Chairperson of the Institute for the effective and efficient implementation of Council's decisions.

The Chief Executive Officer oversees a Secretariat comprising four branches and two work units.

The Secretariat of the Institute provides advice and support to Council and Committees on administration of the Act.

Registration and Accreditation Branch

This branch comprises two work units, the Registration Unit and the Accreditation Unit. The Accreditation Unit manages the process for accreditation of initial teacher education (ITE) courses. The Registration Unit is accountable for maintaining the Register of Teachers by ensuring that registrants meet the requirements of the *Education and Training Reform Act 2006*.

Outlook

In 2008–09, the Registration Unit will implement processes for managing the ongoing renewal of teachers' registration and for conducting routine criminal history record checks for teachers. The Unit will also review its operations in line with the introduction of a national system of ITE accreditation. The Accreditation Unit will conduct a survey to evaluate the effectiveness of ITE courses and provide feedback to tertiary institutions on their programs and how they might be improved.

Standards and Professional Learning Branch

The Standards and Professional Learning Branch develops and implements standards of professional practice for entry into, and continuing membership of, the profession. It has established a standards and professional learning framework for all teachers and will continue to implement, review and revise that framework to build on the high standards of professional practice of teachers in Victoria.

Outlook

In 2008–09, the branch will continue to support the entry of provisionally registered teachers into the profession, train teacher mentors and update the knowledge of experienced mentors. Further development of the features of Pdi, the online professional development search facility, will include email notification, location searches and bookmarking of activities. Support for CRTs will be expanded to include professional reading clubs and CRT networks. The branch research focus will include an investigation of the professional learning of beginning teachers in regional areas.



Barbara Carter
Group Manager

Registration and
Accreditation Branch



Fran Cosgrove
Group Manager

Standards and
Professional Learning
Branch

Communications and Research Branch

The Communications and Research Branch manages the communication processes of the Institute, including production of Institute publications including the quarterly newsletter *iteach*. It also manages the public website, the Teachers' Hotline and Principals' Hotline, and the Institute email facility. The branch conducts seminars for the education community and promotes the profession of teaching to the broader community and the annual promotional campaign for World Teachers' Day.

Outlook

The branch will review and refine its communications processes and products in light of results of the second satisfaction survey of teachers. A review of the functionality and capacity of the Institute website to engage and meet the needs of teachers will be conducted. The Institute's promotional activities will be reassessed in the context of the review of the Institute.



Wendy Bradly
Group Manager

Communications and
Research Branch

Corporate Services

The Corporate Services Branch manages the Institute's finances, human resources, records and data, information technology services, facilities and physical resources.

Outlook

The forthcoming financial year will see further development of our capabilities for online communication and interaction with teachers. The branch will implement a knowledge management strategic plan to take advantage of advances in information and communication technologies and manage and share information effectively.



Matthew Hibbert
Group Manager

Corporate Services

Inquiries and Litigation Unit

The unit is responsible for inquiring into allegations of serious misconduct, serious incompetence and lack of fitness to teach of registered teachers. The unit processes and manages complaints and referrals by employers, oversees investigations and prepares cases for formal hearings. The unit also manages the conduct of hearings and all other legal proceedings on behalf of the Institute. The unit investigates potential prosecutions regarding unregistered teachers and implements procedures for the suspension of registration following charges of sexual offences.

Outlook

The unit aims to implement a fair and transparent inquiry process, including the conduct of investigations and formal hearings. In 2008–09, the unit will facilitate further training for its investigators.



Annabel Haslam
Manager

Inquiries and
Litigation Unit

Conduct and Panels Unit

The unit administers the panel process for all hearings into allegations of a teacher's serious misconduct, serious incompetence or lack of fitness to teach. Its staff support and advise the panels in relation to the administration of hearings and follow up on panel decisions (including notification of decisions, changes to registration status and preparation of decisions for publication on the Institute's website). The unit prepares reports relating to the criminal records of applicants for registration and registered teachers. It also implements the procedures for deregistration following sexual offences and supports the delivery of the codes of conduct and ethics.

Outlook

In 2008–09, the unit will implement the Code of Conduct Education strategy, continue to disseminate formal hearing decisions on the website and facilitate training for new and continuing formal hearing panel members.



Kylie Dow
Manager

Conduct and
Panels Unit

Summary of financial position

Reporting period

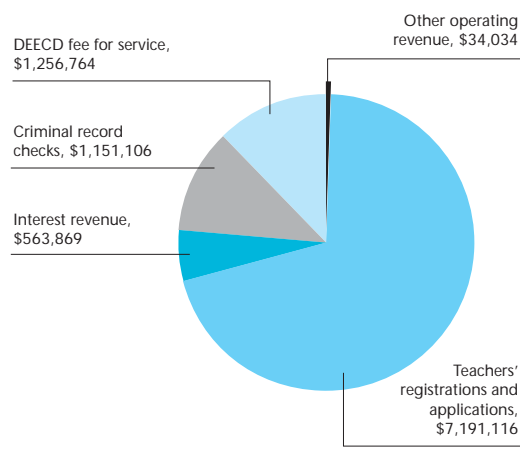
The financial report and accompanying notes are for the financial year ended 30 June 2008.

Table 1
Financial results 2007–08

	2007–08 \$'000
OPERATIONS	
Registration, application and criminal record check fees	8,317
Fees from Department of Education	1,257
Sponsorships	25
Interest	564
Other	34
Total income	10,197
Operating expenses	10,068
Net result	129
FINANCIAL POSITION	
Current assets	8,050
Non-current assets	1,521
Total assets	9,571
Current liabilities	5,572
Non-current liabilities	415
Total liabilities	5,987
Net assets	3,384
Total equity	3,584

Figure 4
Total revenue for 2007–08

Total revenue for 2007–08 was \$10,196,889 and comprised:

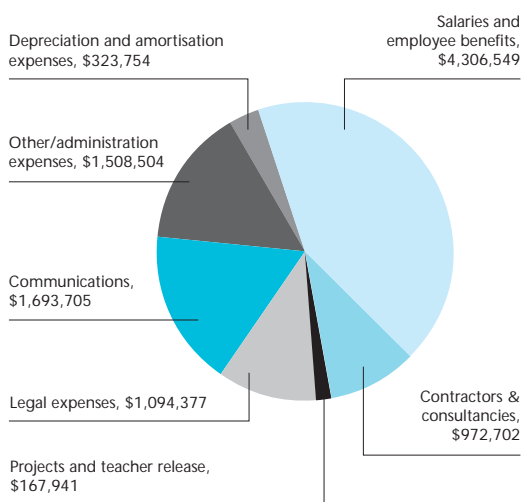


In 2007–08, annual registration fees were increased from \$64 to \$66 per annum as part of the government requirement that regulatory fees are increased by the approved rate determined by the Department of Treasury and Finance. The year also saw an increase in the number of applications for registration and a substantial increase in the number of national criminal history record checks associated with the teacher registration renewal process.

Interest revenue increased, reflecting both higher interest rates in the year and an increased carrying amount of cash.

Figure 5
Expenses for 2007–08

Expenses for 2007–08 totalled \$10,067,532 and comprised:



In 2007–08, salaries, communications, contractor and legal expenses all increased as a result of the registration renewal process involving approximately 77,000 teachers.

The Institute uses contractors and consultants to complement and augment the skills of its workforce.

Projects and teacher release increased this year and is indicative of the higher number of programs and teacher attendance at those programs.

In summary, 2007–08 generated a surplus of \$129,357 compared to \$788,178 in the previous year. The Institute's balance sheet is in a strong position. As at 30 June 2008, the cash balance more than covers total current and non-current liabilities.

Recognising the profession

High standards of professional practice and conduct

Through its regulating work, the Institute ensures that registered teachers in Victoria continue to be recognised for their high standards of practice and conduct. The Institute continues to work nationally with other registration authorities in the development of nationally consistent processes for the regulation of the teaching profession.

In 2007–08, the Institute has completed the final phase in the development of the standards-based regulatory framework and in establishing policy and process for renewal of registration, and has implemented the final phase of the Professional Learning Framework for teachers in Victoria.

Professional standards at the heart of a teacher's practice

The teaching profession recognises that learning is at the heart of its work and that teachers continue their own professional development far beyond their initial preparation. The Institute recognises the development of professional practice over time and has developed a framework of continuing professional learning to recognise and support Victorian teachers.

The framework includes standards of professional practice for graduates from an approved teacher education course, for those moving from provisional to full registration and those renewing registration every five years. It also articulates support for teachers to meet and maintain the standards at all levels.

Table 2 (see page 9) outlines the framework and identifies support for teachers to meet and maintain the standards.



Table 2
The Professional Learning Framework

Standards of professional practice	Standards of Professional Practice for Graduating Teachers	Standards of Professional Practice for Full Registration	Standards of Professional Practice for Renewal of Registration
Use of standards	The approval of initial teacher education courses	An evidence-based process comprising three components of practice	Continuing suitability and ongoing professional learning
Support for teachers to meet the standards	Guidelines for the approval of initial teacher education courses	<ul style="list-style-type: none"> • Induction and mentoring of teachers new to the profession • Mentor support days • Seminars for PRTs • Materials provided by the Institute 	<ul style="list-style-type: none"> • An online database of available professional development activities • Seminars relating to professional practice for teachers not in schools

Recognising high standards of teacher education

The community expects that teachers are well-prepared when they enter the profession – that they have met the qualifications requirements and have the skills, knowledge and competencies to be a teacher.

The accreditation of initial teacher education courses using new guidelines endorsed in 2006–07 has been phased in during this reporting period.

From the beginning of 2008, all initial teacher education courses have been approved under the new guidelines.

The Accreditation Unit works collaboratively with faculty members from all the Victorian tertiary institutions that offer initial teacher education courses to ensure the development of courses in accordance with the accreditation guidelines.

In 2007–08, the Institute has conducted a survey of graduates and their supervising teachers and mentors to inform the formal process of course review. Results of the survey will be used to evaluate the effectiveness of individual programs in producing graduates who meet the Institute's standards for graduating teachers. The Institute will provide regular feedback to tertiary institutions

on the effectiveness of their programs and how they might be improved.

Recognising and supporting beginning teachers and their mentors

The Institute recognises and supports the entry of provisionally registered teachers (PRTs) into the profession, assisting the development of their professional practice to meet the standards for full registration.

The Institute also recognises the professional collaboration and support provided by experienced teachers in mentoring new colleagues and provides support for effective induction and mentoring for teachers entering the profession.

During 2007–08, the support program for PRTs continued across Victoria. It comprised two after-school seminars for PRTs and a two-day training program for mentors, delivered in collaboration with the Department of Education and Early Childhood Development (DEECD) and with the support of the four Catholic Education Offices and the independent school sector. Comprehensive materials are provided to guide the evidence-based process for full registration and are distributed to PRTs, mentors and schools.

Table 3
Supporting provisionally registered teachers

Date	Teacher Support	Locations	Attendees
July–August 2007	Mentor Training Day 2	28 locations: 13 metropolitan 14 regional	1,321
August–September 2007	Provisionally Registered Teachers Seminar 2	27 locations: 16 metropolitan 11 regional	2,365
November 2007	Mentor Training Day 1	16 locations: 9 metropolitan 7 regional	580
February 2008	Mentor Training Day 1	25 locations: 12 metropolitan 13 regional	1,245
February–March 2008	Provisionally Registered Teachers Seminar 1	29 locations: 16 metropolitan 13 regional	2,720
May 2008	Mentor Training Day 1 repeat	NMIT, Preston	102

Supporting casual relief or emergency teachers and teachers returning to the profession

The Institute recognises the broad range of employment circumstances of teachers and their various professional learning needs.

During the reporting period, the Institute, through the Standards and Professional Learning Branch, provided fourteen professional learning seminars for CRTs and teachers returning to the profession. The program has involved 1200 teachers in seven metropolitan and seven regional locations in this reporting period.

Casual relief teacher seminar topics, 2007–08

- Current policy and curriculum in Victorian schools
- Dealing with specific student learning needs
- Classroom management
- Developing a professional learning plan
- Registration requirements and the application for full registration
- Seeking employment and the CRT toolbox

The Institute also recognises the important role schools play in supporting the professional learning of teachers and has worked with schools to provide professional development activities for casual relief teachers.

In 2007–08, a seeding grant program was trialled with metropolitan schools and regional schools to deliver seminars for CRTs.

Casual relief teacher school support program topics, 2007–08

- Using interactive whiteboards
- Schooling for refugees
- Bullying and school yard discipline
- Maths approaches
- New trends in whole-school spelling approaches
- ICT training
- Success for boys

The Institute has also supported the development of CRT networks to provide professional development for CRTs in regional centres, including Geelong, Philip Island, Frankston, Bendigo and Kilmore.

Recognising and supporting experienced teachers

Recognising the professional practice of experienced teachers in Victoria, the Institute has implemented the first renewal of registration process in this reporting period.

The Registration Unit and Standards and Professional Learning Branch supported the implementation of the renewal of registration policy for over 77,000 teachers who were eligible to renew their registration by 31 December 2007.

During the reporting period the Institute developed the policy and process to administer the professional development activities requirement of renewal of registration and trialled the validation process.



In 2007–08, the requirement for teachers to undertake a specified minimum of professional development hours for renewal of registration was developed. The number of hours of required professional development activities is being introduced on a pro rata basis over a five-year period to 2012.

Table 4
Hours of PD activities required for renewal of registration

Renewal due date	Hours of PD activities required
November 2008 – December 2009	25 hours in the previous 2 years
2010	50 hours in the previous 3 years
2011	75 hours in the previous 4 years
2012	100 hours in the previous 5 years

Pdi

Foremost in recognising and supporting teachers' professional learning needs during 2007–08 has been the development of Pdi, an online professional development search facility. Pdi provides free, centralised access to a broad range of PD activities for teachers. Over 200 providers have subscribed to Pdi and over 500 courses, activities and services were listed on the facility at 30 June 2008.

Pdi was launched for users at Debney Park Secondary College on 28 April 2008.

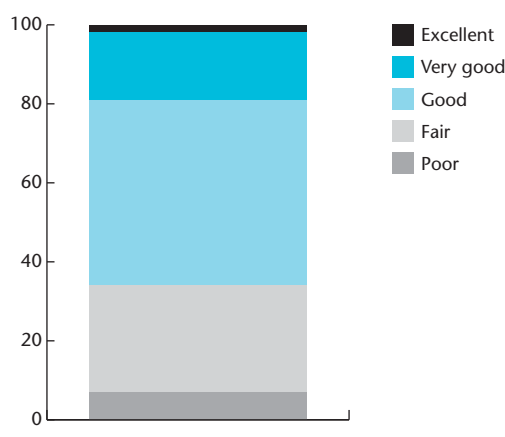
In the second half of 2008 work will begin on a number of additional functions for Pdi, including the development of a professional reading portal.

The Pdi search facility can be accessed from the Institute website home page at <www.vit.vic.edu.au> or directly at <www.pdi.vit.edu.au>.

Table 5
Pdi outcomes, 2007–08

Objective	Teachers %
% of teachers aware of the Pdi Website at 30 June 2008	39%
% of teachers who have used the Pdi website at 30 June 2008	19%

Figure 6
Percentage of teacher users giving a positive rating of the Pdi website



Recognising the ethical dimensions of teachers' work

One of the hallmarks of a profession is adherence to publicly affirmed ethical standards. Over the past three years, the Institute has worked extensively with teachers to fulfil one of its major legislative functions – 'to develop, maintain and promote a Code of Conduct for the teaching profession'.

In 2007–08, the Institute finalised this work with the launch in June 2008 of the *Victorian Teaching Profession Code of Conduct*.

The Code of Conduct, which both incorporates and has been shaped by the values articulated in the Code of Ethics, codifies common practice within the teaching profession. It sets out the standards of professional and personal conduct and competence that the profession expects of its members.

The Victorian Teaching Profession Code of Conduct

On 25 June 2008, the *Victorian Teaching Profession Code of Conduct* was launched by Susan Halliday, Chairperson, Victorian Institute of Teaching.

The Code of Conduct is structured as a set of principles divided into three sections – Section 1: Professional Conduct, Section 2: Personal Conduct and Section 3: Professional Competence.

The Institute provided a copy of the Code of Conduct to all registered teachers and copies of the code and advertising poster were sent to all schools and teacher education institutions.

The Code of Conduct is supported by the Institute's Code of Conduct Education strategy which includes the Code of Conduct Online, briefings for principal groups and employing authorities, professional development workshops in schools and other institutions, and an online email service.

The Code of Conduct Online comprises interactive materials to facilitate collegiate development and encourage exploration and understanding of each of the principles of the code. These support materials include frequently asked questions and workshops for the code, including conversation-provoking video clips of teachers sharing their own ethical decision-making.



Promoting the profession

Promoting Victorian teachers and the teaching profession in Victoria

The Institute promotes the profession of teaching by:

- upholding the position of Victorian teachers nationally and internationally
- participation in education researching
- engaging with the education community on matters of importance
- developing community support for teachers and teaching through positive publicity.

Upholding the position of Victorian teachers nationally and internationally

The Institute plays an important leadership role within Australasian Teacher Registration Authorities (ATRA), and in a number of national forums.

In February 2008, ATRA was formally incorporated and has worked to progress nationally consistent approaches to teacher registration.

ATRA members

New Zealand Teaching Council
Western Australian College of Teaching
Teachers Registration Board, Tasmania
Teacher Registration Board of South Australia
Teacher Registration Board, Northern Territory
Queensland College of Teachers
New South Wales Institute of Teachers
Victorian Institute of Teaching

National collaborations

In 2007, the Institute collaborated with other Australian States and Territories in commissioning a nation-wide study to assess teachers' experience of professional development and to identify their professional development experiences and needs.

The Institute provided representation on behalf of ATRA on the expert reference group for the longitudinal study of teachers' experience of professional development conducted by Monash University and the Department of Education, Employment and Workplace Relations.



Participating in education research

The Institute led the development of the nation-wide ATRA study to assess teachers' experience of professional development in 2007. The online survey captured the views of 2000 registered teachers in Victoria.

The study showed there was a high level of PD activity, with more than 80 per cent of Victorian teachers having completed a range of PD activities in the previous 12 months. Victorian teachers showed high levels of satisfaction with their PD and rated every key measure at a higher level than their colleagues from other states, including how supported and respected they feel as teachers.

The results of the research have informed advice given by the Institute Council to the Minister on the professional development needs of teachers.

ATRA bodies have collaborated to provide access to teachers in all jurisdictions to a Research Digest.

- Research Digest 1/2008: *Writing to Learn*, Australian Council of Education Research
- Research Digest 2/2008: *Classroom Management*, Australian Council of Education Research

In 2007–08, the Institute published a research discussion page on the Institute website at <www.vit.vic.edu.au> under Professional Learning, which summarises research issues and provides a reading list for interested teachers.

Table 6 provides an overview of all Institute research activities in the reporting period.

Table 6
Research activities, 2007–08

Research topic	Branch	Research partner/ contractor	Completion date
Options for benchmarking teacher education courses	Registration and Accreditation	Australian Council of Education Research	June 2007
Evaluation of the 2006 provisionally registered teachers' support program	Standards and Professional Learning	Emma Richardson	August 2007
Developing and validating frameworks for teacher expertise and effectiveness	Standards and Professional Learning	Professor Patrick Griffin, The University of Melbourne	October 2007
Nationwide quantitative research into teachers' experience of professional development and their perceptions of the value of the professional development they undertake	Communications and Research	Australian Research Group	October 2007
The experience of provisionally registered teachers and their mentors	Standards and Professional Learning	Monash University, The University of Melbourne	December 2007
The effects of short-term contracts on the efficacy and wellbeing of beginning teachers	Standards and Professional Learning	Emma Richardson	February 2008
Australian Research Council Link Grant project development and validation of accomplished teaching standards for teachers of geography	Standards and Professional Learning (Partner Investigator)	The University of Melbourne, Geography Teachers' Association of Victoria	July 2008
Graduate Teacher Course Satisfaction survey	Registration and Accreditation Unit	RIC-EDU Emma Richardson	October 2008
Evaluation of the 2007 provisionally registered teachers' support program	Standards and Professional Learning	Emma Richardson	July 2008

Engaging with the education community

Victorian Council of Deans of Education

The Institute has continued to work collaboratively with the Victorian Council of Deans of Education to address a range of issues, including the professional teaching experience component of courses (the practicum). A brochure promoting the benefits of the practicum was developed and circulated across the profession.

Teacher Supply and Demand Reference Group

Enrolment data is collected by the Institute from Victorian universities to provide advice and forecasts on the supply of teachers across the State. The Institute contributes this data to the Teacher Supply and Demand Report prepared by the Teacher Supply and Demand Reference Group which is convened by the DEECD.

Parent and school council organisations

The Institute convenes quarterly meetings of parent and school council organisations to keep them informed about Institute operations and issues concerning the teaching profession and school communities. Representatives from the Victorian Parents Council, Parents Victoria, the Association of School Councils in Victoria, the Victorian Catholic Schools Parent Body and the Victorian Council of School Organisations, attended five meetings chaired by Council member, Mr Nic Abbey.

Stakeholder briefings and working parties

The Institute regularly consults with key stakeholders, including principal groups, education unions, professional subject associations and parent groups on matters of policy development. In 2007–08, working parties and stakeholder consultations were conducted for the development of the Code of Conduct and Code of Conduct Online.

Seminars for the education community

The Institute conducts regular seminars for education stakeholders to promote discussion on education issues of common interest. In the reporting period, the Institute hosted three seminars for stakeholders. Audiences comprised teachers, representatives from education unions, professional associations, teacher educators, teacher employers, parent and school council groups.

Seminars for stakeholders included:

- *The proposal for a national curriculum?*
(Panel of speakers: Professor Geoff Masters, Chief Executive Officer, Australian Council for Educational Research; Ms Susan Mann, Chief Executive Officer, Curriculum Corporation; Emeritus Professor Malcolm Skilbeck, International Education Consultant)
- *The legal obligations of teachers*
(Guest speaker: Andrew (Drew) Hopkins LLB Dip Ed. M.Ed. St., Course Coordinator and Principal Lecturer for the Graduate Certificate in Education Law, ACU National)
- *Building confidence and self-esteem in young people*
(Guest speaker: Jim Stynes OAM, Chief Executive Officer, The Reach Foundation).



Communications

The Institute uses a range of media to communicate with teachers:

- the Institute newsletter, *iteach* and *iteachonline*
- regular news and policy updates on the Institute website
- regular circulars emailed to all schools
- direct mail of information
- a Field Officer program of school visits.

Field Officer program

The appointment of a Field Officer in February 2007 has provided a new capacity for the Institute to engage teachers and schools with the work of the Institute, by visiting schools, talking to teachers and addressing issues they may have about their registration.

In 2007–08, teacher forums have been held in 94 schools in the state. During school visits, the Field Officer has presented to an overall audience of more than 5000 registered teachers. Ninety-five per cent of teachers responding via participant feedback forms found the discussion valuable.

The Field Officer also presented at meetings of principal groups and Australian Education Union (AEU) Victorian Branch regional groups, Victoria University – Melton Campus, Deakin University Melbourne at Burwood and Monash University's Centre of Regulatory Studies.

Figure 7
School visits 2007–08 by sector

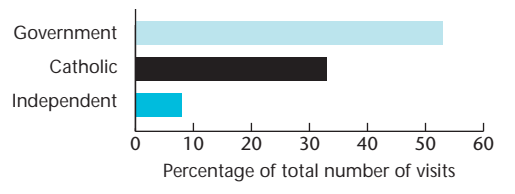
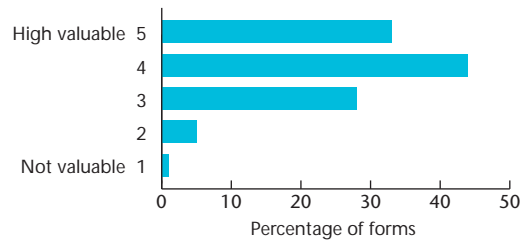


Figure 8
Evaluation of Field Officer presentations



The Institute's website

The Institute's website focuses on its three key audiences: registered teachers, applicants for registration and members of the community. Information is targeted at the needs of these groups. The number of visitors to the site increased over the reporting period, from an average of 23,917 visits per month in the previous reporting period to 36,321 per month (Figure 9).

The web pages attracting most visitors were those providing information on:

- how to qualify as a teacher
- how to apply for registration
- registration matters and professional learning.



Figure 9
Number of visits to the Institute website, July 2007 to June 2008

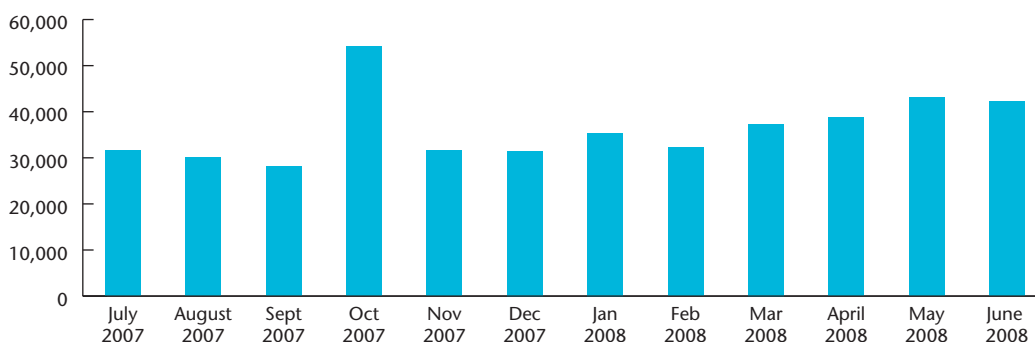
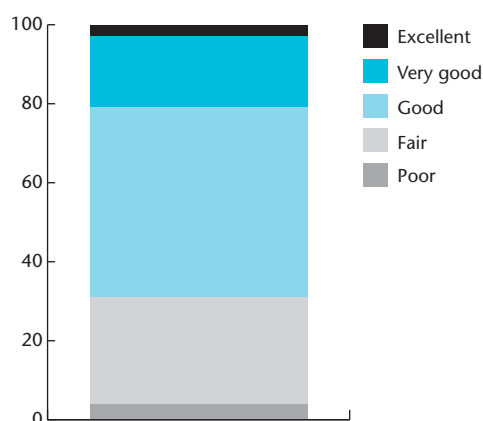


Figure 10
Percentage of teacher users giving a positive rating of the Institute website



iteach

iteach is distributed to over 107,000 registered teachers as well as to school council presidents, school board chairpersons, faculties and schools of education, professional associations, teacher unions, and equivalent bodies interstate and internationally.

The Institute produced four editions of *iteach* in the reporting period. The newsletter is the Institute's primary mode of communication with registered teachers. The editorial objectives of the newsletter are to:

- report the development and implementation of key Institute policies
- celebrate the profession through stories told by teachers and principals
- contribute to teachers' professional learning through case studies and articles by guest writers
- report the Institute's consultations with beginning and experienced teachers at forums, seminars and workshops
- convey to the education community the high standards of professionalism practised by registered teachers
- ensure a balance of articles from each school sector – government, Catholic and independent schools
- report the work of the Institute.

In 2007–08, an extended electronic edition of *iteach*, *iteachonline*, was launched on the Institute website. Expanded articles, links to further research or information and additional items of interest are available through this version of the newsletter.

A quantitative study of client satisfaction with a range of Institute communications, including *iteach*, was undertaken during Term 2, 2007. The annual teacher survey conducted in 2008 has sought information to compare teacher satisfaction across two years.

Table 7
Readership patterns for *iteach*

	2006–07	2007–08
Teacher awareness of <i>iteach</i>	98%	93%
Teachers reading <i>iteach</i>	100%	84%
Readers giving <i>iteach</i> a good or very good rating	53%	52%

Developing community support for teaching

Career Promotion program

To promote teaching as a desirable career choice, the Institute exhibited at four major metropolitan career expos in the reporting period.

Table 8
Career Promotion program, 2007–08

The Education Show	August 2007
The Age VCE and Career Expo	April 2008
The National Careers and Employment Expo	May 2008
Herald Sun Melbourne Career Expo	June 2008

Visitors to the major expos were able to access the Institute's website to see the initial teacher education courses approved by the Institute. These events provide a significant opportunity to promote the profession and teaching as a career. The total number of visitors to all expos, as estimated by the organisers, was over 64,000.

The Communications and Research Branch worked with the organisers of the National Careers and Employment Expo to develop a 'virtual stand' at a 'virtual career expo', launched in August 2007.

The Institute's career promotion program has been expanded to ensure teaching as a career has an exhibition presence at regional exhibitions as well as those located in the metropolitan area.

The Institute will exhibit at the Morwell Jobskills Expo in July 2008, and the Warragul Jobskills Expo, the Peninsula Career Expo, and the Ballarat Careers Expo in August 2008.

World Teachers' Day

The Institute has been promoting UNESCO's World Teachers' Day since 2003. The event provides the opportunity to promote the profession to the broader community and to show teachers how much their work and professional commitment is valued.

In 2007, the Institute's focus for World Teachers' Day was teachers' continuing professional learning. The theme chosen for the 2007

campaign was *My teacher is always learning*.

The campaign comprised advertising, media relations and communications components.

The promotion included colour advertisements in *The Age* over three days in the week leading up to 26 October.

The Institute also took the opportunity to publicise the findings of the ATRA research into teachers' experience of professional development. Research released to the media for World Teachers' Day highlighted Victorian teachers' commitment and participation in professional development.

Articles about World Teachers' Day appeared in 17 suburban and rural newspapers.

The Communications strategy included:

- an email to every school suggesting ways they could celebrate World Teachers' Day
- a letter from the Minister for Education and Training to every school council and school board urging their support
- a World Teachers' Day poster sent to every school and local library
- a letter from the Chairperson to every Victorian Member of Parliament inviting their support for teachers in their electorate
- a letter to every city and shire council promoting World Teachers' Day
- a World Teachers' Day page on the Institute website
- media release



Regulating the profession

Our contemporary standards-based regulatory framework

The regulatory framework for the teaching profession in Victoria is based on a framework of standards required to be met at critical points in a teacher's professional career:

- their initial teacher education
- their provisional registration as beginning teachers
- their full registration after one to two years
- the renewal of their registration every five years.

Underpinning this framework of standards are the ethical values and standards of professional conduct to which teachers subscribe as members of a profession. These commitments are defined in the *Victorian Teaching Profession Code of Ethics* and the *Victorian Teaching Profession Code of Conduct*.

Teachers in Victoria have indicated a high level of acceptance of the role of the Institute in recognising and regulating the teaching profession. In June 2008, the Institute conducted the first annual teacher survey to gauge awareness of and satisfaction with a range of the Institute's functions and processes. Each of the Institute's regulatory roles was considered to be appropriate by more than 80 per cent of teachers.

Figure 11
Teacher acceptance of regulatory functions



Accreditation of initial teacher education courses

The Accreditation Committee assesses and approves courses in Victoria on a cyclical basis to ensure all courses are reviewed over a five-year period.

Courses reviewed

During 2007–08, three courses were approved following cyclical review by the Accreditation Committee:

Graduate Diploma in Secondary Education, Victoria University
 Bachelor of Education, La Trobe University
 Graduate Diploma in Education (Secondary), ACU National University

Fifteen new courses were approved by the Accreditation Committee:

Graduate Diploma in Education (Middle Years), La Trobe University
 Bachelor of Education (VET/Secondary Teaching), Victoria University
 Graduate Diploma of Teaching (Primary), Deakin University
 Master of Teaching (Primary), ACU National University
 Graduate Diploma in Education (Primary) (International), ACU National University
 Master of Teaching (Secondary), ACU National University
 Master of Teaching, La Trobe University
 Bachelor of Teaching/Bachelor of Arts, ACU National University
 Master of Teaching (Early Years), University of Melbourne
 Master of Teaching (Primary), University of Melbourne
 Master of Teaching (Secondary), University of Melbourne
 Postgraduate Diploma in Teaching (Secondary), University of Melbourne
 Bachelor of Education (Early Childhood /Primary), Victoria University
 Bachelor of Education/Bachelor of Applied Science (Disability), RMIT University
 Bachelor of Education (Early Childhood and Primary), ACU National University

In 2007–08, the Institute approved the first four-year undergraduate initial teacher education course to prepare specialist teachers of special education in Victoria. The Bachelor of Education/ Bachelor of Applied Science (Disability) at RMIT University provides a clear pathway for teaching in specialist settings.

There are currently 73 initial teacher education courses that have been approved by the Accreditation Committee. A list of approved courses is available on the Institute's website at <www.vit.vic.edu.au> under Teacher Education.

Courses endorsed

On request, the Accreditation Committee also reviews and endorses teacher education courses that further qualify already qualified teachers in specialist areas.

During 2007–08, the Accreditation Committee reviewed and endorsed three new courses:

Master of Education (Language Intervention and Hearing Impaired), University of Melbourne
 Master of Education (Specific Learning Difficulties), University of Melbourne
 Vocational Graduate Diploma of Home Economics Education, Home Economics Victoria

In 2007–08, the Institute endorsed the first course offered by a professional teaching association to prepare already-qualified teachers to teach in a specialist subject area. Home Economics Victoria, in developing a new course, the Vocational Graduate Diploma of Home Economics Education, have provided an additional model for teacher education provision and will help to meet the demand for home economics teachers identified by school principals.

There are currently 13 endorsed courses for already qualified teachers to gain additional qualifications. A list of endorsed courses is available on the Institute's website at <www.vit.vic.edu.au> under Teacher Education.

Table 9
Number of approved courses as at 30 June

	Total number of approved courses	
	2008	2007
Secondary postgraduate	14	12
Secondary undergraduate	20	18
Primary or P-12 postgraduate	15	11
Primary or P-12 undergraduate	24	20
TOTAL	73	61

Who can be a registered teacher?

To be registered as a teacher requires an applicant to be appropriately qualified, fit to teach and competent in the English language. Most commonly, graduates who have completed four years of approved tertiary study that includes an approved course of primary or secondary teacher education apply to become provisionally registered teachers. There are combinations of other qualifications that can lead to teacher registration and these are assessed on a case by case basis.

Provisionally registered teachers become eligible for full registration when they have gained teaching experience and can demonstrate that they have achieved the standards of professional practice for registration.

Teachers who are unable to meet the professional practice requirements for renewal of registration may apply for non-practising registration.

In certain circumstances, permission to teach can be granted to individuals who may not have the teacher education qualifications required for registration mentioned above, but have the appropriate skills and experience to teach.

All registered teachers are required to have a current and satisfactory National Criminal History Record Check (NCHRC) recorded with the Institute. This NCHRC has a currency of five years which is consistent with the Working with Children (WWC) check. Teachers holding a valid registration card with a current NCHRC recorded are exempt from the WWC check.

Our registration record

In 2007–08, the Registration Unit met the demand to register teachers during the reporting period. There are now 105,657 registered teachers in Victoria – an increase of 1,131 (1 per cent) over the previous year.

The unit has also processed 73,959 renewal of registration applications and 46,956 national criminal history record checks (NCHRCs) for teachers during this period.

Table 10
Number of teachers registered as at 30 June

	2008	2007	% change
Full registration	92,894	92,484	0.4 ↑
Provisional registration	8,036	7,936	1 ↑
Permission to teach	3,589	4,106	12 ↓
Non-practising registration	1,138	–	–
TOTAL	105,657	104,526	12 ↓



Registering new graduates

The majority of teacher graduates are keen to start teaching as soon as they have graduated and need to have their applications assessed and processed quickly. Schools also have an urgent need to place these beginning teachers.

The Institute works with the universities to expedite the registration process. This includes:

- visiting all universities in the final semester of initial education courses
- explaining the role of the Institute in regulating and promoting the teaching profession
- providing practical advice for completing the registration process
- assisting graduating students to complete their application forms
- receiving academic records electronically with the student's consent.

Improving registration services

The continued cooperative relationship with the universities and improved processing has resulted in over 3000 new graduates being registered between December 2007 and the end of February 2008.

The Registration Unit continues to work with new initiatives designed to reduce handling, assessment and processing time for applications. The introduction of a legislated interim approval of registration by the Chief Executive Officer means that applicants who meet all the requirements for registration can now be approved to commence teaching in advance of the formal approval of the Council.

Applications assessed

Teacher registration officers assess applications for registration according to the requirements of the *Education and Training Reform Act 2006* and the criteria and standards approved by the Minister for Education. During 2007–08, the Institute received 13,427 applications, a 10 per cent increase over the 12,125 received in 2006–07. These include reapplications and provisional to full registrations. A large number of applications lapse because the applicant has withdrawn the application or has failed to provide the required documents.

Table 11 reports the number of new registrations by application type.

Table 11
Number of new registrants during the year

	2008	2007	% change
Victorian qualifications	3,560	3,845	7↓
Interstate qualifications	563	602	6↓
Overseas qualifications	754	849	11↓
Mutual recognition	513	487	5↑
Permission to teach	659	870	24↓
Deemed	141	413	65↓
TOTAL	6,190	7,066	12↓

During the reporting period, 102 applications (including permission to teach) were refused compared with 108 in the previous year.

The grounds for these refusals included:

- insufficient academic or teacher education qualifications
- insufficient supervised practice teaching
- inability to demonstrate competence in the English language.

Four applicants sought review by the Victorian Civil and Administrative Tribunal (VCAT) for unsuccessful applications for registration. These matters are reported on page 25 under VCAT reviews.

Provisional and full registration

Graduate teachers are provisionally registered. To be granted full registration, they must demonstrate through an evidence-based process that they can meet the standards of professional practice for full registration. This generally occurs at the end of their first year of teaching, but may be completed within two years. Teachers who fail to apply for full registration after two years are no longer registered and must re-apply for registration.

Experienced applicants who are able to provide evidence that they already meet the standards for full registration may be granted full registration at the time they are registered or shortly afterwards.

Table 12
Provisional to full registration

	2007–08	2006–07	% change
Immediate full registration granted	821	904	9↓
Immediate full registration under Mutual Recognition	334	308	8↑
Full registration – experienced teachers meeting standards	325	503	35↓
Full registration – after evidence-based process	3,521	3,461	2↑
Provisional registration extended after one year	2,126	2,171	2↓
Reapplication for provisional registration made this year after previous provisional registration expired	1,005	740	36↑

The register of teachers

The Institute is required under legislation to maintain the register of teachers. The movement of teachers during the reporting period is shown in Table 13. The public register of teachers is available for inspection during office hours at the Institute's office on Level 24, 570 Bourke Street, Melbourne.

In May 2008, an electronic version of the public register was added to the Institute's website. Members of the profession and the public can search the register from the Institute website home page at <www.vit.vic.edu.au>.

Age and gender of registered teachers

As last year, the largest group of teachers with active registration (17,301) is aged between 50 and 54 years. There is, however, a continued growth (3 per cent) in the number of teachers in the 25 to 29 age group.

Males account for 28 per cent of the teaching population as was also the case in the previous year. Figures 2 and 3 on page 1 of this report provide the gender and age profile of teachers holding active registration.

Table 13
Net register movement

2007–08		2006–07
104,526	Total registered teachers as at 30 June 2007	100,622
5,960	Teachers newly added to the register	6,623
598	Teachers resuming registration after approved leave	547
-250	Teachers commencing approved leave from registration	-426
307	Teachers recommencing registration	
-5,260	Teachers withdrawing from the register or registration expiry at renewal	-2,288
- 899	Registration suspensions – non-payment of fees	-1,926
602	Revocation of suspensions	470
-3	Registration suspended for discipline reasons	
-8	Cancellations of registration (decisions finalised by 31/6/08)	-8
4	Teachers returning from suspension (discipline) or registration cancellation	
591	Teachers added to the register – applications received prior to 1/7/07	912
-511	Teachers previously registered, then registration expired and later application not yet finalised	
105,657	Total registered teachers at 30 June 2008	104,526

Keeping teachers and principals informed

Registration is a condition of employment for teachers in Victorian schools. Through its communications, the Institute must ensure that teachers understand the legal requirements to maintain their registration as practising members of the profession.

The Institute communicates regularly with principals by email to ensure that they have current information on registration issues affecting the teachers in their schools.

Communications to 30 June

Principal circulars	23
Principal briefings	58

The secure *vitonline* web-based facility enables principals to check the registration status of teachers at their school and of teachers they may wish to employ. The database is updated daily.

Schedule of fees

In accordance with the *Education and Training Reform Act 2006*, the following registration fees were fixed by the Minister for 2008.

Annual registration fee	\$66
Registration application fees	
Applicants with Victorian qualifications	\$47
Applicants with interstate or overseas qualifications	\$67
National criminal history record check	\$25

Our disciplinary processes

The Institute is responsible for disciplinary proceedings in relation to registered teachers. The Institute's Inquiries and Litigation Unit conducts inquiries into allegations of a teacher's serious misconduct, serious incompetence or lack of fitness to teach.

An inquiry may be initiated by the lodging of a complaint, a notification from an employer, information received about a conviction, finding of guilt of an indictable offence or a failure to comply with a condition on registration.

Investigations may be held as part of the inquiry process. The Institute employs one investigations officer and has five persons contracted to undertake investigations on its behalf. A decision to hold a formal hearing will be made if there is probative evidence to substantiate allegations of serious misconduct, serious incompetence or lack of fitness to teach.

The Conduct and Panels Unit is responsible for arranging hearings, supporting and advising hearing panels and implementation of panel decisions.

Formal hearings are open to the public, but the hearing panel has the power to close the hearing in certain circumstances. Following a finding of serious misconduct, serious incompetence or unfitness to teach, the hearing panel may:

- impose conditions, limitations or restrictions on the teacher's registration
- suspend the teacher's registration for a period with or without conditions
- cancel the teacher's registration.

The decision and reasons of a formal hearing panel are available on the Institute's website <www.vit.vic.edu.au> under Professional Conduct.

In 2007–08, 15 formal hearings were held by the Institute. As at 30 June 2008, there were four hearings which were part heard. Two panel decisions were outstanding.

Complaints

In 2007–08, the Institute received 149 general enquiries relating to the disciplinary proceedings and a teacher's conduct or fitness to teach. Many of these concerns were resolved through discussion with the caller or correspondent, or referral to the teacher's employer, a union or parent support group.

As part of the complaints process, the Institute sends out complaint forms on request for complainants to complete and return to the Institute. If the complaint form is not returned the complaint is unconfirmed.

If a complaint form is lodged with the Institute then it will be referred to be considered by the Institute's Disciplinary Proceedings Committee.

Table 14
Complaints lodged, 2007–08

Complaint files opened	54
Unconfirmed complaints	25
No further action	16
Referred to investigation	4
No further action	1
Formal hearing	1
Investigation continuing	1
Awaiting investigation	1
Referred direct to formal hearing	0
Yet to be considered by Committee	9

Notification from employer

Employers of registered teachers are required under the Act to notify the Institute when they take action against a teacher in response to allegations of serious misconduct, serious incompetence or lack of fitness to teach.

This usually occurs when a teacher has resigned during investigation by the employer or has been dismissed by the employer.

The Act now requires that the Institute conduct an investigation into allegations against a teacher before the matter is referred to formal hearing. As a result, in 2007–08 there were no notification matters referred directly to formal hearing.

Table 15
Notifications from employers, 2007–08

Notifications from employers	54
No further action	14
Referred to investigation	11
No further action	3
Formal hearing	1
Investigation continuing	3
Decision deferred	1
Awaiting investigation	3
Referred direct to formal hearing	0
Yet to be considered by Committee	29

Indictable offences

The Institute must conduct an inquiry into a teacher's fitness to teach if the teacher is convicted or found guilty of an indictable offence.

In 2007–08, there was a significant increase in the number of indictable offence files opened by the Institute as a result of the updating of national criminal history checks as part of the first cohort of registration renewal. A total of 46,956 NCHRCs were conducted.

Table 16
Files opened for indictable offences, 2007–08

NCHRCs conducted	46,956
Indictable offences	552
No further action	533
Waiting for further information	3
Referred to investigation	3
Formal hearing	1
Investigation continuing	2
Referred direct to formal hearing	1
Yet to be considered by Committee	8
Legal proceedings pending	4

Sexual offences

The Act introduced a new statutory provision allowing the Institute to suspend the registration of a teacher without inquiry if that teacher has been charged in Victoria or elsewhere with a sexual offence as defined in the Act. The Institute has served five notices of suspension without inquiry on teachers charged with sexual offences in Victoria.

If a teacher has been convicted or found guilty of a sexual offence as defined in the Act, the teacher's registration must be cancelled from the date of the conviction or finding of guilt.

In 2007–08, two teachers had their registrations cancelled as a result of convictions or findings of guilt for sexual offences.

Registration matters

If an applicant for registration has been convicted or found guilty of a summary or indictable offence, the Conduct and Panels Unit prepares a special attention report for the Registration Committee of Council. In 2007–08, 75 reports were prepared. The Committee found in 74 cases that the matters did not affect the applicant's suitability to be a teacher and subsequently recommended the applicants for registration. One applicant was referred to investigation and the matter is still outstanding.

Prosecutions

The Institute may prosecute employers who employ unregistered teachers and persons who undertake the duties of a teacher without registration. In 2007–08, the Institute opened two files in relation to unregistered teachers. One matter was resolved without requiring prosecution and one matter is still under investigation by the Institute. Three matters under investigation in 2006–07 were also resolved without requiring prosecution during 2007–08.

VCAT reviews

There are two types of Institute decisions that can be reviewed by VCAT:

- a decision by the Institute Council to refuse to register a person as a teacher or to refuse to grant a person permission to teach
- a decision by an Institute hearing panel to cancel, suspend or place conditions, limitations or restrictions upon a teacher's registration.

In 2007–08, there were no applications for review of an Institute hearing panel. VCAT decisions were made during 2007–08 on applications made to VCAT in previous years.

At a hearing held in June 2007, the VCAT reviewed the Institute panel's finding that the applicant was guilty of serious misconduct and unfit to teach, and its consequent determination to cancel his registration to teach. In a decision handed down on 31 July 2007, the VCAT found that the applicant demonstrated serious incompetence as a teacher. It ordered that the panel's decision of 21 March 2006 be set aside and that the applicant's registration be suspended until 1 January 2008 and a condition placed on his suspension that he undertakes courses as specified by the Institute regarding student discipline.

At a hearing held on 6 September 2007, the VCAT reviewed the Institute panel's finding that the applicant was guilty of serious misconduct and unfit to teach, and its consequent determination to cancel his registration to teach. In a decision handed down on 13 September 2007, the VCAT ordered that the decision of the Institute's panel made on 17 August 2006 was affirmed.

In 2007–08, four persons applied to the VCAT for review of the Institute's decision to refuse them registration and one person's application for review made in 2006–07 was finalised by the VCAT.

At a hearing on 30 July 2007, the VCAT reviewed the Institute's decision to refuse registration as the applicant had not produced evidence which satisfied the Institute of his fitness to teach. In a decision handed down on 15 August 2007, the VCAT ordered that the decision of the Institute was affirmed.

One applicant was refused registration because he had not completed an initial teaching qualification of at least one year's duration inclusive of at least 45 days of supervised practice and had not provided evidence of the required standard of English language competence. This person withdrew his application before the matter proceeded to hearing.

At a hearing held in February 2008, the VCAT reviewed the Institute's decision to refuse the applicant registration because she had not completed an initial teaching qualification of at least one year's duration. In a decision handed down on 14 February 2008, the VCAT ordered that the decision of the Institute was affirmed.

One applicant was refused registration on the grounds that he had not completed four years of approved post-Year 12 study, inclusive of at least one year of approved, initial teacher education. Following his application to the VCAT, the person provided additional evidence to the Institute of his teaching qualifications. This further information was considered by the Institute and his registration was approved. Following his grant of registration as a teacher with the Institute, the person withdrew his application to VCAT before the matter proceeded to a hearing.

One person was refused registration because she had not completed an approved initial teaching qualification of at least one year's duration inclusive of teaching methods, and at least 45 days of supervised practice teaching. This matter is listed for a directions hearing on 3 July 2008.

Court proceedings

The Inquiries and Litigations Unit is also responsible for conducting court proceedings on behalf of the Institute.

On 6 September 2007, the High Court dismissed an application for special leave to appeal a Federal Court judgement. This related to a matter initiated in 2006–07 and reported in the 2006–07 Annual Report.

The person applied to the Federal Court for an order of review of a Registrar not to accept for filing a notice of motion upon direction from a Judge and to join the Victorian Institute of Teaching to the proceedings. At a hearing on 28 February 2008, the Federal Court ordered that the proceeding be dismissed.



Governance report

The Council of the Institute

The Council of the Institute administers its legislation in the public interest to ensure that students in Victorian schools are taught by teachers who meet high professional standards.

The Council of 20 members comprises:

- ten elected members (eight teachers and two principals) elected by teachers and principals
- nine members including the Chairperson, as ministerial nominees for Governor-in-Council appointment
- the nominee of the Secretary of the Department of Education and Early Childhood Development.

All members of the Council hold office for three years and are eligible for re-election or re-appointment.

The election of ten members of Council will be conducted in October 2008, with a new term of office beginning 28 November 2008. The term of office of appointed members of the Institute Council expires on 28 February 2009.

Key relationships

The Institute is required to give due regard to any advice given by the Minister in relation to its powers and functions.

Based upon the Council's recommendations, the Minister:

- approves the qualifications, criteria and standards for the registration and renewal of registration of teachers in Victorian schools
- approves a strategic plan and an annual business plan of the Institute
- fixes the registration fees for a period of 12 months, and may amend or vary the fee at the end of that period
- nominates nine of the Governor-in-Council appointments to the Institute Council including the Chairperson.

The Minister has an obligation under section 5, subsection (2) of the Act to approve only the qualifications, criteria and standards for registration or renewal of registration that have been recommended by the Institute.



MEMBERS OF THE COUNCIL OF THE INSTITUTE



Susan Halliday
Chairperson



Nicholas Abbey
President, Kingsbury Primary School
Council and President, Macleod Prep-12
College Council



Tony Bugden
General Manager, Human Resources
Department of Education and Early
Childhood Development



Terry Hayes
Teacher and education consultant



Christine Holloway
Principal, St Anne's Parish School
Seaford



Michael Lester
Kyneton Secondary College



Nicole Lylak
Narre Warren South P-12 College



Debra Punton
Assistant Director, School Services, Catholic
Education Office (Melbourne Diocese)



Margaret Ricardo
St John Vianney Primary School



Garry Salisbury
Echuca Secondary College



Michael Butler

Reservoir District Secondary College



Robert Casamento

Principal, Karingal Park Secondary College



Jean Cooke

Aurora School



Kevin Moloney

Loreto Mandeville Hall



Marilyn Mooney

Casual relief teacher



Stephen Newton

Principal, Caulfield Grammar School



Jane O'Shannessy

Santa Maria College



Dr Heather Schnagl

Principal, Ivanhoe Girls' Grammar School



Associate Professor Christine Ure

University of Melbourne



Julia Wake

Catholic College, Sale

Table 17
Number of Council meetings attended by each member

Name	Number of Council meetings attended/held
Mr Nicholas Abbey	2/8
Mr Tony Bugden	1/8
Mr Michael Butler	8/8
Mr Robert Casamento	6/8
Ms Jean Cooke	7/8
Ms Susan Halliday (Council Chairperson)	8/8
Mr Terry Hayes	7/8
Ms Christine Holloway	6/8
Mr Michael Lester	7/8
Ms Nicole Lylak	8/8
Mr Kevin Moloney	8/8
Ms Marilyn Mooney	8/8
Mr Stephen Newton	8/8
Ms Jane O'Shannessy	6/8
Ms Debra Puntin	7/8
Ms Margaret Ricardo	7/8
Mr Garry Salisbury	7/8
Dr Heather Schnagl	8/8
Assoc Prof Christine Ure	6/8
Ms Julia Wake	7/8

The Committees of Council

The Accreditation Committee

Members

Heather Schnagl (Chairperson), Ivanhoe Girls' Grammar School
 Lawrence Angus, University of Ballarat
 Lynne Baker, Ashburton Primary School
 Stephen Bhogal, Ballarat Grammar School
 Diane Bourke, Melbourne Girls Grammar
 Gerard Calnin, Association of Independent Schools of Victoria Incorporated
 Deborah Corrigan, Monash University
 Anne-Maree Dawson, Australian Catholic University
 Bill Eckersley, Victoria University
 Julie Faulkner, RMIT University
 Stephen Franzi-Ford, Association of School Councils in Victoria
 Eleni Goulas, Lowther Hall Anglican Grammar School
 Joseph Haddad, Narre Warren South P-12 College
 Dale Hendrick, Bass Valley Primary School
 Peter Kelly, Christian Brothers College, St Kilda
 Alan Marshall, Deakin University
 Debbie Mierisch, Wheelers Hill Primary School
 Daniel Nemtsas, Merbein Primary School
 Bernie Neville, La Trobe University
 Debbie Peynenborg, DEECD
 Glenn Proctor, Hume Central Secondary College
 Margaret Ricardo, St John Vianney Primary School, Parkdale East
 Christine Ure, University of Melbourne
 Johanna Walker, Lilydale High School
 David Warner, Eltham College
 Amanda Watson, University High School

In 2007–08, the Accreditation Committee met eight times. Ten course review panel meetings were held.

The Registration Committee

Members

Jean Cooke (Chairperson), Aurora School
 Michael Butler, Reservoir District Secondary College
 Terry Hayes, teacher and education consultant
 Nicole Lylak, Narre Warren South P-12 College
 Kieran McCrohan, Wesley College
 Kevin Moloney, Loreto Mandeville Hall, Toorak
 Stephen Newton, Caulfield Grammar School
 Janedin River, La Trobe University
 Julia Wake, Catholic College, Sale
 Brian Wheeler, DEECD
 Pauline Zapulla, Catholic Education Commission

In 2007–08, the Registration Committee met 45 times, including 31 meetings by email.

The Standards and Professional Learning Committee

Members

Terry Hayes, (Chairperson) teacher and education consultant
 Nicholas Abbey, Kingsbury Primary School Council and Macleod Prep-12 College Council
 Lawrence Angus, University of Ballarat
 Robert Bertagnolio, Brimbank Secondary College
 Dale Cooper, DEECD
 Brenton Doecke, Monash University
 Sue McKay, Tintern Schools
 Kevin Moloney, Loreto Mandeville Hall, Toorak
 Marilyn Mooney, casual relief teacher
 Stephen Newton, Caulfield Grammar School
 Jane O'Shannessy, Santa Maria College, Northcote
 Margaret Ricardo, St John Vianney Primary School, Parkdale East
 Gerry Tickell, educational consultant and writer
 Judith Warner, St Jude the Apostle School, Scoresby

In 2007–08, the Standards and Professional Learning Committee met six times.

The Disciplinary Proceedings Committee

Members

Susan Halliday (Chairperson)
 Michael Butler, Reservoir District Secondary College
 Terry Hayes, teacher and education consultant
 Christine Holloway, St Anne's Parish School, Seaford
 Michael Lester, Kyneton Secondary College
 Nicole Lylak, Narre Warren South P-12 College
 Kevin Moloney, Loreto Mandeville Hall, Toorak
 Marilyn Mooney, casual relief teacher
 Jane O'Shannessy, Santa Maria College, Northcote
 Kevin Pope, Meadow Heights Primary School
 Heather Schnagl, Ivanhoe Girls' Grammar School
 Carmel White, DEECD

In 2007–08, the Disciplinary Proceedings Committee met 13 times.

The Professional Practice and Conduct Committee

Members

Julia Wake (Chairperson), Catholic College, Sale
 Terry Hayes, teacher and education consultant
 Michael Lester, Kyneton Secondary College
 Anne Maloney, special education consultant
 Roger Gill, Loreto Mandeville Hall, Toorak
 Observers
 Kerry Willcox-McGinnes, Mary Immaculate Primary School, Ivanhoe

In 2007–08, the Professional Practice and Conduct Committee met ten times.

The Communications Committee

Members

Marilyn Mooney (Chair), casual relief teacher
 Terry Hayes, teacher and education consultant
 Michael Lester, Kyneton Secondary College
 Jan Sherry, teacher (retired)
 Christine Ure, University of Melbourne

In 2007–08, Communications Committee met ten times.

The Administration and Finance Committee

Members

Susan Halliday (Chairperson), Chairperson of Institute Council
 Michael Butler, Reservoir District Secondary College
 Jean Cooke, Aurora School
 Robert Casamento, Karingal Park Secondary College
 Stephen Newton, Caulfield Grammar School
 Christine Holloway, St Anne's Parish School, Seaford

In 2007–08, the Administration and Finance Committee met 12 times.

The Audit Committee

Members

David Nairn (Chairperson), chartered accountant, HLB Mann Judd
 Craig Geddes, chartered accountant, Acumen Alliance
 Robert Casamento, principal, Karingal Park Secondary College
 Stephen Newton, principal, Caulfield Grammar School
 Warwick Spargo, chartered accountant, RSM Bird Cameron

In 2007–08, the Audit Committee met four times.

The Remuneration Committee

Members

Susan Halliday (Chairperson), Chairperson of Institute Council
 Debra Punton, Catholic Education Office
 Jean Cooke, Aurora School
 Nicholas Abbey, Kingsbury Primary School Council and Macleod P–12 College Council
 Robert Casamento, Karingal Park Secondary College
 Stephen Newton, Caulfield Grammar School
 Tony Bugden, DEECD

In 2007–08, the Remuneration Committee met twice.

Our governance responsibilities

External audit

The Institute is externally audited by the Victorian Auditor-General's Office. External audit ensures that the public financial reports fairly represent the Institute and have been prepared in accordance with applicable accounting standards and professional reporting requirements under the *Financial Management Act (Vic) 1994* and various ministerial directions issued under this Act.

Risk management

The Institute implemented a risk management framework during the reporting period. The main objective was to enhance the culture of risk awareness across the organisation. The Audit Committee oversees the monitoring and management of risk and reports the risk profile to the Council. The Institute also developed and implemented a business continuity plan.

Major contracts

The Institute has contractual agreements to assist in the support of its system and service delivery in the following areas:

- Internal audit
 - WHK Horwath
- Accounting services and financial systems
 - Milura Pty Ltd
- Information technology support
 - IBM
 - Synergy Pty Ltd
 - Thomas Duryea Pty Ltd
 - Knowledge partners
 - Australian Council for Educational Research
- Mailhouse
 - Computershare Communication Services Ltd
- Offset Printing
 - Print Impressions

Consultancies and major contracts

No major contracts, greater than \$10 million, were entered into in 2007–08.

Institute-wide total contractor expenditure, not including mailhouse and printing, was \$860,614 with the largest contractor being paid \$144,800. Additional contractors were engaged in 2007–08 to support the development and launch of the Pdi search facility and the *Victorian Teaching Profession Code of Conduct*.

A number of consultants were engaged in 2007–08 to provide advice on short-term projects requiring research design and communication strategies. The total value of these consultancies was \$112,088, with the largest single consultancy paid \$89,000.

National Competition policy

The Institute is the sole registration authority for teachers in all Victorian primary and secondary schools. The Institute maintains a watching brief on National Competition policy.

Whistleblowers protection

As at 30 June 2008, no disclosures had been received under the *Whistleblowers Protection Act 2001*, nor had any matter under this Act been referred to the Ombudsman for investigation.

Freedom of Information

The *Freedom of Information Act 1982* provides the community access to information by the Institute. The Freedom of Information Officer determines right of access on a document-by-document basis in accordance with the Act.

Table 18

Analysis of freedom of information requests, 2007–08

Nature of requests	2007–08 requests
Personal (relating to a single identified person)	2
Non-personal (request for non-specific and/or summative information)	2
Outcome of request	
Full access	0
Partial access	2
Denied	1
Pending	1
Request for internal review denied or partial access granted	0
Internal review confirmed initial FOI decision	0
Appeal of internal decision to VCAT	0
Carried forward to next year	0

Corporate sustainability

The Institute is fully aware of the importance of undertaking work practices that are environmentally sustainable. To this end, it has a working group that canvasses ideas and implements environmentally friendly work practices. In the coming year, the Institute will focus on implementing more environmentally friendly ways of corresponding with its registered teachers.

In 2007–08, the Institute achieved silver status under the 'Grow Me the Money' joint initiative of the Victorian Employers Chamber of Commerce and Industry and the Victorian State Government for its efforts to reduce waste.

Human Rights Charter

During the reporting period, the Council has considered its legislative obligations under the Victorian Human Rights Charter. The Institute's legislation, policies and procedures have been reviewed in order to ensure compliance with the Charter. Every care has been taken to ensure that all acknowledged human rights of the individual are not compromised by the operations, policies and procedures of the Institute.

The past five years of operation

Table 19
Number of approved courses each year ending 30 June, 2004–08

	2008	2007	2006	2005	2004
Secondary postgraduate	14	12	10	10	15
Secondary undergraduate	20	18	16	16	14
Primary or P–12 postgraduate	15	11	10	10	9
Primary or P–12 undergraduate	24	20	24	23	11
TOTAL	73	61	59	59	49

Number of endorsed courses each year ending 30 June, 2004–08

	2008	2007	2006	2005	2004
Number of endorsed courses	13	13	18	8	7

Number of registered teachers each year as at 30 June, 2004–08

	2008	2007	2006	2005	2004
Full registration	92,894	92,484	89,003	85,757	83,128
Provisional registration	8,036	7,936	7,646	7,038	6,567
Permission to teach	3,589	4,106	3,973	3,604	3,493
Non-practising	1,138	*	*	*	*
TOTAL	105,657	104,526	100,622	96,399	93,188

* Non-practising registration category was introduced in 2007–08

Number of disciplinary files opened each year ending 30 June, 2004–08

	2008	2007	2006	2005	2004
Notified by employer	54	69	44	60	75
Complaints	54	61	45	42	99
Indictable offences	552*	70	91	127	12

* 46,956 NCHRCs were conducted in 2007–08

Number of formal hearings completed each year ending 30 June, 2004–08

	2008	2007	2006	2005	2004
Formal hearings	15	15	14	17	4

Number of customer service responses each year ending 30 June, 2004–08

	2008	2007	2006	2005	2004
Teachers' hotline	77,990	58,979	63,463	53,616	53,042
Email service	20,653	9,255	7,825	7,380	6,425
Principals' hotline	2,147	1,561	1,442	*	*
TOTAL	100,790	69,795	72,730	60,996	59,467

Income and expenditure each year ending 30 June, 2004–08

	2008	2007	2006	2005	2004
Total income	10,196,889	8,645,565	7,998,544	7,642,488	7,000,636
Total expenditure	10,067,532	7,867,387	8,251,589	7,297,737	5,130,888
TOTAL	129,357	778,178	-253,045	344,751	1,869,748



Risk Management attestation

I certify that the Victorian Institute of Teaching has risk management processes in place consistent with the Australian/New Zealand Risk Management Standard and an internal control system is in place that enables the executive to understand and manage and satisfactorily control risk exposures. The Audit Committee verifies this assurance and that the risk profile of the Victorian Institute of Teaching has been critically reviewed within the last 12 months.

A handwritten signature in blue ink, which appears to read "Halliday".

Susan Halliday
Chairperson, Victorian Institute of Teaching

Melbourne
20 August 2008

Level 24, 570 Bourke Street, Melbourne, Victoria 3000
PO Box 531 Collins Street West, Victoria 8007
T 03 8601 5600 F 03 8601 5801
W www.vit.vic.edu.au

Our People

Staffing profile

As at 30 June 2008, the Institute directly employed 54 staff (52.1 full-time equivalent or FTE). At 30 June 2007, 54 staff (50.1 FTE) were employed.

The Institute focuses on recruiting and developing highly skilled staff to provide high-quality service to our customers and stakeholders.

It is a diverse, family friendly workplace with seven staff working in a part-time capacity.

Merit and equity

The Institute applies Victorian Public Service merit and equity principles in selecting and recruiting staff.

Table 20
Staffing profile, 30 June 2008

	Female	Male	Total	Full-time Equivalent		
				Female	Male	Total
Ongoing	36	9	45	35.1	7.8	42.9
Fixed term	3	3	6	4	3	7
Casual	2	1	3	1	1.2	2.2
TOTAL	41	13	54	40.1	12.0	52.1



Figure 12
Executive group by gender

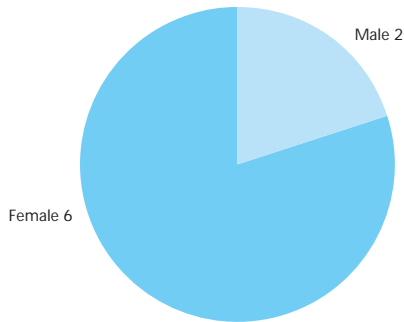


Figure 13
Other staff by gender

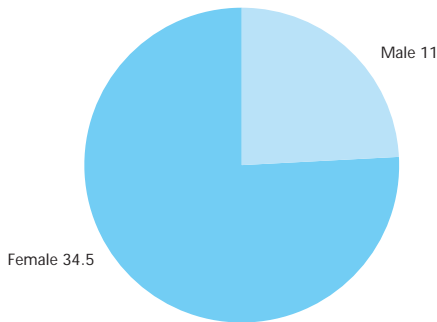


Table 21
Staffing by operation unit as at 30 June 2008

Staff	Full-time Equivalent Total
Communication & Publications	4
Customer Service Centre	7
Field Officer	1
Teacher Registration	14.6
Course Accreditation	1
Standards & Professional Learning	6.0
Professional Practice and Conduct	6.5
Secretariat & Corporate Services	9
Casual staff	3
TOTAL	52.1*

*At 30 June 2007 there were 50.1 FTEs.

Professional development

The Institute provides an induction program and ongoing professional development for all employees. The staff induction program includes training in the use of the Institute’s information systems and supported training in the areas of responsibility conducted at the work-group level. Induction also includes meetings with each group manager to better understand the Institute’s structure, core function, role and responsibilities.

The Institute enters into collaborative performance development arrangements with its employees. The performance management plans help identify the training and professional development needs of each staff members.

In 2007–08, Institute employees have also undertaken training in information privacy, the Human Rights Charter and for the introduction of new information communications and financial management technology.



Our customer service

The Institute provides a telephone advisory service to practising teachers, applicants for registration and the general community through its Teachers' Hotline. Five Customer Service Officers staff the centre from 8.30 am to 5.30 pm, five days a week, A Principals' Hotline, providing principals and their delegates with immediate access to professional advice from the Institute also operates within these hours.

In 2007–08, customer service activities increased significantly to provide support and advice to teachers seeking to renew their registration and update their criminal history records checks.

Customer Service Officers responded to 77,990 calls to the Teachers' Hotline between July 2007 and June 2008, an average of 6,499 calls per month. This is an increase of more than 19,000 calls (32 per cent) in this 12-month period.

The greatest number of calls answered for one month, 9,369, was recorded in January 2008.

A total of 2,147 calls to the Principals' Hotline were received for the year ending 30 June 2008, marking a 38 per cent increase in calls to this service from the previous year.

Correspondence to the Institute

The Communications and Research Branch also responds to general written correspondence and to emails sent to the Institute's electronic mailbox.

A total of 20,255 emails received between July 2007 and June 2008 were processed. This is a 123 per cent increase in processing of teacher email communications from the previous year.

The following figures show the increased volume of customer service activity across all services in 2007–08 compared with 2006–07.

Figure 14
Number of calls per month to the Teachers' Hotline, July 2006 to June 2008

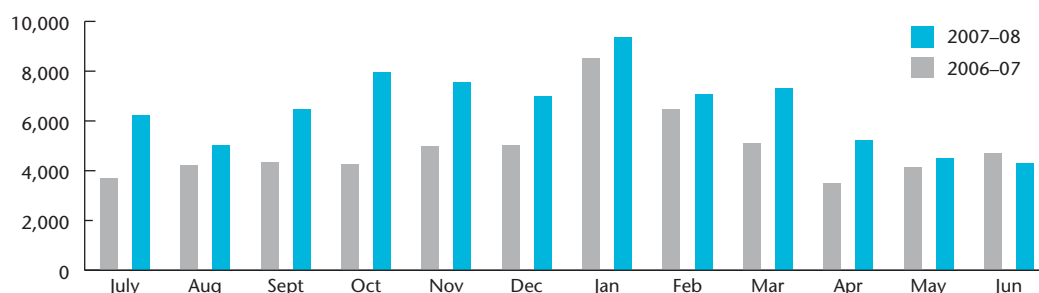


Figure 15
Number of calls per month to the Principals' Hotline, July 2006 to June 2008

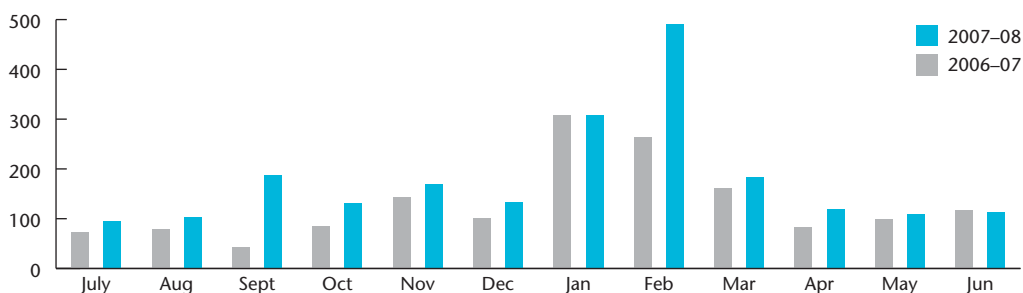
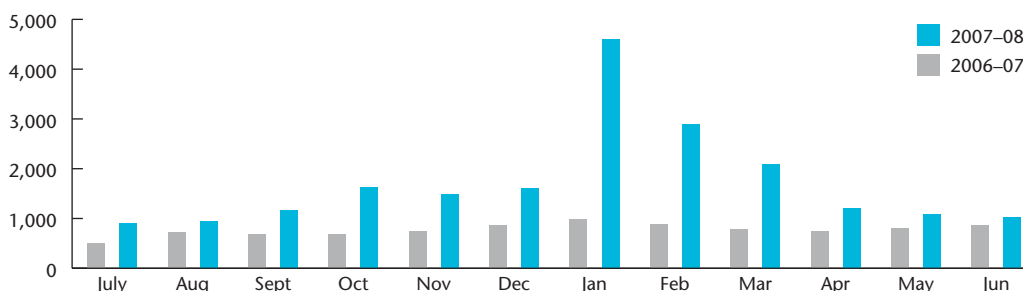


Figure 16
Number of emails received per month, July 2006 to June 2008



Knowledge management

During the reporting period, a knowledge management audit was undertaken to identify all aspects of the Institute's business knowledge, including where knowledge resides and how it flows throughout the organisation. The audit will assist in determining required changes in business processes and knowledge management, enabling technologies to improve future service provision.

Occupational health and safety

The Institute is committed to providing safe and secure space for staff and visitors, and fully complies with the provisions of the *Building Act 1993*.

The Institute Occupational Health and Safety Committee meets regularly, conducts audits and reviews the working environment for potential hazards or issues.

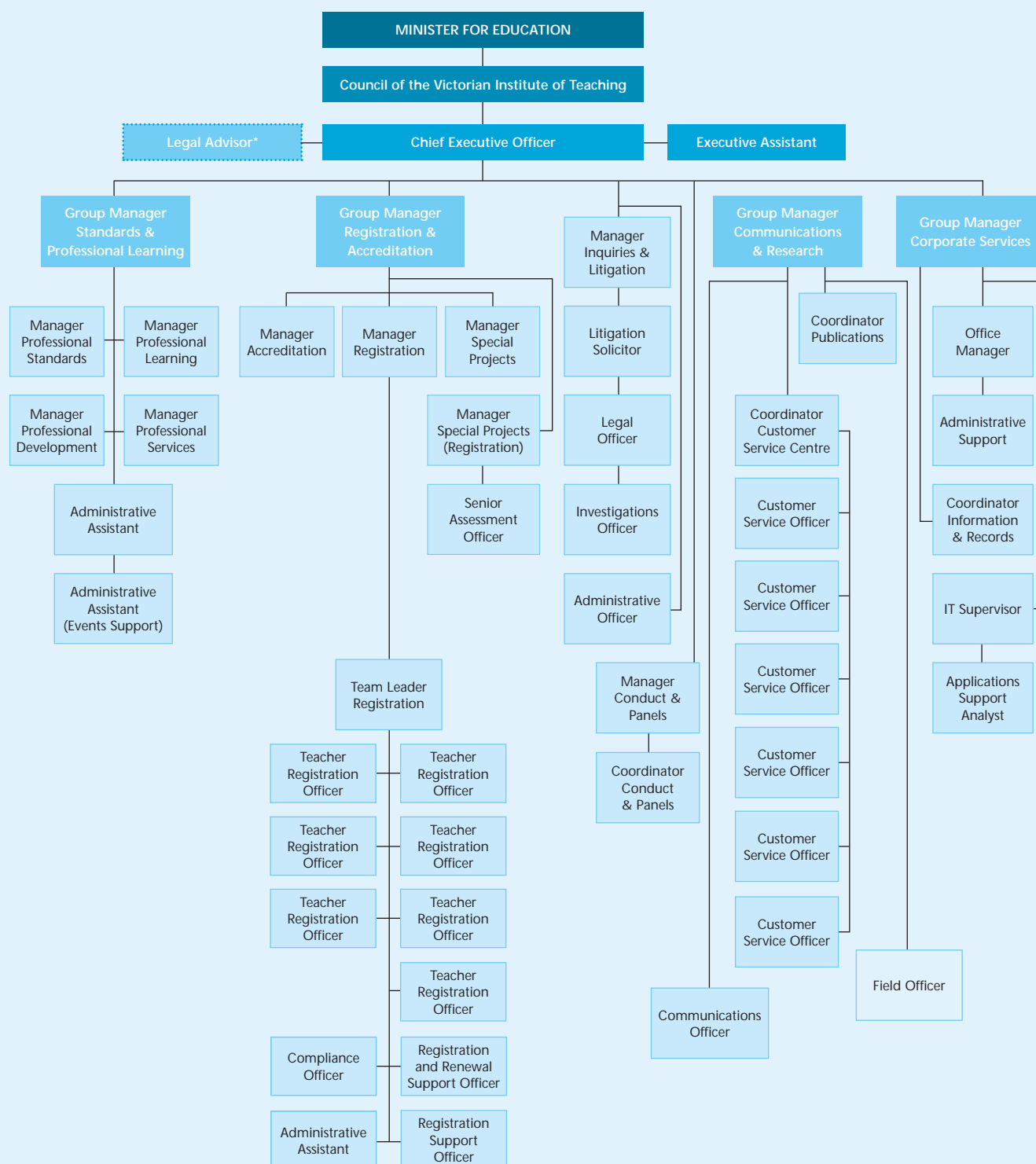
The Institute also has dedicated emergency floor wardens and trained first aid officers.

Staff and community wellbeing

Employees of the Institute are encouraged to participate in activities that promote morale and wellbeing. A Social Committee organises various activities, some of which raise funds for various charities.



Operations organisational chart



*Contracted services

Financial statements for the year ended 30 June 2008



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Operating statement

for the financial year ended 30 June 2008

	Note	2008 \$	2007 \$
INCOME			
Revenue			
Government Grant	2 (a)	1,256,764	1,226,111
Other revenue	2 (b)	8,940,125	7,419,454
Total Revenue		10,196,889	8,645,565
Total Income		10,196,889	8,645,565
EXPENSES			
Grants and other payments	3 (a)	167,941	135,335
Employee benefits	3 (b)	4,306,549	3,573,896
Depreciation and amortisation expenses	3 (c)	323,754	299,326
Supplies and services	3 (d)	5,009,095	3,601,554
Finance costs	3 (e)	18,486	16,978
Other expenses	3 (f)	241,707	240,298
Total Expenses		10,067,532	7,867,387
Net result for the period		129,357	778,178

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

Balance sheet

as at 30 June 2008

	Note	2008 \$	2007 \$
CURRENT ASSETS			
Cash and cash equivalents	16	2,475,757	6,999,154
Investment	4	5,000,000	–
Receivables	5	471,462	378,890
Other	6	103,017	77,868
Total current assets		8,050,236	7,455,912
NON-CURRENT ASSETS			
Property, plant and equipment	7	1,162,829	1,225,504
Intangible Assets	8	358,668	285,496
Total non-current assets		1,521,497	1,511,000
Total assets		9,571,733	8,966,912
CURRENT LIABILITIES			
Payables	9	1,232,534	984,420
Interest bearing liabilities	10	24,702	5,561
Provisions	11	630,308	624,338
Revenue received in advance	12	3,684,472	3,559,731
Total current liabilities		5,572,016	5,174,050
NON-CURRENT LIABILITIES			
Interest bearing liabilities	10	–	24,702
Provisions	11	415,780	313,580
Total non-current liabilities		415,780	338,282
Total liabilities		5,987,796	5,512,332
Net assets		3,583,937	3,454,580
EQUITY			
Accumulated surplus	18	3,583,937	3,454,580
Total equity		3,583,937	3,454,580

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

Statement of recognised income and expenses

for the financial year ended 30 June 2008

	Note	2008 \$	2007 \$
Total equity at beginning of financial year		3,454,580	2,676,402
Net income recognised directly in equity		–	–
Net result for the period		129,357	778,178
Total recognised income and expense for the period		129,357	778,178
Total equity at end of financial year		3,583,937	3,454,580

The above statement of recognised income and expenses should be read in conjunction with the accompanying notes.

Cash flow statement

for the year ended 30 June 2008

	Note	2008 \$	2007 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts			
Receipts from Government		1,256,764	1,226,111
Receipts from customers		8,382,359	7,138,743
Goods and Services Tax recovered from the ATO		223,370	178,577
Interest received		358,519	410,025
Total Receipts		10,221,012	8,953,456
Payments			
Payments to suppliers and employees		(9,396,555)	(7,303,712)
Goods and Services Tax paid to the ATO		–	(40,462)
Interest and other costs of finance paid		–	169
Total Payments		(9,396,555)	(7,344,005)
Net cash flows from/(used) in operating activities	17 (b)	824,457	1,609,451
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for property, plant and equipment		(145,257)	(76,871)
Payments for intangible assets		(197,129)	(212,450)
Proceeds from sale of property, plant and equipment		91	–
Net payment for investments		(5,000,000)	–
Net cash flows from/(used) in investing activities		(5,342,295)	(289,321)
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment of finance lease		(5,559)	(5,212)
Net cash flows from/(used) in financing activities		(5,559)	(5,212)
Net increase/(decrease) in cash and cash equivalents		(4,523,397)	1,314,918
Cash and cash equivalents at the beginning of the financial year		6,999,154	5,684,236
Cash and cash equivalents at the end of the financial year	17 (a)	2,475,757	6,999,154

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

Notes to the financial statements

for the year ended 30 June 2008

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Notes to the financial statements

for the year ended 30 June 2008

NOTE 1 Summary of significant accounting policies

(a) Statement of compliance

The general purpose financial report of the Victorian Institute of Teaching has been prepared on an accrual basis in accordance with the *Financial Management Act 1994*, applicable Australian Accounting Standards (AAS), which includes the Australian accounting standards issued by the Australian Accounting Standards Board (AASB).

The financial report was authorised for issue by Matthew Hibbert (Chief Finance and Accounting Officer – Victorian Institute of Teaching) on 20 August 2008.

(b) Basis of preparation

The financial report has been prepared on a historical cost basis, except for the revaluation of certain non-current assets and financial instruments. Cost is based on the fair values of the consideration given in exchange for assets.

In the application of AASs, management is required to make judgments, estimates and assumptions about carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making judgments. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision, and future periods if the revision affects both current and future periods.

Accounting policies are selected and applied in a manner which ensures that the resulting financial information satisfies the concepts of relevance and reliability, thereby ensuring that the substance of the underlying transactions or other events is reported.

The accounting policies set out below have been applied in preparing the financial statements for the year ended 30 June 2008 and the comparative information presented for the year ended 30 June 2007.

(c) Reporting entity

The financial statements include all the activities of the Victorian Institute of Teaching, a Statutory Authority established under the *Victorian Institute of Teaching Act 2001*. The Institute reports directly to the Parliament of Victoria through the Minister for Education.

(d) Objectives and funding

The legislated objectives of the Institute are to recognise, promote and regulate the members of the teaching profession by providing for the registration of teachers in schools in Victoria, regulating the conduct of those teachers and providing a procedure for handling complaints about teachers registered or permitted to teach under the Act.

The Institute operates as a single unit, with no associated entities, and has not entered into any joint venture arrangements. The Institute has no administrative responsibility for transactions and balances relating to trust funds of third parties external to Victorian Government revenues.

(e) Events after reporting date

Assets, liabilities, income or expenses arise from past transactions or other past events. Where the transactions result from an agreement between the Institute and other parties, the transactions are only recognised when the agreement is irrevocable at or before balance date.

Adjustments are made to amounts recognised in the financial statements for events which occur after reporting date and before the date the statements are authorised for issue, where those events provide information about conditions which existed at the reporting date.

Note disclosure is made about events between balance date and the date the statements are authorised for issue where the events relate to condition which arose after the reporting date and which may have a material impact on the results of subsequent years.

(f) Goods and Services Tax (GST)

Income, expenses and assets are recognised net of the amount of associated GST, unless GST incurred is not recoverable from the taxation authority. In this case it is recognised as part of the cost of acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the taxation authority is included with other receivables or payables in the balance sheet.

Cash flows are presented on a gross basis. The GST components of cash flow arising from investing or financing activities which are recoverable from, or payable to the taxation authority, are presented as operating cash flow.

(g) Income recognition

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

(i) Grants

Revenue from grants is recognised when the grant is controlled by the Institute. 'Control' arises on the earlier event of receipt or notification of eligibility of grants by relevant authorities.

(ii) Registration fees

Registration fees are raised annually in advance. Revenue is recognised in the year to which the registration relates. Registration fees are recognised with reference to the stage of completion method, based on the registration period that has expired. The unexpired portion is recognised as unearned revenue.

The Institute does not recognise debtors in relation to registration fees, as non-payment of registration fees results in suspension of registration and cancellation of the registration fee invoice. Revenue relating to a future period, in accordance with the above revenue recognition policy, is carried forward in the balance sheet as Registration Fees In Advance.

(iii) Application fees and criminal records checks fees

Application fees and Criminal records checks fees (CRCs) are charged to prospective teachers and recognised as revenue in the period of payment. Application and CRC fees are non-refundable.

(iv) Interest revenue

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

(v) Other revenue

Other revenue primarily consists of grants and sponsorship provided for various activities conducted by the Institute.

(h) Expenses

(i) Grants and other payments

Grants and other payments to third parties are recognised as an expense in the reporting period in which they are paid or payable. Grants are made to schools to reimburse the cost of releasing teachers to attend Institute activities.

(ii) Employee benefits

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

These are recognised when incurred, except for contributions in respect of defined benefit plans.

On commencement of the Institute a number of staff were transferred to the Institute from the Department of Education and Early Childhood Development (DEECD – previously Department of Education). The leave entitlements accrued by these staff members while employed by DEECD were transferred to the Institute under a reciprocal agreement. These entitlements are recognised as both a current receivable from DEECD and a current liability in the Institute's accounts. As the transferred leave entitlements are taken, the Institute is reimbursed by DEECD for the nominal value of the leave taken (the DEECD contribution is based on the final salary at the time the employee transferred to the Institute, while the Institute pays leave entitlements based on the salary at the time leave is taken from the Institute).

Superannuation

The amount charged to the operating statement in respect of superannuation represents the contributions made by the Institute to superannuation funds in respect of current Institute staff.

(iii) Depreciation

Depreciation is provided on property, plant and equipment. Depreciation is generally calculated on a reducing balance method to write the assets off over their estimated useful lives (assets purchased for less than \$1000 are expensed, whereas assets purchased greater than or equal to \$1000 are capitalised).

Leasehold improvements are depreciated over the period of the lease (10 years) or estimated useful life, whichever is the shorter, using the reducing balance method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each annual reporting period.

(iv) Amortisation

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

Intangible assets with indefinite useful lives are not amortised, but are tested for impairment annually or whenever there is an indication that the asset may be impaired. The useful lives of intangible assets that are not being amortised are reviewed each period to determine whether events and circumstances continue to support an indefinite useful life assessment for that asset.

(v) Finance costs

Finance costs are recognised as expenses in the period in which they are incurred and include:

- finance lease charges
- the increase in financial liabilities and non-employee provisions due to the unwinding of discounts to reflect the passage of time

(vi) Impairment of assets

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

If there is an indication of impairment, the assets concerned are tested as to whether their carrying value exceeds their possible recoverable amount. Where an asset's carrying value exceeds its recoverable amount, the difference is written off by a charge to the operating statement except to the extent that the write-down can be debited to an asset revaluation reserve amount applicable to that class of asset.

It is deemed that, in the event of the loss of an asset, the future economic benefits arising from the use of the asset will be replaced unless a specific decision to the contrary has been made. The recoverable amount for most assets is measured at the higher of the depreciated replacement cost and fair value less costs to sell. The recoverable amount for an asset held primarily to generate net cash inflows is measured at the higher of the present value of future cash flows expected to be obtained from the asset and fair value less costs to sell.

(vii) Supplies and services

Supplies and services generally represent cost of services delivered and the day-to-day running costs, including maintenance costs, incurred in the normal operations of the Institute. These items are recognised as an expense in the reporting period in which they are incurred.

(i) Assets

All current and non-current assets controlled by the Institute are reported in the balance sheet.

(i) Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and cash at bank (net of outstanding cheques yet to be presented by the Institute's suppliers and creditors).

(ii) Receivables

All debtors are recognised at the amounts receivable as they are due for settlement at no more than 30 days from the date of recognition. Bad debts are written off when identified.

(iii) Intangible assets

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

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

Research and development costs

Expenditure on research activities is recognised as an expense in the period in which it is incurred. An internally generated intangible asset arising from development (or from the development phase on an internal project) is recognised if, and only if, all of the following are demonstrated:

- a) the technical feasibility of completing the intangible asset so that it will be available for use or sale
- b) an intention to complete the intangible asset and use or sell it
- c) the ability to use or sell the intangible asset
- d) the intangible asset will generate probable future economic benefits
- e) the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset
- f) the ability to measure reliably the expenditure attributable to the intangible asset during its development

Where no internally generated intangible asset can be recognised, development expenditure is recognised as an expense in the period as incurred.

Intangible assets are measured at cost less accumulated amortisation and impairment, and are amortised on a reducing balance method over their useful lives at the following rate:

Capitalised software development
33.33% p.a.

(iv) Property, plant and equipment

Leasehold improvements are measured initially at cost less accumulated depreciation and impairment.

Plant, equipment and vehicles are measured at cost less accumulated depreciation and impairment.

(v) Leases

Leases of property, plant and equipment are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

Institute as lessee

Finance leases are recognised as assets and liabilities at amounts equal to the fair value of the lease property or, if lower, the present value of the minimum lease payment, each determined at the inception of the lease. The lease asset is depreciated over the shorter of the estimated useful life of the asset or the term of the lease. Minimum lease payments are allocated between the principal component of the lease liability, and the interest expense calculated using the interest rate implicit in the lease, and charged directly to the operating statement. Contingent rentals associated with finance leases are recognised as an expense in the period in which they are incurred.

Operating lease payments, including any contingent rentals, are recognised as an expense in the operating statement on a straight-line basis over the lease term, except where another systematic basis is more representative of the time pattern of the benefits derived from the use of the leased asset.

Lease incentive

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

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

The cost of the leasehold improvements is capitalised as an asset and depreciated over the remaining term of the lease or the estimated useful life of the improvements, whichever is the shorter.

(vi) Other financial assets

Investments are recognised and derecognised on trade date where purchase or sale of an investment is under a contract whose terms require delivery of the investment within the timeframe established by the market concerned, and are initially measured at fair value, net of transaction costs.

The Institute classifies its other investments in the following categories: loans and receivables and held-to-maturity investments. The classification depends on the purpose for which the investments were acquired. Management determines the classification of its investments at initial recognition.

The Institute assesses at each balance sheet date whether a financial asset or group of financial assets is impaired.

Loans and receivables

Trade receivables, loans and other receivables are recorded at amortised cost, using the effective interest method, less impairment.

The effective interest method is a method of calculating the amortised cost of a financial asset and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset, or, where appropriate, a shorter period.

(j) Liabilities

(i) Payables

Payables consist predominantly of creditors and other sundry liabilities.

Payables are carried at cost and represent liabilities for goods and services provided to the Institute prior to the end of the financial year that are unpaid, and arise when the Institute becomes obliged to make future payments in respect of the purchase of these goods and services.

(ii) Interest-bearing liabilities

Interest-bearing liabilities are recorded initially at fair value, net of transaction costs.

Subsequent to initial recognition, interest-bearing liabilities are measured at amortised cost, with any difference between the initial recognised amount and the redemption value being recognised in profit and loss over the period of the interest-bearing liability using the effective interest rate method.

(iii) Provisions

Provisions are recognised when the Institute has a present obligation, the future sacrifice of economic benefits is probable and the amount of the provision can be measured reliably.

The amount recognised as a provision is the best estimate of consideration required to settle the present obligation at reporting date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

When some or all of the economic benefits required to settle a provision are expected to be recognised from a third party, the receivable is recognised as an asset if it is virtually certain that recovery will be received and the amount of the receivable can be measured reliably.

(iv) Employee benefits

a) Wages and salaries, annual leave and sick leave

Liabilities for wages and salaries, including non-monetary benefits, and annual leave expected to be settled within 12 months of reporting date are recognised in the provision for employee benefits in respect of employee services up to the reporting date, classified as current liabilities and measured at their nominal values.

Those liabilities that are expected to be settled within 12 months are recognised in the provision for employee benefits as current liabilities, measured at present value of the amounts expected to be paid when the liabilities are settled using the remuneration rate expected to apply at the time of settlement.

b) Long service leave

Liability for long service leave (LSL) is recognised in the provision for employee benefits

- **Current liability – unconditional LSL**
(representing seven or more years of recognised continuous service for VIT staff) is disclosed as a current liability even where the Institute does not expect to settle the liability within 12 months because it will not have the unconditional right to defer the settlement of the entitlement should an employee take leave within 12 months.

The components of this current LSL liability are measured at:

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

- **Non-current liability – conditional LSL**
(representing less than seven years of recognised continuous service for VIT staff) is disclosed as a non-current liability. There is an unconditional right to defer the settlement of the entitlement until the employee has completed the requisite years of service.

This non-current LSL liability is measured at present value

c) Employee benefits on-costs

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

d) Termination benefits

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

(k) Commitments

Commitments include those operating, capital and other outsourcing commitments arising from non-cancellable contractual or statutory sources and are disclosed at their nominal value.

(l) Contingent assets and contingent liabilities

Contingent assets and contingent liabilities are not recognised in the balance sheet, but are disclosed by way of a note and, if quantifiable, are measured at nominal value.

(m) Cash flow statement

For the purpose of the cash flow statement, cash comprises cash on hand and cash at bank.

(n) Functional and presentation currency

The functional currency of the Institute is the Australian dollar, which has also been identified as the presentation currency of the Institute.

(o) Rounding of amounts

Amounts in the financial report have been rounded to the nearest dollar.

(p) New accounting standards and interpretations

Certain new accounting standards and interpretations have been published that are not mandatory for 30 June 2008 reporting period. The Department of Treasury and Finance assesses the impact of these new standards and advises the Institute and other entities of their applicability and early adoption where applicable.

As at 30 June 2008, the following standards and interpretations had been issued but were not mandatory for financial years ending 30 June 2008. The Institute has not, and does not intend to, adopt these standards early.

Standard / Interpretation	Summary	Applicable for annual reporting periods beginning or ending on:	Impact on Institute financial statements
Revised AASB 1004 <i>Contributions</i>	AASB decided to relocate requirements on contributions from AAS 27, 29 and 31, substantively unamended, into AASB 1004 as part of its short-term review of AAS 27, AAS 29, and AAS 31.	Beginning 1 July 2008	Impact expected to be insignificant.
AASB 2007-09 <i>Amendments to Australian Accounting Standards arising from the review of AAS 27, AAS 29 and AAS 31</i>	An accompanying amendment standard to amend existing accounting standards as part of the short term review of AAS 27, AAS 29 and AAS 31 in December 2007.	Beginning 1 July 2008	Impact expected to be insignificant.
Revised Interpretation 1038 <i>Contributions by Owners made to Wholly-Owned Public Sector Entities</i>	Editorial amendments to Interpretation 1038 due to changes to AASB 1004.	Beginning 1 July 2008	Impact expected to be insignificant.
AASB 2007-3 <i>Amendments to Australian Accounting Standards arising from AASB 8 [AASB 5, AASB 6, AASB 102, AASB 107, AASB 119, AASB 127, AASB 134, AASB 136, AASB 1023 and AASB 1038].</i>	An accompanying amending standard, also introduced consequential amendments into other Standards.	Beginning 1 January 2009	Impact expected to be insignificant.
AASB 2007-6 <i>Amendments to Australian Accounting Standards arising from AASB 123 [AASB 1, AASB 101, AASB 107, AASB 111, AASB 116 & AASB 138 and Interpretations 1 & 12]</i>	Option to expense borrowing cost related to a qualifying asset had been removed. Entities are now required to capitalise borrowing costs relevant to qualifying assets.	Beginning 1 January 2009	All Australian government jurisdictions are currently still actively pursuing an exemption for government from capitalising borrowing costs.
AASB 2007-8 <i>Amendments to Australian Accounting Standards arising from AASB 101</i>	Editorial amendments to Australian Accounting Standards to align with IFRS terminology.	Beginning 1 January 2009	Impact expected to be insignificant.

a) Change in accounting policies

The Institute has adopted AASB 7 *Financial Instruments: Disclosures* for the first time in its 2008 financial statements. This standard has been applied retrospectively, i.e. with amendments to the presentation of the 2007 accounts.

The first-time application of AASB 7, however, has not resulted in any prior-period adjustments of cash flows, net income or balance sheet line items.

The 2007 comparatives contained in these financial statements therefore differ from those published in the financial statements for the year ended 30 June 2007.

AASB 7 *Financial Instruments: Disclosures* is mandatory for reporting periods beginning on or after 1 January 2007. The new Standard replaces and amends disclosure requirements previously set out in AASB 132 *Financial Instruments: Presentation and Disclosures*. All disclosures relating to financial instruments, including all comparative information, have been updated to reflect the new requirements. In particular, the company's financial statements now feature a sensitivity analysis to explain the Institute's market risk exposure in regards to its financial instruments and a maturity analysis that shows the remaining contractual maturities of financial liabilities as at the balance sheet date.

NOTE 2 Income

	2008 \$	2007 \$
INCOME		
(a) Revenue from Government		
Government Grant		
Fee for service – Grant – Victorian Department of Education & Training	1,256,764	1,226,111
Total revenue from Government	1,256,764	1,226,111
(b) Other revenue		
Revenue from rendering of services:		
Teacher registration fees	6,902,069	6,442,220
Teacher applications & criminal record check fees	1,415,153	476,317
Sponsorship	25,000	20,000
Pdi	28,882	–
Other	5,152	70,892
	8,376,256	7,009,429
Interest revenue:		
Interest on bank deposits	322,049	410,025
Interest on investments	241,820	–
	563,869	410,025
Total other revenue	8,940,125	7,419,454

NOTE 3 Expenses

	2008 \$	2007 \$
EXPENSES		
(a) Grants and other payments		
Projects and teacher release	167,941	135,335
Total grants and other payments	167,941	135,335
(b) Employee benefits		
Salaries and wages	3,770,140	3,114,853
Superannuation	346,210	296,751
On-costs (Payroll tax, Fringe Benefits tax and Workcover)	190,199	162,292
Total employee benefits	4,306,549	3,573,896
(c) Depreciation and amortisation		
Plant and equipment	87,138	101,465
Plant and equipment under finance lease	5,305	5,305
Fixtures and fittings	17,994	19,945
Leasehold improvement	89,360	99,128
Software	123,957	73,483
Total depreciation and amortisation	323,754	299,326
(d) Supplies and services		
Contractors	860,614	507,271
Consultancies	112,088	128,007
Legal expenses	115,156	165,676
Legal expenses other – CRC fees	979,221	253,831
Communications expenses – other	393,606	327,370
Communications expenses – mailhouse and packaging	861,143	485,109
Communications expenses – printing	438,956	564,302
Administration expenses – other	857,657	775,463
Administration expenses – events	390,654	394,526
Total supplies and services	5,009,095	3,601,555
(e) Finance costs		
Finance lease costs *	–	(169)
Winding of discounts	18,486	17,147
Total finance costs	18,486	16,978
* Finance lease costs are shown less employee contributions for the VIC fleet vehicle lease		
(f) Other expenses		
Operating lease rental expenses:		
Minimum lease payments (expense)	233,663	233,553
Gain/(loss) on disposal of property, plant and equipment*	8,044	6,745
Total other expenses	241,707	240,298

* Shown as 'other income' in 2006–07

NOTE 4 Investments

	2008 \$	2007 \$
Current investments		
Loan receivable	5,000,000	–
Total current investments	5,000,000	
Total investments	5,000,000	–

NOTE 5 Receivables

	2008 \$	2007 \$
Current receivables		
Debtors	30,312	39,275
DEECD employee benefits	173,650	210,683
Accrued revenue	205,350	–
Net GST receivable	62,150	128,932
Total current receivables	471,462	378,890
Total receivables	471,462	378,890

NOTE 6 Other assets

	2008 \$	2007 \$
Current other assets		
Prepayments	103,017	77,868
Total current other assets	103,017	77,868
Total other assets	103,017	77,868

NOTE 7 Property, plant and equipment

	2008 \$	2007 \$
Carrying amounts		
Classification by nature		
Leasehold improvements:		
At cost	1,178,172	1,171,222
Less: accumulated depreciation	(368,425)	(279,065)
	809,747	892,157
Fixtures and fittings:		
At cost	162,843	142,717
Less: accumulated depreciation	(80,202)	(62,207)
	82,642	80,510
Plant and equipment:		
At cost	605,163	543,513
Less: accumulated depreciation	(359,302)	(320,560)
	245,861	222,953
Plant and equipment under finance lease:		
At cost	39,168	39,168
Less: accumulated depreciation (i)	(14,589)	(9,284)
	24,579	29,884
Net carrying amount of PPE	1,162,829	1,225,504

NOTE 7 (a) Property, plant and equipment

Movements in carrying amount	Leasehold improvements		Fixtures and fittings		Plant & equipment		Plant & equipment under finance lease		Total	
	2008	2007	2008	2007	2008	2007	2008	2007	2008	2007
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Opening balance	892,157	991,285	80,510	98,008	222,953	245,783	29,884	35,189	1,225,504	1,370,265
Additions*	6,950	–	20,126	2,447	118,181	85,380	–	–	145,257	87,827
Write-offs	–	–	–	–	(2,757)	(2,007)	–	–	(2,757)	(2,007)
Disposals	–	–	–	–	(5,378)	(4,738)	–	–	(5,378)	(4,738)
Depreciation expense	(89,360)	(99,128)	(17,994)	(19,945)	(87,138)	(101,465)	(5,305)	(5,305)	(199,797)	(225,843)
Closing balance	809,747	892,157	82,642	80,510	245,861	222,953	24,579	29,884	1,162,829	1,225,504

The following rates are used in the calculation of depreciation:

	2008	2007
Leasehold improvements	10%	10%
Furniture and fittings	33.3%	33.3%
Plant and equipment	20%	20%

(i) Plant & equipment under finance lease is depreciated in accordance with the VIC Fleet lease agreement (whole of life depreciation over 3 year term of lease = \$15,914.56)

Aggregate depreciation allocated during the year is recognised as an expense and disclosed in Note 3 (c) to the financial statements

* Additions in the FY 07/08 to plant & equipment include the non-cash addition of an asset incorrectly expensed in a prior year (refer note 17)

NOTE 8 Intangible assets

	Capitalised software development	
	2008	2007
	\$	\$
Gross carrying amount		
Opening balance	587,471	375,021
Additions	197,129	212,450
Closing balance	784,600	587,471
Accumulated amortisation and impairment		
Opening balance	(301,975)	(228,492)
Amortisation expense (i)	(123,957)	(73,483)
Closing balance	(425,932)	(301,975)
Net book value at the end of the financial year	358,668	285,496

(i) Amortisation expense is included in the line item 'depreciation and amortisation expense' in the operating statement

NOTE 9 Payables

	2008	2007
	\$	\$
Current		
Trade creditors and accruals	707,093	413,033
Unused lease incentive – Marland House (note 14)	525,441	571,387
Total payables	1,232,534	984,420

NOTE 10 Interest-bearing liabilities

	2008	2007
	\$	\$
Current		
Secured		
VIC Fleet Exec. Vehicle Lease (i) (note 14)	24,702	5,561
Total current interest-bearing liabilities	24,702	5,561
Non-current		
Secured		
VIC Fleet Exec. Vehicle Lease (i) (note 14)	–	24,702
Total non-current interest-bearing liabilities	–	24,702
Total interest-bearing liabilities	24,702	30,263

(i) Secured by the assets leased

NOTE 11 Provisions

	2008 \$	2007 \$
Current		
Employee benefits (i) (note 11(a))		
Unconditional and expected to be settled within 12 months (ii)	383,334	391,068
Unconditional and expected to be settled after 12 months (iii)	144,017	154,630
	527,351	545,698
Provisions related to employee benefit on-costs		
Unconditional and expected to be settled within 12 months (ii)	75,228	56,157
Unconditional and expected to be settled after 12 months (iii)	27,729	22,483
	102,957	78,640
Total current provisions	630,308	624,338
Non-current		
Employee benefits (note 11(a))	98,771	34,211
Provisions related to employee benefit on-costs	27,509	8,355
Make Good Provision Marland House (note 11(b))	289,500	271,014
Total non-current provisions	415,780	313,580
Total provisions	1,046,088	937,918

NOTE 11A Employee benefits and related on-costs

	2008 \$	2007 \$
Current employee benefits		
Annual leave entitlements	271,613	270,398
Unconditional long service leave entitlements	255,738	275,300
Non-current employee benefits		
Conditional long service leave entitlements	98,771	34,211
Total employee benefits	626,122	579,909
Current on-costs	102,957	78,640
Non-current on-costs	27,509	8,355
Total on-costs	130,466	86,995
Total employee benefits and related on-costs	756,588	666,904

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

(ii) The amounts disclosed are nominal amounts

(iii) The amounts disclosed are discounted to present values

NOTE 11B Movement in provisions

	Make good provision	Total
	2008 \$	2007 \$
Opening balance	271,014	253,867
Unwind of discount and effect of changes in the discount rate	18,486	17,147
Closing balance	289,500	271,014
Current	–	–
Non-current	289,500	271,014
	289,500	271,014

NOTE 12 Revenue received in advance

	2008 \$	2007 \$
Unearned teacher registration fees	3,684,472	3,534,731
Other pre-paid revenue	–	25,000
Total revenue received in advance	3,684,472	3,559,731

NOTE 13 Superannuation

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

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

However, superannuation contributions for the reporting period are included as part of employee benefits in the operating statement of the Institute.

The name and details of the major employee superannuation funds and contributions made by the Institute are as follows:

Fund	Contribution for the year	Contribution for the year	Contribution outstanding at year end	Contribution outstanding at year end
	2008 \$	2007 \$	2008 \$	2007 \$
Defined benefit plans				
State Superannuation Fund:				
Revised and new	66,208	70,578	8,484	–
SERB	10,131	3,991	–	–
Defined contribution plans				
VicSuper	138,878	112,129	–	–
Other (i)	130,993	110,053	3,934	–
Total	346,210	296,751	12,418	–

(i) Includes payments made to DEECD for superannuation on-costs in relation to secondments

NOTE 14 Leases

DISCLOSURES FOR LESSEES – FINANCE LEASES

Leasing arrangements

Finance lease relates to equipment with lease terms of 5 years.

	Minimum future lease payments		Present value of minimum future lease payments	
	2008	2007	2008	2007
	\$	\$	\$	\$
Finance lease liabilities payable				
Not longer than 1 year	25,095	7,365	24,702	5,561
Longer than 1 year and not longer than 5 years	–	25,095	–	24,702
Longer than 5 years	–	–	–	–
Minimum future lease payments	25,095	32,460	24,702	30,263
Less future finance charges	(393)	(2,197)		–
Present value of minimum lease payments	24,702	30,263	24,702	30,263
Included in the financial statements as:				
Current interest-bearing liabilities (note 9)			24,702	5,561
Non-current interest-bearing liabilities (note 9)			–	24,702
			24,702	30,263

DISCLOSURES FOR LESSEES – OPERATING LEASES

Leasing arrangements

Operating lease relates to the Institute premises at Marland House with lease terms of 10 years.

The lease incentive provided is apportioned evenly over the term of the lease and recored in current liabilities as 'unused lease incentive Marland House'.

	2008	2007
	\$	\$
Non-cancellable operating leases payable		
Non-cancellable leases at the reporting date contracted for but not recognised as liabilities payable		
Not longer than 1 year	398,543	386,465
Longer than 1 year but not longer than 5 years	1,722,668	1,670,466
Longer than 5 years	545,207	995,952
	2,666,418	3,052,883
In respect of non-cancellable operating leases the following liabilities have been recognised:		
Current		
Unused lease incentive Marland House (note 8)	525,441	571,387
	525,441	571,387

NOTE 15 Contingent assets and liabilities

As at 30 June 2008 there were no contingent assets and liabilities (2007: \$0)

NOTE 16 Financial instruments

(a) Significant accounting policies

Details of the significant accounting policies and methods adopted, including the criteria for recognition, the basis of measurement and the basis on which revenues and expenses are recognised, in respect of each class of financial asset, financial liability and equity instrument are disclosed in note 1 to the accounts.

(b) Table 16.1 Categorisation of financial instruments

Financial assets	Note	Category	Carrying amount 2008	Carrying amount 2007
Cash and cash equivalents	–	n/a	2,475,757	6,999,154
Investments	4	Loans and receivables (at amortised cost)	5,000,000	–
Receivables	5	Loans and receivables (at amortised cost)	30,312	39,275

Financial liabilities	Note	Category	Carrying amount 2008	Carrying amount 2007
Accounts payable	9	Payables measured at amortised cost	1,232,534	984,420
Finance lease liabilities	10	Financial liabilities measured at amortised cost	24,702	30,263

(c) Credit risk

Credit risk arises from the financial assets of the Institute, which comprise cash and cash equivalents, trade and other receivables. The Institute's exposure to credit risk arises from the potential default of counterparties on their contractual obligations resulting in financial loss to the Institute. Credit risk is measured at fair value and is monitored on a regular basis.

The Institute has adopted the policy of only dealing with creditworthy counterparties, as a means of mitigating the risk of financial losses from defaults. In addition, the Institute does not engage in hedging for its financial assets and mainly obtains financial assets that are on fixed interest. The Institute does not have any significant credit risk exposure to any single counterparty or any group of counterparties having similar characteristics.

The carrying amount of financial assets recorded in the balance sheet, net of any provision for losses, represents the Institute's maximum exposure to credit risk, without taking account of the value of collateral or other security obtained.

Financial assets that are either past due or impaired

Currently the Institute does not hold any collateral as security nor credit enhancements relating to any of its financial assets. As at the reporting date, there is no event to indicate that any of the financial assets were impaired.

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

Table 16.2 Interest rate exposure and ageing analysis of financial assets

	Weighted average effective interest rate %	Carrying amount	Interest rate exposure			Not past due and not impaired	Past due but not impaired				Impaired financial assets
			Fixed interest rate	Variable interest rate	Non-interest bearing		Less than 1 month	1-3 months	3 month - 1 year	1-5 years	
2008											
Cash and cash equivalents	6.86%	2,475,757		2,475,757		2,475,757					
Receivables:											
Debtors	-	30,312	-	-	30,312	20,204	4,822	5,286			
Investments:											
Loan receivable	7.45%	5,000,000	5,000,000	-		5,000,000					
		7,506,069	5,000,000	2,475,757	30,312	7,495,961	4,822	5,286	-	-	-
2007											
Cash and cash equivalents	6.00%	6,999,154		6,999,154		6,999,154					
Receivables:											
Debtors	-	39,275	-	-	39,275	21,610	12,370	5,295	-	-	-
Investments:											
Term deposit	-	-	-	-	-	-	-	-	-	-	-
		7,038,429	-	6,999,154	39,275	7,020,764	12,370	5,295	-	-	-

(d) Liquidity risk

Liquidity risk arises when the Institute is unable to meet its financial obligations as they fall due. The Institute operates under the Government fair payments policy of settling financial obligations within 30 days and in the event of a dispute, make payments within 30 days from the date of resolution. It also continuously manages risk through monitoring future cash flows and maturities, planning to ensure adequate holding of high-quality liquid assets and dealing in highly liquid markets.

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

Maximum exposure to liquidity risk is the carrying amounts of financial liabilities.

Table 16.3 Interest rate exposure and ageing analysis of financial liabilities

	Weighted average effective interest rate %	Carrying amount	Interest rate exposure			Not past due and not impaired	Past due but not impaired				Impaired financial assets
			Fixed interest rate	Variable interest rate	Non-interest bearing		Less than 1 month	1-3 months	3 month - 1 year	1-5 years	
2008											
Payables:											
Accounts payable	-	1,232,534	-	-	1,232,534	1,232,534	-	-	-	-	-
Interest-bearing liabilities:											
VIC Fleet lease	6.50%	24,702	24,702	-	-	24,702	-	-	-	-	-
		1,257,236	24,702	-	1,232,534	1,257,236	-	-	-	-	-
2007											
Payables:											
Accounts payable	-	984,420	-	-	984,420	984,420	-	-	-	-	-
Interest-bearing liabilities:											
VIC Fleet lease	6.50%	30,263	30,263	-	-	30,263	-	-	-	-	-
		1,014,683	30,263	-	984,420	1,014,683	-	-	-	-	-

(e) Market risk

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

Foreign currency risk

The Institute is exposed to insignificant foreign currency risk through its payables relating to purchases of supplies and consumables from overseas. This is because of a very limited amount of purchases denominated in foreign currencies and a short timeframe between commitment and settlement. The Institute manages its risk through monitoring of movements in exchange rates against the US dollar and ensures availability of funds through rigorous cash flow planning and monitoring. Based on past and current assessment of economic outlook, it is deemed unnecessary for the Institute to enter into any hedging arrangements to manage the risk.

Interest rate risk

Exposure to interest rate risk is insignificant and might arise primarily through the Institute's interest-bearing investments. Minimisation of risk is achieved by undertaking fixed rate bearing financial instruments.

The Institute's interest-bearing investments are managed by Corporate Services and report to the Administration and Finance Committee. The Institute's exposure to interest rate risk is set out in Table 16.4.

Sensitivity disclosure analysis

Taking into account past performance, future expectations, economic forecasts and management's knowledge and experience of the financial markets, the Institute believes the following movements are 'reasonably possible' over the next 12 months:

A parallel shift of +.5 per cent and -.5 per cent in market interest rates (AUD) from year-end rates of 7 per cent.

Table 16.4 discloses the impact on net operating result and equity for each category of financial instrument held by the Institute at year-end as presented to key management personnel, if the above movements were to occur.

Table 16.4 Market risk exposure

	Carrying amount	Interest rate risk			
		-.5% (50 basis points)		+.5% (50 basis points)	
		Net result	Equity	Net result	Equity
2008					
Financial assets					
Cash and cash equivalents	2,475,757	(12,379)	(12,379)	12,379	12,379
Investments	5,000,000	(25,000)	(25,000)	25,000	25,000
Receivables	30,312	-	-	-	-
Financial liabilities					
Accounts payable	1,232,534	-	-	-	-
Finance lease liabilities	24,702	-	-	-	-
Total increase/(decrease)		(37,379)	(37,379)	37,379	37,379

(f) Fair value

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

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

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

NOTE 17 Cash flow information

	2008 \$	2007 \$
(a) Reconciliation of cash and cash equivalents		
Total cash and cash equivalents disclosed in the balance sheet	2,475,757	6,999,154
Bank overdraft	–	–
Balance as per cash flow statement	2,475,757	6,999,154
(b) Reconciliation of net result for the period to net cash flows from operating activities		
Net result for the reporting period	129,357	778,178
Non-cash movements:		
(Gain)/loss on sale or disposal of non-current assets	8,044	6,745
Additions to plant and equipment as per stocktake	–	(10,956)
Depreciation and amortisation of non-current assets	323,754	299,326
Movements in assets and liabilities		
(Increase)/decrease in current receivables	112,778	24,050
(Increase)/decrease in other current assets	(230,499)	92,911
(Increase)/decrease in current payables	248,114	116,841
(Increase)/decrease in current provisions	5,970	25,361
(Increase)/decrease in unearned fees	124,740	250,124
(Increase)/decrease in non-current provisions	102,199	26,871
Net cash flows from/(used in) operating activities	824,457	1,609,451

NOTE 18 Movements in equity

	2008 \$	2007 \$
Accumulated surplus		
Balance at beginning of financial year	3,454,580	2,676,402
Net result for the reporting period	129,357	778,178
Balance at end of financial year	3,583,937	3,454,580
Total equity at the end of the financial year	3,583,937	3,454,580

NOTE 19 Responsible persons

In accordance with the Ministerial Directions issued by the Minister for Finance under the *Financial Management Act 1994*, the following disclosures are made regarding responsible persons for the reporting period.

Names

The Hon. B Pike Minister for Education and Early Childhood Development
Mr. Andrew Ius Accountable Officer (CEO)

Council members

*Ms S Halliday – Council chairperson	*Ms M Mooney	*Ms C Holloway
*Mr. Michael Butler	Ms C Ure	*Mr M Lester
*Ms D Panton	*Mr N Abbey	*Mr G Salisbury
*Mr R Casamento	*Dr H Schnagl	*Mr S Newton
*Ms J O'Shannessy	*Mr T Hayes	*Ms J Cooke
*Mr T Bugden	*Ms J Wake	*Mr K Moloney
*Ms M Ricardo	*Ms Nicole Lylak	

Related party transactions

*Indicates council member who paid to the Institute a teacher registration fee of \$66 in the year ended 30 June 2008.

Remuneration

Remuneration received or receivable by Council members as Council members are shown below in their relevant income bands:

Income band	2008	2007
\$0	14	17
\$1–\$9,999	4	4
\$10,000–\$19,999	1	0
\$70,000–\$79,999	1	1
Total numbers	20	22
Total remuneration for Council members	\$111,870	\$99,629

Accountable officer

Remuneration received or receivable by the accountable officer in connection with the management of the Institute during the reporting period was in the range: \$190,000–\$199,999 (2007: \$170,000–\$179,999). Amounts relating to the Minister for Education are reported in the financial statements of the Department of Premier and Cabinet.

NOTE 20 Remuneration of executives

The number of executive officers, other than Ministers, and their total remuneration during the reporting period are shown in the first two columns in the table below in their relevant income bands. The base remuneration of executive officers is shown in the third and fourth columns. Base remuneration is exclusive of bonus payments, long service leave payments, redundancy payments and retirement benefits. Several factors have affected total remuneration payable to executives over the year. A number of executive officers retired, resigned or took long service leave in the past year. This has had a significant impact on total remuneration figures due to the inclusion of annual leave and long service leave.

Income band	Total remuneration		Base remuneration	
	2007–08	2006–07	2007–08	2006–07
	No.	No.	No.	No.
\$80,000–\$89,999	1*		1*	
\$90,000–\$99,999	1*		1*	
\$100,000–\$109,999	1	1	1	1
\$110,000–\$119,999		2		2
\$120,000–\$129,999	2		2	
\$150,000–\$159,999				1
\$160,000–\$169,999				
\$170,000–\$179,999		1	1	
\$180,000–\$189,999				
\$190,000–\$199,1000	1			
Total numbers	4	4	4	4
Total amount	\$728,890	\$519,482	\$696,855	\$493,796

*Changeover of group manager position during the financial year

NOTE 21 Remuneration of auditors

	2008 \$	2007 \$
Victorian Auditor-General's Office		
Audit or review of the financial report	18,100	16,800
	18,100	16,800

NOTE 22 Subsequent events

In 2007–08 a review of the Institute commenced. The review examined the organisation's function, structure and legislative mandate to make sure it continues to meet the expectations of the Government, community and teaching profession. At the time of compiling the annual report, there had been no announcement of review recommendations.

NOTE 23 Commitments for expenditure

The following commitments have not been recognised as liabilities in the financial statements.

	2008 \$	2007 \$
Expenditure commitments		
Pdi management and maintenance fee to ACER for 12 months service		
Payable:		
Not longer than 1 year	148,302	164,780
Longer than one year and not longer than 5 years		
Longer than 5 years		
Total commitments for expenditure (inclusive of GST)	148,302	164,780
Less GST recoverable from the Australian Taxation Office	13,482	14,980
Total commitments for expenditure (exclusive of GST)	134,820	149,800



Accountable officer's, chief finance and accounting officer's and member of responsible body's declaration.

We certify that the attached financial statements for the Victorian Institute of Teaching have been prepared in accordance with Standing Direction 4.2 of the *Financial Management Act 1994*, applicable Financial Reporting Directions, Australian accounting standards and other mandatory professional reporting requirements.

We further state that, in our opinion, the information set out in the Operating Statement, Balance Sheet, Statement of Changes in Equity, Cash Flow Statement and notes to and forming part of the financial statements, presents fairly the financial transactions during the year ended 30 June 2008 and the financial position of the Victorian Institute of Teaching at 30 June 2008.

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

A handwritten signature in blue ink, appearing to read "Halliday".

Susan Halliday
Chairperson, Victorian Institute of Teaching

Melbourne
20 August 2008

A handwritten signature in blue ink, appearing to read "Ius".

Andrew Ius
Chief Executive Officer

Melbourne
20 August 2008

A handwritten signature in blue ink, appearing to read "Hibbert".

Matthew Hibbert
Group Manager, Corporate Services

Melbourne
20 August 2008

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VAGO

Victorian Auditor-General's Office

INDEPENDENT AUDITOR'S REPORT

To the Members of the Council of the Victorian Institute of Teaching

The Financial Report

The accompanying financial report for the year ended 30 June 2008 of the Victorian Institute of Teaching which comprises the operating statement, balance sheet, statement of recognised income and expenses, cash flow statement, a summary of significant accounting policies and other explanatory notes to and forming part of the financial report, and the accountable officer's, chief finance and accounting officer's and member of responsible body's declaration, has been audited.

The Members of the Council Responsibility for the Financial Report

The Members of the Council of the Victorian Institute of Teaching are responsible for the preparation and the fair presentation of the financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the financial reporting requirements of the *Financial Management Act 1994*. This responsibility includes:

- establishing and maintaining internal controls relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error
- selecting and applying appropriate accounting policies
- making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

As required by the *Audit Act 1994*, my responsibility is to express an opinion on the financial report based on the audit, which has been conducted in accordance with Australian Auditing Standards. These Standards require compliance with relevant ethical requirements relating to audit engagements and that the audit be planned and performed to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The audit procedures selected depend on judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, consideration is given to internal control relevant to the entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of the accounting policies used, and the reasonableness of accounting estimates made by the Members of the Council, as well as evaluating the overall presentation of the financial report.

I believe that the audit evidence obtained is sufficient and appropriate to provide a basis for my audit opinion.

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Auditing in the Public Interest

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Victorian Auditor-General's Office

Independent Auditor's Report (continued)

Matters Relating to the Electronic Presentation of the Audited Financial Report

This auditor's report relates to the financial statements published in both the annual report and on the website of the Victorian Institute of Teaching for the year ended 30 June 2008. The Members of the Council of the Victorian Institute of Teaching are responsible for the integrity of the web site. I have not been engaged to report on the integrity of the web site. The auditor's report refers only to the statements named above. An opinion is not provided on any other information which may have been hyperlinked to or from these statements. If users of this report are concerned with the inherent risks arising from electronic data communications, they are advised to refer to the hard copy of the audited financial report to confirm the information included in the audited financial report presented on the Victorian Institute of Teaching web site.

Independence

The Auditor-General's independence is established by the *Constitution Act 1975*. The Auditor-General is not subject to direction by any person about the way in which his powers and responsibilities are to be exercised. In conducting the audit, the Auditor-General, his staff and delegates complied with all applicable independence requirements of the Australian accounting profession.

Auditor's Opinion

In my opinion, the financial report presents fairly, in all material respects, the financial position of the Victorian Institute of Teaching as at 30 June 2008 and its financial performance and cash flows for the year then ended in accordance with applicable Australian Accounting Standards (including the Australian Accounting Interpretations), and the financial reporting requirements of the *Financial Management Act 1994*.

MELBOURNE
28 August 2008


D D R Pearson
Auditor-General

2

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Auditing in the Public Interest

APPENDIX 1

Index of Compliance

The annual report of the Victorian Institute of Teaching is prepared in accordance with the *Financial Management Act 1994* and the Directions of the Minister for Finance. This index has been prepared to facilitate identification of compliance with statutory disclosure requirements.

Report of operations

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APPENDIX 2

Acronyms and abbreviations

* References to the teaching profession and to registered teachers throughout this report include school principals.

AAS	Australian Accounting Standard
AASB	Australian Accounting Standards Board
ACER	Australian Council for Educational Research
The Act	<i>The Victorian Institute of Teaching Act 2006</i>
ATO	Australian Tax Office
ATRA	Australasian Teacher Registration Authorities
AUD	Australian dollars
CEO	Chief Executive Officer
The Council	The Council of the Institute
CRC	Criminal record check
CRT	Casual relief teacher
DEECD	Department of Education and Early Childhood Development
FOI	Freedom of Information
The FOI Act	<i>The Freedom of Information Act 1982</i>
FTE	Full-time equivalent
GST	Goods and Services Tax
IFRS	International Financial Reporting Standards
The Institute	The Victorian Institute of Teaching
IT	Information technology
ITE	Initial teacher education
LSL	Long service leave
The Minister	The Minister for Education
MP	Member of Parliament
NCHRC	National criminal history record check
P-12	Preparatory (year of schooling) to Year 12
PD	Professional development
Pdi	Professional Development Interface
Prep-12	Preparatory (year of schooling) to Year 12
PRT	Provisionally registered teacher
VCAT	Victorian Civil and Administrative Tribunal
VCE	Victorian Certificate of Education
VIT	The Victorian Institute of Teaching
WWC	Working with Children

APPENDIX 3

Additional information available on request

Relevant information not included in this report is available on request to the Institute and includes:

- declarations of pecuniary interests
- shares held beneficially by senior officers as nominees of a statutory authority
- publications produced by the Institute and where they can be obtained
- overseas visits undertaken
- industrial relations issues.

Enquiries regarding details of this information should be made to:

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Victoria 8007
Australia

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