September
2011

Peter Hall, MLC
Minister responsible for the Teaching Profession
2 Treasury Place
East Melbourne
Victoria 3002

Dear Minister

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

Yours sincerely

Susan Halliday
Chairperson
One of the recipients of the 2010 World Teachers’ Day awards, Dominique Honrado, at Strathcona Baptist Girls Grammar School
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Report of the Chairperson

This financial year concludes during the last year of the current Institute Council’s three-year term. It has been a challenging and rewarding year that has further shaped the Institute as an entity and tailored the organisation’s modus operandi in preparation for its second decade.

The Council also appointed and extended a warm welcome to new Chief Executive Officer, Melanie Saba, in the first quarter of the financial year.

Over the last 12 months the staged implementation of the approved recommendations from the Institute Review has progressed well. Additionally, the Council’s development of a new strategic plan, the mapping of associated key performance indicators, the fine-tuning of Council Committees in preparation for a markedly smaller fourth Council, key interaction with stakeholders and the extension of the organisation’s premises, has keep the Council and Institute staff focused on the future and fully engaged. Continual growth in teacher registrant numbers, solid interest in Institute programs for mentors, new entrants and casual relief teachers as well as in Pdi, improved on-line services and system advancement, the development of national standards, on-going disciplinary hearings and a run of successful prosecutions in the Magistrate’s Court have dictated a particularly busy year for all.

During the financial year the Institute also took on the role of the secretariat for the Australasian Teacher Regulatory Authorities (ATRA). As the incoming ATRA Chairperson for our incorporated association established to facilitate cooperation and collaboration across the teacher registration and accreditation authorities in Australia and New Zealand, there has been much activity. In particular, the requirements of the federal government’s national agenda have been facilitated in a supportive, informed and consistent manner by ATRA throughout the year.

On behalf of the Institute Council I would like to acknowledge the year’s achievements and thank our Chief Executive Officer, the Group Managers, the Manager Governance and Executive Officer to the Council, all Institute staff and our external Council Committee members for their dedication and hard work. As Council Chairperson I would like to thank the members of the third Institute Council for their exceptional contributions during a period of change and for their support of the teaching profession. The level of Council commitment to the public interest has been invaluable.

The original Victorian Institute Of Teaching Act 2001 envisioned a robust regulatory system that inspired community confidence. Ten years on, this vision and so much more has been achieved. This Annual Report evidences that the Institute’s foundations as an independent regulatory authority are well formed and resolute. It confirms that teachers are regulated in a fair and transparent way that serves the profession, the community, and most importantly our students, in a manner deserving.

Susan Halliday
It is with pleasure that I write my first annual report as Chief Executive Officer of the Institute. Since
I started in this role in August 2010, the Institute has continued to regulate the teaching profession
during a period of significant change, including legislative changes that have increased and changed
the functions of the Institute and a significant national agenda aimed at increased national consistency.

We have continued to see a growth in the number of teachers registered in Victoria, with 115,848
registered at 30 June 2011, an increase of 2826 from 2010. Victoria continues to have the largest
register of teachers in Australia.

Many of the recommendations from the Institute Review came into effect during this year, including
changes to the granting of permission to teach, annualised renewal of registration and a change in the
renewal date to 30 September of each year from 31 December. Renewal of registration will move from
every five years to an annual process, which is consistent with other regulated professions. Changes to
the disciplinary powers of the Institute, including for the first time the ability to hear matters related to
less serious conduct and being able to consider matters related to the health of a teacher will further
improve the Institute’s ability to effectively address issues that may impact on the ability of a teacher
and the reputation of the profession.

As previously reported work has continued on the development of improved online services as well as
upgrading our internal computer platform. At the time of writing this report I am pleased to say that
implementation of this project has begun and the Institute’s website was re-launched during the year.

The Institute has continued to contribute significantly to the work of the Australian Institute of Teaching
and School Leadership, to ensure that the high standards achieved in Victoria are reflected in the work
being undertaken in the areas of nationally consistent registration, national standards and a nationally
consistent accreditation of pre-service teacher education programs.

The work of the Institute in developing its Code of Ethics and Conduct was recognised internationally
as best practice when, on behalf of the Institute, I was asked to present to the UNESCO International
Institute for Educational Planning Workshop on Design and Effective Use of Teacher Codes of Conduct:
The Asia-Pacific Region held in Seoul, South Korea.

This year saw the first prosecutions for unregistered practice. All three cases resulted in findings of
guilt, costs being awarded to the Institute, and in two of the cases fines were also levied against the
individual who did not hold registration but worked as a teacher. The Institute, through its audit
process, is working with all sectors to ensure that only registered teachers are working in schools.
Prosecutions, and where appropriate disciplinary proceedings, are undertaken to protect the standing
of the profession and the public confidence that only registered teachers are teaching in Victoria.

Finally I must acknowledge my predecessor Andrew Ius for his work and dedication in establishing and
steering the Institute during his tenure and the staff, in particular the senior staff for their exemplary
work and dedication to the work of the Institute and in supporting and welcoming me to the Institute.
I would also like to thank the Council, and in particular Susan Halliday, for the wonderful opportunity
to lead the Secretariat of the Institute and for their commitment to supporting the teaching profession
through effective regulation.

Melanie Saba
Our establishment

Who we are

The Victorian Institute of Teaching is an independent statutory authority for the regulation of the teaching profession in Victoria. It is the single registration authority for all teachers in Victorian schools. Established in December 2002, the Institute operates under and administers Part 2.6 of the Education and Training Reform Act 2006 and reports to Parliament through the Minister responsible for the Teaching Profession.

What we do

The Institute is governed by a twenty-member council which administers the functions laid down in the legislation. Changes to the legislation made following the recommendations of the Institute Review will result in a reduction in the number of Council members to 12 in the next reporting year.

The Institute's main functions is to regulate members of the teaching profession, and to recognise and promote the regulatory role and activities of the Institute.

The Institute's other functions include:

- reviewing and approving teacher education courses
- recommending the qualifications, criteria and standards for registration, and renewal of registration of teachers in Victorian schools
- granting registration or permission to teach in Victorian schools
- maintaining the register of teachers
- developing and maintaining standards of professional practice
- developing, maintaining and promoting a code of conduct for the teaching profession
- investigating the conduct, competence and fitness to teach of registered teachers, imposing sanctions where appropriate
- developing a Professional Learning Framework to support teachers’ continuing education
- undertaking professional development programs and activities for teachers related to the Institute’s functions
- undertaking and promoting research about teaching and learning practices
- providing advice to the Minister about the professional development needs of teachers.
Our establishment

How we deliver

The Council of the Institute oversees and sets policy directions for the Secretariat, which is structured into five operational branches and units. The Council appoints committees to provide strategic policy advice to guide their deliberations or to administer, upon delegation, certain Institute functions.

The Secretariat carries out the work of the Council in relation to its functions under the Education and Training Reform Act 2006.

Two branches, the Registration and Accreditation Branch and the Standards and Professional Learning Branch, attend to the business areas of registration, accreditation, standard setting and professional learning.

The Corporate and Communications Branch manages the Institute’s finances, facilities and information systems, human and physical resources, and the Institute’s communications, including the telephony service, website, email correspondence, print communications and publications such as the annual report.

The Inquiries and Litigation Branch and the Panels Unit administer the Institute’s disciplinary function.

Our mission

The Institute’s mission is to build a profession that aspires to the highest standards of teaching practice and conduct. We act in the public interest, behaving honestly, openly and accountably. We acknowledge the professionalism, needs and commitment of teachers and others with a legitimate stake in our work. We are aware of the impact the Institute’s work and decisions have on teachers, students and the wider community. We strive to be knowledgeable, objective, responsive, efficient and effective in all that we do.
Summary of financial position

Reporting period
The financial report and accompanying notes are for the financial year ended 30 June 2011.

Table 1
Financial Results 2010–11

<table>
<thead>
<tr>
<th></th>
<th>2010–11</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$000</td>
</tr>
<tr>
<td><strong>OPERATIONS</strong></td>
<td></td>
</tr>
<tr>
<td>Registration, application and criminal record check fees</td>
<td>9,051</td>
</tr>
<tr>
<td>Fees from DEECD</td>
<td>300</td>
</tr>
<tr>
<td>Sponsorship</td>
<td>23</td>
</tr>
<tr>
<td>Interest</td>
<td>382</td>
</tr>
<tr>
<td>Other</td>
<td>74</td>
</tr>
<tr>
<td><strong>Total income</strong></td>
<td>9,830</td>
</tr>
<tr>
<td><strong>Operating expenses</strong></td>
<td>9,800</td>
</tr>
<tr>
<td><strong>Net Result</strong></td>
<td>30</td>
</tr>
</tbody>
</table>

**FINANCIAL POSITION**

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Financial assets</td>
<td>6,346</td>
</tr>
<tr>
<td>Non-financial assets</td>
<td>3,813</td>
</tr>
<tr>
<td><strong>Total assets</strong></td>
<td>10,159</td>
</tr>
<tr>
<td>Provisions and payables</td>
<td>2,357</td>
</tr>
<tr>
<td>Revenue received in advance</td>
<td>3,968</td>
</tr>
<tr>
<td><strong>Total liabilities</strong></td>
<td>6,325</td>
</tr>
<tr>
<td><strong>Total equity</strong></td>
<td>3,834</td>
</tr>
</tbody>
</table>

In 2010–11 annual registration fees were increased from $70 to $72 per annum. Teacher registration fees are paid annually in advance and are prorated to each of the 12 months. Fee revenue belonging to July 2011 or after, is considered revenue in advance, a current liability in this year’s balance sheet.

Interest revenue increased in 2010–11 as a result of higher interest rates.

Operating expenses decreased in 2010–11 with decreased contractor and administrative expenses.

In summary, 2010–11 generated a surplus of $29,649 compared to $111,295 in the previous year. The Institute’s balance sheet and cash position remain at appropriate levels to cover the Institute’s current and future commitments.
Organisational structure
The total of registered teachers reached 115,848, an increase of 2826 from last year. 19,580 Criminal Record Checks were processed. Improved processing resulted in 3418 end-of-year graduates being available to teach by February 2010. 5332 beginning teachers and teacher mentors attended induction support programs in metropolitan and regional locations. Over 180 principals attended briefing sessions on the support program for provisionally registered teachers during February and March 2011. Support structures for casual relief teachers continued, with six CRT seminars attended by 419 teachers. Eight initial teacher education programs were reviewed and re-accredited. Three new initial teacher education programs were reviewed and accredited. Evaluation by provisionally registered teachers and teacher mentors of the Institute’s support programs has produced increasingly favourable results.

Casual relief teacher networks increased from 17 to 25. The Institute exhibited at three major career expos, with a total of 56,304 visitors to the Institute stand, an increase of 3,824 from the previous year. The Institute partnered with Deakin University and the Department of Education and Early Childhood Development to develop and trial the implementation of a summative practicum assessment designed by Deakin University. The Institute successfully tendered for a contract with the Australian Institute for Teaching and School Leadership (AITSL) to trial the national standards at the proficient level. The number of professional development (PD) activities and registered providers on the Institute’s online search facility, Pdi continued to expand. Four twilight seminars were held for education stakeholders.

Highlights

World Teachers' Day award winner Helen Voidis
Professional standards lie at the heart of the Institute’s work. They provide the basis for decision making at three points in the professional education of a teacher:

- their pre-service preparation
- their induction to the profession
- their ongoing professional learning as experienced teachers.

The standards for graduating teachers

Developed by teachers and teacher educators as part of the Institute’s Future Teachers Project, these standards reflect the characteristics of knowledge, practice and professional engagement considered essential for the preparation of members of the teaching profession.

The Institute’s Accreditation Committee reviews initial teacher education programs for their capacity to provide candidates with this essential practice and to demonstrate that graduates meet these standards. Higher education providers must ensure that they provide pre-service teachers with the opportunity to develop this essential body of knowledge and practice.

The standards for full registration

On graduation from an approved teacher education course, the Institute grants provisional registration for up to two years. During this time, in order to be granted full registration, the teacher must demonstrate through an evidence-based process that they meet these standards.

The standards for renewal of registration

The community expects that members of a profession maintain their active practice and ensure their knowledge is current and references recent research. The Institute’s standards and requirements for renewal of registration embody this expectation and the principle that initial registration is not ‘for life’.

During this financial year, the Institute put in place the processes to facilitate the move from five-yearly to annual renewal of registration.
The standards-based regulatory framework provides the structure for the 2010–11 annual report. The Institute’s programs are founded on the framework, which is designed to deliver quality outcomes for:

- graduates of pre-service teacher education programs
- beginning teachers
- experienced teachers
- students, parents, carers and the broader community.

**The Victorian Teaching Profession Code of Conduct**

Underpinning the standards are the ethical values and principles identified in *The Victorian Teaching Profession Code of Conduct*.

The Institute is committed to maintaining and promoting the Code of Conduct launched in June 2008. During 2010–11 the Institute developed updates to the Code of Conduct support materials to increase relevance and accessibility for teachers, and launched these updates on the Institute’s new website. The Institute has also conducted workshops and briefings in schools promoting the Code of Conduct.
Overview of the work of the Registration and Accreditation Branch

The Registration and Accreditation Branch comprises two units. 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 (the Act). The Accreditation Unit manages the process for accreditation of initial teacher education programs.

In 2011–12, the Registration Unit will implement processes required for ongoing Victoria Police checks for registered teachers and for national consistency in teacher registration. The unit will also implement the Institute’s new information system and work towards implementing legislative amendments for the introduction of registration for early childhood teachers. The Accreditation Unit will implement processes to meet the requirements for national accreditation of initial teacher education programs.

The Registration Unit

There are now 115,848 registered teachers in Victoria, an increase of 2826 from the previous year.

The Institute has conducted staffing audits in all school sectors (government, Catholic and independent) to ensure that all persons undertaking the duties of a teacher hold current registration. It is an offence to teach without registration under the Act. These audits have identified, in each sector, unregistered practice and employment matters. Where possible, the Institute Council has worked with the relevant sector and the person concerned to resolve registration issues. For further information on the reporting of these matters, refer to ‘Prosecutions’ under the ‘Disciplinary proceedings’ heading.
Registration requirements

To be registered as a teacher, an applicant is required to be appropriately qualified, suitable 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 full 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. Permission to teach has facilitated pathways into the teaching profession for Career Change Program applicants and Teach for Australia associates.

Recent legislative changes have limited permission to teach to a period of up to three years and require that employers now advertise for a qualified registered teacher before endorsing a person for permission to teach.

All registered teachers are required to renew their registration either on an annual or a five-yearly basis by demonstrating they have met the standards for renewal of registration. The period for renewal is dependent upon the date the teacher was first granted full registration. During the reporting period, 1119 teachers renewed their registration. In addition, 32 teachers requested an extension of registration to allow more time to meet the standards, and 51 more opted for non-practising registration because they could not meet all of the requirements for renewal.

The 17 per cent reduction in the number of non-practising teachers in the reporting period is indicative of teachers actively returning to the profession. This year 121 teachers returned from non-practising to active registration.

Non-practising registration means the teacher cannot be employed as a teacher in a Victorian school but can maintain professional registration.

Registered teachers must have a current and satisfactory National Criminal History Record Check (NCHRC) recorded with the Institute. The NCHRC is required to be updated before the end of every five years, which is consistent with the Working with Children (WWC) check requirements. Teachers holding a valid registration card with a current NCHRC date are exempt from the WWC check. The Registration Unit has managed the processing of 19,580 NCHRCs in the reporting period.

The Institute was included in the 2010 National Criminal History Record Checking Pre-audit process of the CrimTrac Agency. The outcome of the Pre-audit resulted in the Institute not being selected for a full audit at that time.
Supporting the registration of teachers

The Registration Unit continues to develop initiatives that will reduce handling, processing and assessment time for applications. Under the delegation of the Institute Council to the Chief Executive Officer, applicants who meet all the requirements for provisional and full registration can be approved to commence teaching. Additional delegations ensure that teachers who are suspended for non-payment of fees have their suspensions revoked in a timely manner following payment of the fee and supply of the reason for their non-payment.

To ensure that Registration staff are kept up to date with qualification assessments, a specialised training program is provided to enhance their skills in relation to Victorian, interstate and overseas qualifications.

Registering new graduates

The Institute has established efficient processes for the receipt and assessment of registration applications to ensure graduates can start teaching as soon as possible. The Institute works with higher education providers so that, with the student’s consent, academic records can be received electronically and the application process expedited. Academic records are received at the Institute between early December and mid January.

Improved processing has resulted in 3418 end-of-year graduates being available to teach by February 2010.

Registering teachers

The number of registered teachers has grown by 2826, a 3 per cent increase over the previous reporting period (Table 2).

Table 2
Number of teachers registered as at 30 June

<table>
<thead>
<tr>
<th></th>
<th>2011</th>
<th>2010</th>
<th>% change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Full registration</td>
<td>100,576</td>
<td>98,265</td>
<td>2 †</td>
</tr>
<tr>
<td>Provisional registration</td>
<td>10,782</td>
<td>9,618</td>
<td>12 †</td>
</tr>
<tr>
<td>Permission to teach</td>
<td>3,570</td>
<td>4,034</td>
<td>12 †</td>
</tr>
<tr>
<td>Non-practising</td>
<td>920</td>
<td>1105</td>
<td>17 †</td>
</tr>
<tr>
<td>TOTAL</td>
<td>115,848</td>
<td>113,022</td>
<td>3 †</td>
</tr>
</tbody>
</table>
Receiving and processing applications

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 2010–11, the Institute received 11,831 applications compared with 13,836 in 2009–10.

These applications include new applications, re-applications for provisional registration or permission to teach and applications for full registration by those holding provisional registration. A large number of applications lapse because the applicant withdraws the application, has failed to provide the required documents or pay the relevant fees. Table 3 reports the number of new registrants by application type.

<table>
<thead>
<tr>
<th></th>
<th>2011</th>
<th>2010</th>
<th>% change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Victorian qualifications</td>
<td>3378</td>
<td>3816</td>
<td>1</td>
</tr>
<tr>
<td>Interstate qualifications</td>
<td>585</td>
<td>677</td>
<td>14</td>
</tr>
<tr>
<td>Overseas qualifications</td>
<td>797</td>
<td>926</td>
<td>14</td>
</tr>
<tr>
<td>Mutual recognition</td>
<td>642</td>
<td>645</td>
<td>1</td>
</tr>
<tr>
<td>Permission to teach</td>
<td>329</td>
<td>652</td>
<td>50</td>
</tr>
<tr>
<td>TOTAL</td>
<td>6131</td>
<td>6716</td>
<td>9</td>
</tr>
</tbody>
</table>

During the reporting period, 37 applications (including Permission to Teach) were refused compared with 78 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
- not in the public interest.

Four applicants sought a review by the Victorian Civil and Administrative Tribunal (VCAT) of unsuccessful application for registration. For further information on the reporting of these matters, refer to ‘VCAT reviews’ under the ‘Disciplinary proceedings’ heading.

Provisional to full registration

Graduate teachers are provisionally registered. To be granted full registration, they must demonstrate through an evidence-based process that they 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 over two years. Teachers who fail to apply for full registration after two years are no longer registered and must re-apply for provisional 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 4 presents these situations.
The register of teachers

The Institute is required under legislation to maintain the register of teachers. The public register of teachers is available for inspection during office hours at the Institute’s office on Level 24, 570 Bourke Street, Melbourne. Visitors to the Institute website at <www.vit.vic.edu.au> can search the register to check that a teacher has current registration.

During the reporting period 1869 teachers left the profession. Of these, the largest numbers occur in the age ranges of 60–64 years (396), 55–59 years (362) and 65–69 years (283). Consistent with the last reporting period, the majority (80 per cent) of teachers leaving the profession were not in a school.

Age and gender of registered teachers

The largest group of registered teachers (16,017) is aged between 50 and 54 years. There is, however, a continued growth (4 per cent) in the number of teachers in the 25 to 29-year age range. It is also noted that there is a 27 per cent increase in the number of teachers in the 65 to 69 age range and a 13 per cent decrease in the 70 and above age range. Table 5 provides the age profile of registered teachers.

Table 5
Age profile of registered teachers

<table>
<thead>
<tr>
<th>2011</th>
<th>2010</th>
<th>% change</th>
</tr>
</thead>
<tbody>
<tr>
<td>&lt; 25</td>
<td>4,683</td>
<td>4,536</td>
</tr>
<tr>
<td>25–29</td>
<td>14,073</td>
<td>13,493</td>
</tr>
<tr>
<td>30–34</td>
<td>14,153</td>
<td>13,322</td>
</tr>
<tr>
<td>35–39</td>
<td>12,214</td>
<td>11,937</td>
</tr>
<tr>
<td>40–44</td>
<td>12,566</td>
<td>12,326</td>
</tr>
<tr>
<td>45–49</td>
<td>12,951</td>
<td>13,278</td>
</tr>
<tr>
<td>50–54</td>
<td>16,017</td>
<td>16,719</td>
</tr>
<tr>
<td>55–59</td>
<td>15,900</td>
<td>15,398</td>
</tr>
<tr>
<td>60–64</td>
<td>9,455</td>
<td>8,692</td>
</tr>
<tr>
<td>65–69</td>
<td>3,043</td>
<td>2,403</td>
</tr>
<tr>
<td>70+</td>
<td>793</td>
<td>914</td>
</tr>
</tbody>
</table>

Males continue to account for 27 per cent of the teaching population, which is a proportion consistent with previous reporting periods.

Schedule of fees

In accordance with the Education and Training Reform Act 2006, the following registration fees for 2011–12 were fixed by the Minister responsible for the Teaching Profession.

<table>
<thead>
<tr>
<th>Service</th>
<th>2011</th>
<th>2010</th>
<th>% change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Initial registration – applicants with Victorian qualifications</td>
<td>$140*</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Initial registration – applicants with interstate or overseas qualifications</td>
<td>$160*</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Annual registration</td>
<td>$74</td>
<td></td>
<td></td>
</tr>
<tr>
<td>National Criminal History Record Check</td>
<td>$29</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Late payment processing fee</td>
<td>$30</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Replacement of registration card processing fee</td>
<td>$22</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Assessment of qualifications</td>
<td>$100**</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

* includes the cost of an NCHRC
** fee for service outside normal initial registration application

Table 4
Provisional to full registration

<table>
<thead>
<tr>
<th>2011</th>
<th>2010</th>
<th>% change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Immediate full registration granted</td>
<td>977</td>
<td>991</td>
</tr>
<tr>
<td>Immediate full registration under mutual recognition</td>
<td>446</td>
<td>352</td>
</tr>
<tr>
<td>Full registration – experienced teachers meeting standards</td>
<td>491</td>
<td>476</td>
</tr>
<tr>
<td>Full registration – after evidence-based process</td>
<td>3331</td>
<td>3450</td>
</tr>
<tr>
<td>Re-application for provisional registration made this year after previous provisional registration expired*</td>
<td>1277</td>
<td>1187</td>
</tr>
</tbody>
</table>
The Accreditation Unit

Accreditation

The standards and process described in Preparing Future Teachers are used by the Institute’s Accreditation Committee to approve all the initial teacher education programs offered by Victorian higher education providers.

The Accreditation Unit provides advice to the Accreditation Committee of the Council, supports the accreditation review panels and manages the process for accreditation of initial teacher education programs to ensure graduates are well prepared to enter the profession.

The Accreditation Unit also works collaboratively with Victorian higher education providers to ensure their initial teacher education programs satisfy the standards for accreditation. Regular liaison with teacher educators located at both metropolitan and regional campuses is an essential component of this work.

The accreditation process

The Accreditation Committee reviews, assesses and accredits all the initial teacher education programs in Victoria on a cyclical basis at least once every five years. New programs need to be approved and accredited before students commence.

Higher education providers applying for program accreditation submit documentation that describes the initial teacher education program and indicates how the program meets the program standards and how graduates will be prepared to meet the Institute’s standards for graduating teachers. A Committee Review Panel is nominated for each program submitted. The Review Panel examines the documents and identifies issues for discussion with the higher education provider. Aspects of the program may be clarified or changed to ensure that the standards are better met.

The Review Panel puts its recommendation to the Accreditation Committee for a decision. The Committee may accredit the program, or it may call for further discussion with the provider.
If the Committee intends to refuse an application, the higher education provider is given the opportunity to provide further evidence or to revise the program application.

In 2010–11, the Accreditation Committee re-accredited eight continuing programs and accredited three new programs.

A list of the accredited programs that accept enrolments is available on the Institute’s website.

Table 6
Total number of approved initial teacher education programs accepting enrolments

<table>
<thead>
<tr>
<th>Approved initial teacher education programs</th>
<th>30 June 2011</th>
<th>30 June 2010</th>
</tr>
</thead>
<tbody>
<tr>
<td>Secondary postgraduate</td>
<td>17</td>
<td>17</td>
</tr>
<tr>
<td>Secondary undergraduate</td>
<td>20</td>
<td>20</td>
</tr>
<tr>
<td>Primary postgraduate</td>
<td>10</td>
<td>12</td>
</tr>
<tr>
<td>Primary undergraduate</td>
<td>10</td>
<td>10</td>
</tr>
<tr>
<td>Primary undergraduate with an optional P–10 pathway</td>
<td>5</td>
<td>2</td>
</tr>
<tr>
<td>P–10 or P–12 postgraduate</td>
<td>4</td>
<td>3</td>
</tr>
<tr>
<td>P–10 or P–12 undergraduate</td>
<td>4</td>
<td>3</td>
</tr>
<tr>
<td>Early childhood/primary postgraduate</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>Early childhood/primary undergraduate</td>
<td>7</td>
<td>3</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>78</strong></td>
<td><strong>71</strong></td>
</tr>
</tbody>
</table>

Partnerships

During 2010–11, the Institute partnered with Deakin University and the Department of Education and Early Childhood Development to develop and trial the implementation of a summative practicum assessment designed by Deakin University to assess teacher education graduates’ readiness for beginning teaching as defined by the Institute’s standards for graduating teachers. This work has been completed and the report can be found on the Institute’s website. It is particularly timely in light of the new evidence-based approach that will be used for the national accreditation of initial teacher education programs.

The Institute has also partnered with Deakin University, Monash University, Griffith University, the Department of Education and Early Childhood Development, Queensland College of Teachers and the Queensland Department of Education to investigate the effectiveness of teacher education for early career teachers in diverse settings. This is a longitudinal study over three years and is an Australian Research Council Linkage funded project. The project commenced in late May 2011.
The national context

The accreditation of initial teacher education programs is currently undertaken by the regulatory authorities in each Australian state and territory, using the standards developed by that Authority. In April 2011, the Ministerial Council for Education, Early Childhood Development and Youth Affairs endorsed a national approach to the accreditation of initial teacher education programs.

The Institute believes that a national system will support greater national and international recognition of the quality and qualifications of Australian graduates, regardless of the institution or state from which they graduate.

The Accreditation Unit of the Institute has been working closely with the Australian Institute for Teaching and School Leadership and other regulatory bodies to develop the national accreditation program standards and a national accreditation process. It is anticipated that the national program standards and process will be fully developed by the end of 2011 and that the Institute will commence using the new standards to accredit programs from 2012.

Liaison with other bodies

The Institute has continued to work with the Department of Education and Early Childhood Development (DEECD) to implement the government’s Teacher Supply and Demand Initiatives. These initiatives include providing opportunities for teachers in rural schools to retrain in particular subject/curriculum areas where there are problems attracting appropriately qualified teachers.

As part of this work, the Institute collects enrolment data from Victorian higher education providers to provide advice on the supply of teachers state-wide to the cross-sectoral Teacher Supply and Demand Reference Group convened by the Department of Education and Early Childhood Development.

The Institute has also continued to work with the Department of Education, Employment and Workplace Relations, the Department of Educational and Early Childhood Development, the University of Melbourne and Teach for Australia to support the implementation of the Teach For Australia program in Victorian schools. In this work, the Institute ensures that the initial teacher education program studied by the participants in the program continues to meet the required standards and that participants meet the requirements to be granted permission to teach in appropriate teaching discipline areas.

The Institute and the Victorian Registration and Qualifications Authority have streamlined the approval and accreditation processes for initial teacher education programs offered by non-self-accrediting higher education providers. Instead of two separate panels, a single panel comprising nominees from both authorities reviews these initial teacher education programs to ensure they meet both Institute and Victorian Registration and Qualifications Authority standards before they are approved. During 2010–11 three programs were accredited via this process.

The Institute Accreditation Unit is currently working with Early Childhood Australia (Victoria) on a pilot project to develop a similar streamlined approach to accredit higher education programs that prepare graduates to teach in both early childhood and primary school settings. The pilot will ensure that the program meets the Institute’s standards for accreditation as well as the standards used by the Early Childhood Australia (Victoria) Qualifications Advisory Committee to determine that the program is equivalent to an approved early childhood qualification.

In addition, the Accreditation Unit continues to work with all Victorian providers of initial teacher education programs through attendance at Advisory Committee meetings, representation on Faculty Boards and participation in a range of formal and informal meetings at metropolitan and regional campuses to ensure that accredited and new programs meet the standards for accreditation.
Standards and professional learning

Overview of the work of the Standards and Professional Learning Branch

The Standards and Professional Learning Branch develops and implements standards of professional practice for initial and continuing registration with the Institute. This has been a period of consolidation for the Branch as the professional learning framework continues to be implemented, reviewed and revised to support high standards of professional practice for all registered teachers.

During 2011–12 the Branch will be preparing for the implementation of the National Professional Standards for Teachers and implementing the first phase of nationally consistent processes for registration. The Institute successfully tendered for a contract with the Australian Institute for Teaching and School Leadership (AITSL) to trial the national standards at the proficient level.

During the second half of 2011, the Standards and Professional Learning Branch will be working with teachers in 16 schools in metropolitan and regional Victoria to undertake this pilot project.

The Branch will continue to support the practice of provisionally registered teachers and train experienced teachers as mentors. Teachers will be supported in their professional learning as the Institute implements the transition from five-yearly to annual renewal of registration. This will include making operational MyPD, the secure portal for teachers to record their professional development hours and manage their renewal requirements. Networks supporting the continued professional learning for casual relief teachers will continue to expand. The Branch will continue to take an active role in the education of teachers about the Institute Code of Conduct and to liaise with schools and other stakeholders to ensure that Institute policy and processes related to standards are understood and implemented consistently.
The work of the Standards and Professional Learning Branch

The Institute has developed a framework for the use and support of professional standards in registration processes for entry into the profession, for full registration and for renewal of registration as described in the table below.

Table 7
Use of standards of professional practice and teacher support

<table>
<thead>
<tr>
<th>Standards of professional practice</th>
<th>Standards of professional practice for entry into the profession</th>
<th>Standards of professional practice for full registration</th>
<th>Standards of professional practice for renewal of registration</th>
</tr>
</thead>
</table>
| Use of standards                    | The approval of initial teacher education programs            | An evidence based process with three options for gathering evidence | Maintenance of:  
• fitness to teach  
• professional practice (comprising currency of practice and a defined quantity and scope of professional development activities) |
| Support for teachers to meet the standards | Guidelines for the approval of initial teacher education programs |  
• induction and mentoring of teachers new to the profession  
• two mentor support days  
• seminars for PRTs  
• materials provided by the Institute |  
• online database of available professional development activities (Pd)  
• MyPD for recording and storing information about PD activities  
• Seminars relating to professional practice and other support for teachers not in schools |

Comprehensive Analysis of Teachers and Learning Programs
Supporting teachers new to the profession

Teachers entering the profession who do not meet standards of professional practice are provisionally registered for up to two years. During this time the Institute supports the development of practice to meet the standards with:

- after-school seminars
- comprehensive program materials to guide the evidence-based process for full registration
- school-based induction with a focus on mentoring.

School-based teacher mentors undertake two days of training conducted by the Institute in partnership with the DEECD and with the support of the diocesan Catholic Education Offices and the independent school sector. The program of support and training for 2010–11 is outlined in Table 8. Comparisons with the previous financial year indicate continuing attendance by a large number of teachers and school leaders.

The importance of school leadership in the success of these programs is recognised through the continuation of strong communication with school principals, including briefing sessions, regular bulletins and the provision of support materials to schools. Over 180 principals attended briefings during February and March 2011.

Provisionally registered teachers continue to rate the program of support highly as shown in Figure 3.

### Table 8
Support program for provisionally registered teachers

<table>
<thead>
<tr>
<th>Date</th>
<th>Teacher support</th>
<th>Location(s)</th>
<th>Numbers attending 2010/11</th>
<th>Numbers attending 2009/10</th>
</tr>
</thead>
<tbody>
<tr>
<td>July 2010</td>
<td>Provisionally registered teachers working as CRTs seminar</td>
<td>1 location Melbourne</td>
<td>83</td>
<td>94</td>
</tr>
<tr>
<td>July/August 2010</td>
<td>Provisionally registered teacher seminar (repeat of seminar 1)</td>
<td>20 locations 10 metropolitan 10 regional</td>
<td>607</td>
<td>561</td>
</tr>
<tr>
<td>February/March 2011</td>
<td>Mentor training – day 1</td>
<td>27 locations 14 metropolitan 13 regional</td>
<td>975</td>
<td>955</td>
</tr>
<tr>
<td>February/March 2011</td>
<td>Provisionally registered teacher seminar</td>
<td>27 locations 14 metropolitan 13 regional</td>
<td>2603</td>
<td>2480</td>
</tr>
<tr>
<td>February/March 2011</td>
<td>Principal briefing</td>
<td>27 locations 14 metropolitan 13 regional</td>
<td>182</td>
<td>238</td>
</tr>
<tr>
<td>May 2011</td>
<td>Mentor training – day 2</td>
<td>27 locations 14 metropolitan 13 regional</td>
<td>882</td>
<td>904</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td></td>
<td></td>
<td><strong>5332</strong></td>
<td><strong>5232</strong></td>
</tr>
</tbody>
</table>

### Figure 3
Evaluation of support program by provisionally registered teachers

![Graph showing evaluation of support program by provisionally registered teachers. The x-axis represents the years 2004 to 2011, and the y-axis represents the percentage ranging from 0 to 100. The graph shows the trend of teacher evaluation over the years, with the colors indicating not valuable, valuable, and very valuable.](image-url)
Mentors have identified the two-day training program as significant professional learning that assists with their collegial relationships in addition to providing them with the skills and understanding to support new teachers. Figure 4 indicates the high value mentors continue to place on the training.

Figure 4
Evaluation of Institute seminars by mentors

Supporting casual relief teachers (CRTs)

The Institute recognises teachers who have fewer opportunities for professional learning and develops programs of support for these teachers. Seminars for CRTs have continued to be a significant professional contribution from the Institute, with focus on regional areas that have not experienced these before. An additional seminar was run in July 2010 for provisionally registered teachers working as CRTs and has been reported in the previous section. Table 9 shows the dates and locations of CRT seminars during this period and the number of teachers who have attended.

Table 9
CRT seminar attendance

<table>
<thead>
<tr>
<th>Date</th>
<th>Location</th>
<th>Numbers attending</th>
</tr>
</thead>
<tbody>
<tr>
<td>August 2010</td>
<td>Traralgon</td>
<td>31</td>
</tr>
<tr>
<td>October 2010</td>
<td>Bendigo</td>
<td>56</td>
</tr>
<tr>
<td>November 2010</td>
<td>Wheelers Hill</td>
<td>107</td>
</tr>
<tr>
<td>April 2011</td>
<td>Moorabbin</td>
<td>103</td>
</tr>
<tr>
<td>April 2011</td>
<td>Lower Plenty</td>
<td>73</td>
</tr>
<tr>
<td>June 2011</td>
<td>Point Cook</td>
<td>49</td>
</tr>
<tr>
<td>TOTAL</td>
<td></td>
<td>419</td>
</tr>
</tbody>
</table>
CRT networks have continued to increase to 25 during 2010–11, from 17 in the previous reporting period and 5 prior to that. Close relationships are established between the networks and local schools as shown in Table 10. This has proven to be a sustainable way for CRTs to continue their professional learning, and for schools to build the knowledge and capacity of their relief workforce. CRTs are finding that networks connect them to the profession and provide them with relevant professional activities and peer support. This program has been boosted significantly during the previous year with financial support from the DEECD for networks to undertake professional development activities.

The networks have reported over 70 professional development activities facilitated by outside presenters in addition to other meetings that have been held.

### Table 10
**CRT networks and members numbers**

<table>
<thead>
<tr>
<th>CRT Networks</th>
<th>Teacher members</th>
<th>School support</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Regional</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Ballarat</td>
<td>130</td>
<td>Ballarat North Primary School</td>
</tr>
<tr>
<td>Bendigo</td>
<td>135</td>
<td>Boort Secondary College</td>
</tr>
<tr>
<td>Geelong</td>
<td>206</td>
<td>Torquay College</td>
</tr>
<tr>
<td>Hamilton</td>
<td>15</td>
<td>Torquay College</td>
</tr>
<tr>
<td>Horsham</td>
<td>25</td>
<td>none necessary</td>
</tr>
<tr>
<td>Sale</td>
<td>10</td>
<td>Churchill Primary School</td>
</tr>
<tr>
<td>Shepparton</td>
<td>100</td>
<td>Cowes Primary School</td>
</tr>
<tr>
<td>Traralgon (Latrobe Valley)</td>
<td>50</td>
<td>Churchill North Primary School</td>
</tr>
<tr>
<td>Leongatha</td>
<td>25</td>
<td>Leongatha Primary School</td>
</tr>
<tr>
<td>Mildura</td>
<td>20</td>
<td>Boort Secondary College</td>
</tr>
<tr>
<td>South West Gippsland</td>
<td>60</td>
<td>none necessary</td>
</tr>
<tr>
<td>Warrnambool</td>
<td>25</td>
<td>Torquay College</td>
</tr>
<tr>
<td>Wodonga</td>
<td>80</td>
<td>Wodonga South Primary School</td>
</tr>
<tr>
<td>Yarram</td>
<td>20</td>
<td></td>
</tr>
<tr>
<td><strong>Metropolitan</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Bentleigh</td>
<td>10</td>
<td>Chandler Park Primary School</td>
</tr>
<tr>
<td>Doncaster</td>
<td>25</td>
<td>Heany Park Primary School</td>
</tr>
<tr>
<td>Donvale</td>
<td>30</td>
<td>Heany Park Primary School</td>
</tr>
<tr>
<td>Glenroy</td>
<td>23</td>
<td>Sunbury Macedon Ranges Primary School</td>
</tr>
<tr>
<td>Hawthorn</td>
<td>45</td>
<td>Hawthorn West Primary School</td>
</tr>
<tr>
<td>Richmond</td>
<td>25</td>
<td>Sunbury Macedon Ranges Primary School</td>
</tr>
<tr>
<td>Rowville (Eastern)</td>
<td>85</td>
<td>Heany Park Primary School</td>
</tr>
<tr>
<td>Somerville (Lower Southern Metropolitan)</td>
<td>53</td>
<td>Somerville Rise Primary School</td>
</tr>
<tr>
<td>Southern Metro</td>
<td>244</td>
<td>Chandler Park Primary School</td>
</tr>
<tr>
<td>Sunbury</td>
<td>51</td>
<td>Sunbury Macedon Ranges Primary School</td>
</tr>
<tr>
<td>Western Metro</td>
<td>50</td>
<td>Pascoe Vale North Primary School</td>
</tr>
<tr>
<td><strong>25 networks</strong></td>
<td><strong>1542</strong></td>
<td><strong>13 support schools</strong></td>
</tr>
</tbody>
</table>
Supporting teacher professional learning

Teachers demonstrate their continuing maintenance of professional knowledge and practice through the renewal process. 1073 teachers renewed their registration in the period July – December 2010. Teachers due to renew their registration from 1 January 2011 had their renewal date extended until September 2011. This will align renewal of registration to 30 September every year. Figure 5 shows the number of teachers renewing their registration each month for the reporting period. Validation processes for the renewal of registration continue to show teachers are undertaking a range of standards referenced professional development activities to update their knowledge and practice. Policy review and refinement has strengthened the validation process for teachers as they move to annual declarations of continuing maintenance of professional practice.

Figure 5
Renewal of registration July to December 2010

During the reporting period 1149 professional development programs for teachers were entered on Pdi. Of teachers searching on the site, 60 per cent are visiting the site for the first time, which is indication of growing awareness of Pdi as a resource for teachers.

Field Officers

The Field Officer program has operated within the Standards and Professional Learning Branch during the financial year. This has resulted in expanded support for visits to schools, universities and stakeholder organisations from managerial staff in the Branch to talk about the work of the Institute and address issues raised by teachers in schools. The need for sessional Field Officers was therefore reduced, but visits were made to regional universities and return visits to schools by these officers. The focus of many of these visits was the use of the Code of Conduct and the role of professional standards.

The Institute’s in-house Field Officer resigned in February, providing an opportunity to review the effectiveness of the program. Analysis of the program and consideration of future needs resulted in the Field Officer position being absorbed into a new position in the Branch of Manager, Special Projects. This will ensure the continuation of effective communication with registered teachers and their schools and the timely resolution of issues.

Pdi

Pdi, the online search facility developed by the Institute to inform teachers about available professional development, has continued to be valued by registered providers and teacher users. Pdi assures teachers of the quality of activities listed in relation to the standards of professional practice and principles of effective professional learning. This enables the Institute to recognise activities listed on Pdi as being validated for renewal of registration purposes. The numbers of providers registering on Pdi and listing professional development activities continues to grow as shown in Figure 6.
Overview of the work of the Inquiries and Litigation Branch

The Inquiries and Litigation Branch conducts inquiries into allegations made against registered teachers regarding misconduct, serious misconduct, serious incompetence or lack of suitability to teach. The Branch undertakes or oversees all investigations, prepares reports for the Institute’s Disciplinary Proceedings Committee and prepares cases for hearing by informal, formal and medical hearing panels.

The Branch represents the Institute at VCAT where a person seeks a review of a determination of a hearing panel and where a person seeks a review of a determination of the Institute to refuse an application for registration or renewal.

The Branch assesses and prepares reports on the criminal records of applicants for registration, for consideration by the Institute’s Registration Committee.

When a teacher is charged with a sexual offence, as defined in the Act, the Branch prepares notices for suspension of the teacher’s registration. If the teacher is found guilty or convicted of a sexual offence, the Branch prepares the documents to deregister the teacher.

The Branch investigates allegations of unregistered teaching, which is an offence under the Act, and prepares cases for prosecution in the Magistrates’ Court.

The Branch is continuing its review of policies, procedures and documents to ensure compliance with the significant amendments to the Education and Training Reform Act 2006 which commenced on 1 January 2011. The Branch has developed new procedures in the following areas:

- as a result of the introduction of ‘suitability to teach’, which requires a teacher to be physically and mentally able to teach, the Institute may conduct health assessments and refer appropriate matters to a medical panel for a determination
- the Institute may inquire into complaints regarding misconduct (previously the Institute was able only to inquire into serious misconduct) and such matters may be referred to an informal hearing panel for a determination
- the Institute has the power to enter into an agreement with a teacher regarding suspension, imposition of conditions or cancellation of registration
- the Institute has the power to initiate an inquiry on its own motion where it reasonably believes that the teacher has engaged in misconduct, serious misconduct, is seriously incompetent, or is not suitable to teach
- the monitoring of criminal records which will be undertaken on an ongoing basis.

The Branch was involved in consultation with key stakeholders about changes to the disciplinary procedures and is continuing to develop documentation and file management procedures, to review and amend information pamphlets and to develop Key Performance Indicators to monitor performance against objectives.

Overview of the work of the Panels Unit

The Panels Unit is responsible for the administrative and legal support for all hearings held by the Institute. The Unit staff establish the hearing panels, implement and monitor panel decisions, and prepare panel decisions for publication on the Institute’s website.

From 1 January, hearing panel members are selected from a pool of persons approved by the Governor in Council, on the recommendation of the Minister. The Unit started to implement new procedures to facilitate the establishment of formal, informal and medical hearing panels. The Unit also continued to review compliance procedures to improve the monitoring of teachers with conditions or restrictions on their registration and facilitate transition to a new database.
Legal proceedings

The *Education and Training Reform Act 2006* sets out the Institute’s responsibilities for conducting disciplinary proceedings. These responsibilities are implemented by the Inquiries and Litigation Branch and the Panels Branch.

The Institute conducts inquiries into allegations of a teacher’s misconduct, serious misconduct, serious incompetence or lack of suitability to teach.

An inquiry may start as a result of one of the following:

- a complaint
- a notification from an employer
- information received about a teacher’s conviction or finding of guilt for an indictable offence
- information received that a teacher’s registration may have been obtained by fraud or misrepresentation
- a teacher’s failure to comply with a condition on registration
- contravention or failure by a teacher to comply with a provision of the Act
- an own motion inquiry.

The Council of the Institute has delegated to its Disciplinary Proceedings Committee the power to make decisions about these inquiries. During the inquiry process the Committee may decide:

- not to conduct an inquiry if the conduct of the teacher does not amount to misconduct, serious misconduct, serious incompetence or a lack of suitability to teach
- to refer the matter to an investigation.
- to take no further action if the evidence obtained during the investigation does not substantiate the allegations
- to refer the matter to an informal or formal hearing where there is probative evidence to substantiate the allegations.

Where a teacher is no longer registered, the Committee may decide to continue with an inquiry if the conduct or activities occurred at the time the teacher was registered.

The Committee may also refer a matter to the Council to make a decision to initiate an own motion inquiry, to refer the matter to a medical hearing or to reach an agreement with a registered teacher.

In 2010–11, the Institute received 137 general inquiries from teachers, the community and employers about matters relating to the disciplinary process and the Code of Conduct. These general inquiries were resolved by the provision of information or by referral to a more appropriate organisation such as an employer, a union, a parent support group or by recommending the inquirer seek independent legal advice.

Complaints

A member of the public may make a complaint to the Institute about a teacher’s misconduct, serious misconduct, serious incompetence or suitability to teach. The Institute may decide not to inquire into a complaint if a complainant does not provide evidence to support the complaint; this is referred to as ‘an unconfirmed complaint’ (see Table 11). If a complainant does provide evidence, the allegations will be considered by the Disciplinary Proceedings Committee and a decision made whether to inquire into the complaint.

Table 11

<table>
<thead>
<tr>
<th>Complaint files opened</th>
<th>44</th>
</tr>
</thead>
<tbody>
<tr>
<td>Unconfirmed complaints</td>
<td>20</td>
</tr>
<tr>
<td>Committee decision deferred</td>
<td>0</td>
</tr>
<tr>
<td>No further action</td>
<td>7</td>
</tr>
<tr>
<td>Referred to investigation</td>
<td>8</td>
</tr>
<tr>
<td>No further action</td>
<td>0</td>
</tr>
<tr>
<td>Formal hearing</td>
<td>0</td>
</tr>
<tr>
<td>Investigation continuing</td>
<td>2</td>
</tr>
<tr>
<td>Awaiting investigation</td>
<td>4</td>
</tr>
<tr>
<td>Investigation not proceed</td>
<td>0</td>
</tr>
<tr>
<td>Awaiting consideration by Committee</td>
<td>2</td>
</tr>
<tr>
<td>Referred direct to formal hearing</td>
<td>0</td>
</tr>
<tr>
<td>Waiting for complaint form</td>
<td>6</td>
</tr>
<tr>
<td>Yet to be considered by Committee</td>
<td>3</td>
</tr>
</tbody>
</table>

Notification from employer

The Act requires employers of registered teachers to notify the Institute if they have taken action against a teacher in relation to serious misconduct, serious incompetence or suitability to teach. An employer is required to provide the Institute with any information the Institute may reasonably require to conduct an investigation. The employer’s notification is required if the teacher has been suspended, dismissed or subjected to any other disciplinary action, or if a teacher has resigned during an investigation by the employer.
Disciplinary proceedings

Table 12

<table>
<thead>
<tr>
<th>Notifications from employers</th>
<th>58</th>
</tr>
</thead>
<tbody>
<tr>
<td>No further action</td>
<td>6</td>
</tr>
<tr>
<td>Committee decision deferred</td>
<td>3</td>
</tr>
<tr>
<td>Referred to investigation</td>
<td>32</td>
</tr>
<tr>
<td>No further action</td>
<td>0</td>
</tr>
<tr>
<td>Formal hearing</td>
<td>0</td>
</tr>
<tr>
<td>Investigation continuing</td>
<td>5</td>
</tr>
<tr>
<td>Waiting investigation</td>
<td>24</td>
</tr>
<tr>
<td>Awaiting consideration by Committee</td>
<td>3</td>
</tr>
<tr>
<td>Referred direct to formal hearing</td>
<td>1</td>
</tr>
<tr>
<td>Yet to be considered by Committee</td>
<td>16</td>
</tr>
</tbody>
</table>

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.

Registered teachers are required under the Act to advise the Institute if they have been committed for trial or convicted or found guilty of an indictable offence.

The Chief Commissioner of Police is also required to notify the Institute if a teacher has been charged, committed for trial, convicted or found guilty of indictable offences as specified in the Act.

On 1 January 2011, the Act was amended to include new arrangements for ongoing criminal record checks to be undertaken by the Institute. These legislative amendments will enable greater scrutiny of the ongoing fitness of registered teachers. Under this procedure Victoria Police will provide the Institute with regular reports identifying registered teachers who have matters in Victoria under police investigation, matters awaiting a court hearing or relevant criminal history information.

Table 13

<table>
<thead>
<tr>
<th>Indictable offences</th>
<th>18</th>
</tr>
</thead>
<tbody>
<tr>
<td>No further action</td>
<td>6</td>
</tr>
<tr>
<td>Waiting for further information</td>
<td>6</td>
</tr>
<tr>
<td>Referred to investigation</td>
<td>3</td>
</tr>
<tr>
<td>Referred to formal hearing</td>
<td>1</td>
</tr>
<tr>
<td>Legal proceedings pending</td>
<td>0</td>
</tr>
<tr>
<td>Did not proceed/outside jurisdiction</td>
<td>2</td>
</tr>
</tbody>
</table>

Registration by fraud or misrepresentation

If the Institute believes that the registration of a teacher has been obtained by fraud or misrepresentation, or that their qualifications have been withdrawn, the Institute must conduct a formal hearing.

In 2010–11 there were no such inquiries initiated.

Failure to comply with a condition

The Institute may conduct an inquiry into whether a registered teacher has failed to comply with a condition, limitation or restriction imposed on their registration.

In 2010–11 there were no such inquiries initiated.

Contravention or failure to comply with a provision of the Act

The Institute may conduct an inquiry where a registered teacher has contravened or failed to comply with a provision of the Act.

In 2010–11 there were no such inquiries initiated.

Own motion

Since 1 January 2011, the Institute has had the power to investigate a matter relating to a registered teacher without a complaint or without being informed of a matter by an employer if the Institute reasonably believes that the teacher has engaged in misconduct, serious misconduct, is seriously incompetent or is not suitable to teach.

The Institute has initiated five own motion inquiries.

Investigations

The Act authorises the Institute to delegate its power to conduct an investigation. Investigations may be delegated to an employee of the Institute, an investigator retained by the Institute, a member of Council or the employer or nominee of the employer of a teacher.

Hearings

Informal hearings

On 1 January 2011, the Institute was given amended powers to conduct informal hearings.

An informal hearing panel must consist of three persons or more, of whom one must be a member or former member of the Council and another must be a registered teacher. The teacher who is the subject of the hearing is entitled to be present at the hearing, to be accompanied by another person and to make submissions, but is not entitled to be legally represented. The proceedings are not open to the public.
An informal hearing panel may make findings about misconduct (serious misconduct will be referred to a formal hearing panel and health issues to a medical panel).

If it makes a finding of misconduct, an informal hearing panel has the power to caution, reprimand or impose conditions on a teacher, including counselling or further education.

There have been no informal hearings this financial year.

Formal hearings

On 1 January 2011, the Institute was given amended powers to conduct formal hearings.

A formal hearing panel must consist of three persons or more, of whom one must be a member or former member of the Council and another must be a registered teacher. The teacher who is the subject of the hearing is entitled to be present at the hearing, to be legally represented and to make submissions. The proceedings are open to the public unless the panel determines that they should be closed. A formal hearing may be closed if the evidence being given by a witness to the panel is of an intimate, personal or financial nature. The identity of a complainant cannot be published or broadcast and if the hearing is closed, the panel may decide that the identity of witnesses should not be published or broadcast. Notice of the formal hearing is published in the law notices.

The Institute publishes a version of all decisions and reasons of formal hearing panels on the Institute’s website at <www.vit.vic.edu.au> under Conduct.

A formal hearing panel may make findings about misconduct, serious misconduct, serious incompetence and fitness to teach (health issues will be referred to a medical panel).

If it makes any of these findings, a formal hearing panel has the power to:

- caution
- reprimand
- impose conditions, including counselling or further education
- suspend registration for the period and subject to the conditions, if any, specified in the determination
- cancel registration
- disqualify the teacher from applying for registration within a specified period if the teacher’s registration is cancelled.

Formal hearing procedures are similar to those of a tribunal. The Institute may engage a barrister to assist the panel. A teacher may be self-represented or have legal or union representation.

In 2010–11, nine formal hearings were held by the Institute. There are two panel decisions outstanding, and one formal hearing adjourned from last financial year was finalised.

Members of the hearing panels

From 1 January 2011, hearing panel members are selected from a pool of persons approved by the Governor in Council, on the recommendation of the Minister.

All panel members are required to attend training held by the Institute prior to sitting on hearing panels. The Institute has also held panel chair briefing sessions for panel chairpersons.

Sexual offences

The definition of a sexual offence is set out in the Act. If a registered teacher is charged with a sexual offence, the Institute may suspend the registration of the teacher without inquiry. In 2010–11, the Institute served eight notices of suspension on teachers charged with sexual offences.

If a registered teacher has been convicted or found guilty of a sexual offence as defined in the Act, the teacher’s registration is cancelled from the date of the conviction or finding of guilt and the teacher is disqualified from teaching in a school.

In 2010–11, nine teachers had their registration cancelled as a result of a conviction or finding of guilt for sexual offences.

Registration matters

Criminal history checks are undertaken on all persons applying for registration. If an applicant for registration has been convicted or found guilty of an indictable offence or a relevant summary offence, the Inquiries and Litigation Branch prepares a special attention report for the Registration Committee of Council. In 2010–11, 87 reports were prepared. The Committee found in 82 cases that the matters did not affect the applicant’s suitability to be a teacher and subsequently recommended the applicants for registration. Two applicants were refused registration and three matters are outstanding.

Prosecutions

It is an offence under the Act for a person who is not registered or who does not have permission to teach to undertake the duties of a teacher in a school. Additionally, a person who is not a registered teacher must not claim to be a registered teacher or present themselves as being a registered teacher.

It is also an offence for a person or body to employ a person to teach in a school unless the person is registered or has permission to teach.

In 2010–11, the Institute investigated 61 cases of unregistered teaching.

The Institute prosecuted three persons for teaching without registration and in each case the Magistrates’ Court made a finding of guilty and imposed financial penalties and costs.
VCAT reviews

A teacher may seek a review at the Victorian Civil and Administrative Tribunal (VCAT) of a determination of a hearing panel or of an Institute decision to refuse registration or permission to teach. The Inquiries and Litigation Branch is responsible for representing the Institute at VCAT.

In 2010–11, there were no applications for review at VCAT of hearing panel decisions.

In 2010–11, there were five applications for review at VCAT of Institute registration decisions.

One applicant sought a review of a decision by the Institute to refuse his application for permission to teach. The applicant withdrew his application.

Three applicants sought reviews of decisions by the Institute to refuse their applications for registration. Two applicants withdrew their applications and the other matter has been listed for a two-day hearing on 22 September 2011.

One person sought an order at VCAT regarding a decision by the Institute to suspend his registration for non-payment of fees. The person withdrew his application.
Overview of the work of the Corporate and Communications Branch

The Branch manages Institute communications, finance, risk, human resources, information and communications technology, records and office management functions. Institute communications include a quarterly newsletter, the internet and intranet websites, a customer service centre incorporating a Teachers’ and Principals’ Hotline, and the Institute e-mailbox. The branch also runs a number of programs for education stakeholders. Quarterly Twilight Seminars are offered for the education community and each year the branch manages a statewide celebration of World Teachers’ Day. The Institute exhibits at major metropolitan and regional career expos and the branch coordinates these activities.

Teachers and the Victorian community receive information from the Institute via a range of print, electronic and face-to-face communications:

- the Institute online newsletter Professional Practice
- regular news and policy updates on the Institute website
- regular circulars emailed to all schools
- direct mail
- a periodic online research digest presenting recent findings on professional issues
- quarterly seminars for teachers and other education stakeholders.

www.vit.vic.edu.au

The Institute’s website is a key information resource for registered teachers, applicants for registration and members of the community; it continues to attract an increasing amount of visitors.

Aimed to coincide with World Teachers’ Day celebrated in Australia on 29 October, the Institute launched its redesigned website.

In the reporting period, the most popular web pages provided information on:

- how to qualify as a teacher
- how to apply for registration
- registration matters
- professional learning
- professional standards.
A major focus for the Institute was the continuing success of Pdi (<www.pdi.vit.vic.edu.au>) – a website designed to help teaching professionals source high quality professional development activities.

**Search the register**

The website gives members of the public access to a ‘Search the register’ function to check that a teacher is registered and fit to teach. The information provided is an extract from the register of teachers and is current at the date of viewing. Each person shown is a registered teacher and eligible to teach in Victoria. A search provides the following information about a registered teacher:

- surname and given names
- type of registration held
- date of registration
- registration number.

**The Teachers’ Hotline**

Figure 6 below shows the number of calls to the Teachers’ Hotline between July 2010 and June 2011. The total number of calls answered for this reporting period was 60,982, with a peak call rate recorded in January when 7951 calls were answered.

**Email circulars to principals**

The Institute regularly communicates with principals by email to ensure they have current information on registration issues affecting teachers in their schools. In the reporting period 12 email circulars were sent to principals.
The Principals’ Hotline

Principals and their delegates have immediate access to professional advice from the Institute via the Principals’ Hotline, operating from 8.30 am to 5.30 pm, Monday to Friday. Up to seven Institute officers answer calls to this hotline. A total of 1889 calls to the hotline were answered during this reporting period, an average of 157 calls per month. During February, as the new school year commenced, 327 calls were answered.

vitonline

Principals can access a secure internet-based online facility, vitonline, using unique login details provided by the Institute. vitonline allows principals to confirm:

- current registration status of all teachers at their school
- current registration status of a teacher they wish to appoint to the school
- that a beginning teacher has been granted provisional registration and can start teaching.

Figure 7
Number of calls to Principals’ Hotline per month, July 2010 – June 2011
General correspondence and our email box

The Corporate and Communications Research Branch also responds to general written correspondence and emails sent to the Institute’s electronic mailbox. A total of 16,500 emails were received and processed in the reporting period, at an average of 1375 emails per month.

A higher than average number of emails were received in May as a result of many teachers responding to correspondence from the Institute requesting them to provide their current email addresses.

Parent and school council organisations

The Institute convenes meetings of parent and school council organisations to keep them informed about Institute operations. 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 attend these meetings. The meetings were chaired by Council member, Gail McHardy. There were two meetings in the reporting period.

Figure 8
Number of emails responded to per month, July 2010 – June 2011
Twilight seminars for the education community

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

Seminars for stakeholders included:

- What expert teachers do (Guest speaker: Professor John Loughran, Dean of Education, Monash University)
- And gladly teach – creating more effective and engaging classrooms (Guest speaker: Glen Pearsall, author and teacher)
- What teachers want! (Guest speaker: Dr Ben Jensen, Grattan Institute)
- Supporting the professional conduct of teachers (Panel of speakers: Dr Anne Sarros, Principal Firbank Grammar School; Maria Kirkwood, Assistant Director, Catholic Education Office, Melbourne; Dr Jim Tangas, Manager of Research and Workforce Planning, DEECD)

Professional Practice

Four issues of our newsletter for teaching professionals – Professional Practice – were published in the reporting period. All editions in the reporting period were available online.

Topics this year included: teachers developing new ways to engage students, supporting new teachers, CRT support, new approaches to classroom management, learning outside the classroom, World Teachers’ Day, and the career change program.

The Digest and Inside Teaching

The Digest and Inside Teaching are online journals produced in partnership with the teacher regulatory authorities in other Australian states and territories. In the reporting period, one issue of The Digest was published on the Institute’s website: Language in the mathematics classroom. Inside Teaching replaced The Digest in 2010. Three issues were published in the reporting period.

Career expos

To promote teaching as a desirable career choice, with an emphasis on the role and purpose of the Victorian Institute of Teaching, the Institute exhibited at three major career expos in the reporting period, for a total of eight days: the Herald Sun Expo in July 2010, the Education Show in August 2010 and The Age VCE and Career Expo in May 2011. Visitors to these expos were able to access the Institute’s website to see the initial teacher education programs approved by the Institute. The total visitor numbers to the Institute stand was 56,304, an increase of 3824 from the previous year. At both the Herald Sun Expo and The Age VCE and Career Expo, Sally Wilkinson, a new teacher in the profession, gave a presentation on why she chose teaching and her early experiences in the classroom.

World Teachers’ Day

The Institute has been celebrating UNESCO’s World Teachers’ Day since 2003. World Teachers’ Day provides an opportunity to profile the profession to the broader community and to show teachers how much their work and professional commitment is valued. In 2010 the Institute’s chosen theme was ‘Teachers making a difference’. The campaign included:

- promotional posters distributed to schools, libraries and universities
- email circulars to principals encouraging schools to mark the day
- letters to key stakeholders, local and municipal councils, MPs and school councils
- a competition inviting members of the school community to nominate a teacher who has made a real difference with their students, colleagues or community
- regional radio releases
- media releases.
Our business operations

Banking
The Institute operates a corporate cheque account and invests in term deposits held with the Treasury Corporation of Victoria. The Institute seeks to minimise risk and maximise return on funds available to meet its future needs.

Financial services
The Institute’s accounts and IT accounting systems continue to be maintained by Milura Pty Ltd. This outsourced service assists the Institute in ensuring it maintains contemporary systems and can draw upon up-to-date accounting advice.

Mail house services
The Institute contracts its mail house operations to Computershare Investment Services. Most letter printing and mailing is carried out by Computershare using encrypted files provided by the Institute under strict privacy arrangements. The arrangement enables the Institute to access favourable bulk postage rates.

Records management
An electronic records and document management system, Hummingbird, stores all of the Institute’s administrative files in accordance with relevant information and retention standards.

Consultancies and other major contracts
No major contracts greater than $10m were entered into in 2010–11. The total value of consultancies was $9,402.80, with the largest single consultancy paid $4,400.

Freedom of Information
The Freedom of Information Act 1982 (FOI Act) provides the community some access to information held by the Institute. The Freedom of Information Officer determines right of access on a document by document basis in accordance with the FOI Act.
Table 14
Analysis of freedom of information requests, 2010–2011

<table>
<thead>
<tr>
<th>Nature of requests</th>
<th>2010–2011 requests</th>
</tr>
</thead>
<tbody>
<tr>
<td>Personal (relating to a single identified person)</td>
<td>1</td>
</tr>
<tr>
<td>Non-personal (request for non-specific and/or summative information)</td>
<td>0</td>
</tr>
<tr>
<td>Outcome of request</td>
<td></td>
</tr>
<tr>
<td>Full access</td>
<td>0</td>
</tr>
<tr>
<td>Partial access</td>
<td>1</td>
</tr>
<tr>
<td>Denied</td>
<td>0</td>
</tr>
<tr>
<td>Pending</td>
<td>0</td>
</tr>
<tr>
<td>Request for internal review partial access granted</td>
<td>1</td>
</tr>
<tr>
<td>Internal review confirmed initial FOI decision</td>
<td>0</td>
</tr>
<tr>
<td>Appeal of internal decision to VCAT</td>
<td>1</td>
</tr>
<tr>
<td>Carried forward to next year</td>
<td>0</td>
</tr>
</tbody>
</table>

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 of 30 June 2011, 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.

Environmental sustainability
The Institute continues to further refine its practices to reduce its carbon footprint. In 2010–11 it continued work on the development of online resources for teachers, further reducing the need for paper-based communication. These initiatives, combined with existing recycling and waste minimisation initiatives are helping the Institute in its endeavours to be an environmentally responsible organisation.

Occupational Health and Safety
The Institute, through its Occupational Health and Safety Committee, is committed to providing a safe and secure environment for its staff and visitors, and fully complies with the Building Act 1993.

Staff and community wellbeing
Employees of the Institute, through the Working Environment Group, are encouraged to participate in activities that promote morale and wellbeing. Funds are raised for charities from various social events and functions. A series of lunchtime seminars were introduced for staff, featuring guest speakers and facilitators, dealing with a range of topics of interest to staff.

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

Professional development
The Institute has an ongoing professional development program for its employees. Alongside its staff induction program, training needs are identified to ensure core functions can be carried out in an effective manner.

Human Rights 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.

Staff by operation

<table>
<thead>
<tr>
<th>Staff</th>
<th>Full-time equivalent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Casual staff</td>
<td>4.1</td>
</tr>
<tr>
<td>Communications and Publications</td>
<td>2.6</td>
</tr>
<tr>
<td>Course Accreditation</td>
<td>2.0</td>
</tr>
<tr>
<td>Customer Service Centre</td>
<td>10.0</td>
</tr>
<tr>
<td>Professional Practice and Conduct</td>
<td>9.2</td>
</tr>
<tr>
<td>Secretariat and Corporate Services</td>
<td>13.0</td>
</tr>
<tr>
<td>Standards and Professional Learning</td>
<td>6.4</td>
</tr>
<tr>
<td>Teacher Registration</td>
<td>16.8</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>64.1</strong></td>
</tr>
</tbody>
</table>
Members of the Institute Council

Reporting to Parliament through the Minister responsible for the Teaching Profession, the Institute is the single registration authority for all Victorian school teachers, whether they are employed in government, Catholic or independent schools. The Council of the Institute administers its legislation in the public interest to ensure 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.

Eight of the ministerial nominees to the Council are appointed following consideration of names submitted by bodies and organisations with professional interests relevant to the remaining categories of Council membership. The categories are:

- teacher (3)
- principal (1)
- parent (1)
- persons representing employers of teachers (2)
- person with experience or expertise in preparing people to be teachers (1).

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

A full third Council has been in operation for the duration of the financial year. A new Strategic Plan 2010–2013 has been adopted by the Council, and can be viewed on the Institute website.

Changes to the legislation made following the recommendations of the Institute Review will result in a reduction in the number of Council Members to 12 in the next reporting year.

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.

Under the Education and Training Reform Act 2006 the Minister approves policies for 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

Stephen Bhogal
Ballarat Grammar School

Michael Butler
Reservoir District Secondary College

Debra Punton
Assistant Director, School Services,
Catholic Education Office, Melbourne

Garry Salisbury
Echuca College

Dr Anne Sarros
Principal, Firbank Grammar School

Dale Hendrick
Principal, Pakenham Hills Primary School

Nicole Lylak
Narre Warren South P–12 College

Diane Mayer
Head of School of Education, Deakin University

Gail McHardy
Executive Officer, Parents Victoria
Members of the Institute Council

Jean Cooke
Aurora School

Jennifer Costello
Carranballac P–9 College

Marino D’Ortenzio
Caroline Springs College

Mary-Anne Pontikis
Meadow Heights Primary School

Dr Heather Schnagl
Principal, Ivanhoe Girls’ Grammar School

Kevin Moloney
Loreto Mandeville Hall

Jane O’Shannessy
Santa Maria College

Judy Petch
General Manager, School Workforce Reform and School Improvement Division, Department of Education and Early Childhood Development

Mary-Anne Pontikis
Meadow Heights Primary School

Gaylene Watts
Principal, St Philip’s Primary School

Leonie Sheehy
St Joseph’s Primary School
Number of Council meetings attended by each member

<table>
<thead>
<tr>
<th>Name</th>
<th>Meetings attended</th>
</tr>
</thead>
<tbody>
<tr>
<td>Stephen Bhogal</td>
<td>7</td>
</tr>
<tr>
<td>Michael Butler</td>
<td>7</td>
</tr>
<tr>
<td>Jean Cooke</td>
<td>6</td>
</tr>
<tr>
<td>Jennifer Costello</td>
<td>7</td>
</tr>
<tr>
<td>Marino D’Ortenzio</td>
<td>7</td>
</tr>
<tr>
<td>Susan Halliday</td>
<td>7</td>
</tr>
<tr>
<td>Dale Hendrick</td>
<td>5</td>
</tr>
<tr>
<td>Nicole Lylak</td>
<td>7</td>
</tr>
<tr>
<td>Diane Mayer</td>
<td>5</td>
</tr>
<tr>
<td>Gail McHardy</td>
<td>7</td>
</tr>
<tr>
<td>Kevin Moloney</td>
<td>6</td>
</tr>
<tr>
<td>Jane O’Shannessy</td>
<td>7</td>
</tr>
<tr>
<td>Judy Petch</td>
<td>4</td>
</tr>
<tr>
<td>Mary-Anne Pontikis</td>
<td>7</td>
</tr>
<tr>
<td>Debra Punton</td>
<td>6</td>
</tr>
<tr>
<td>Garry Salisbury</td>
<td>7</td>
</tr>
<tr>
<td>Anne Sarros</td>
<td>6</td>
</tr>
<tr>
<td>Heather Schnagl</td>
<td>7</td>
</tr>
<tr>
<td>Leonie Sheehy</td>
<td>7</td>
</tr>
<tr>
<td>Gaylene Watts*</td>
<td>2</td>
</tr>
</tbody>
</table>

* Resigned from Council

Our commitment to good governance

The Committees of Council

Registration Committee
The Registration Committee provides advice and makes recommendations to the Institute Council on registration matters, including the approval/refusal of registration or permission to teach. In some cases, the Committee will conduct an interview to make an informed decision about the applicant’s suitability as a teacher.

During 2010–11, the Committee held 12 meetings at the Institute’s offices and one email meeting was conducted.

Members
Jean Cooke (Chairperson), Aurora School
Michael Butler, Reservoir District Secondary College
Jennifer Costello, Carranballe P–9 College
Tom Delahunty, Trinity Grammar School
Linda Kowski, Killester College
Nicole Lylak, Narre Warren South P–12 College
Kieran McCrohan, Wesley College
Mary-Anne Pontikis, Meadow Heights Primary School
Heather Schnagl, Ivanhoe Girls’ Grammar School
Leonie Sheehy, St Joseph’s Primary School

Administration and Finance Committee
The Administration and Finance Committee oversees the financial and general administrative functions of the Institute. It makes recommendations to Council on the financial requirements of the Institute’s governing legislation and other legislation regulating the financial management and accountabilities of the Institute.

On behalf of the Council, the Committee manages the development and implementation of the Institute’s strategic and business plan budgets. In addition, the Committee advises Council on the adequacy and effectiveness of the Institute’s financial and accounting policies and related control systems.

During 2010–11, the Administration and Finance Committee met nine times.

Members
Susan Halliday, (Chairperson) Institute Council
Stephen Bhogal, Ballarat Grammar School
Michael Butler, Reservoir District Secondary College
Jean Cooke, Aurora School
Kevin Moloney, Loreto Mandeville Hall
Debra Punton, Catholic Education Office, Melbourne
Heather Schnagl, Ivanhoe Girls’ Grammar School

Audit Committee
The Audit Committee is bound by a charter developed under guidelines determined in financial directions and issued by the Minister for Finance.

Under that charter, the Audit Committee oversees:

- financial performance and the financial reporting process, including the annual financial statements
- the scope of work, performance and independence of internal audit
- the engagement and dismissal by management of any chief internal audit executive
- the scope of work, independence and performance of the external auditor
- the operation of the risk management framework
- matters of accountability and internal control affecting the operation of a public sector agency
- the effectiveness of management information systems and other systems of internal control
- the acceptability of, and correct accounting treatment for and disclosure of, significant transactions which are not part of the public sector agency’s normal course of business
- formal approval of accounting policies
- the public sector agency’s process for monitoring compliance with laws and regulations and its own code of conduct and code of financial practice.

During 2010–11, the Audit Committee met four times.

Members
David Nairn (Chairperson), HLB Mann Judd
Craig Geddes, Oakton Consulting Technology
Debra Punton, Catholic Education Office, Melbourne
Heather Schnagl, Ivanhoe Girls’ Grammar School
Warwick Spargo, RSM Bird Cameron
Remuneration Committee
The Remuneration Committee implements Government Sector Executive Remuneration Panel (GSERP) policies and guidelines for the employment of the Institute's executive officers. Specifically the Remuneration Committee determines the performance criteria of the Chief Executive Officer, conducts their annual performance review and advises Council of any other relevant matters in the jurisdiction of GSERP.

During 2010–11, the Remuneration Committee met twice.

Members
Susan Halliday, (Chairperson) Institute Council Chairperson
Jean Cooke, Aurora School
Debra Punton, Catholic Education Office, Melbourne
Heather Schnagl, Ivanhoe Girls’ Grammar School

The Professional Practice and Conduct Committee
The Professional Practice and Conduct Committee advises on standards of professional conduct and is responsible for the Victorian Teaching Profession Code of Conduct. The Committee also conducts informal hearings and determines whether a matter should be referred to a formal hearing.

During 2010–2011, the Committee met four times.

Members
Gaylene Watts, (Chairperson) St Philip’s Primary School
Roger Gill, Loreto Mandeville Hall
Dale Hendrick, Pakenham Hills Primary School
Anne Moloney, Special Education Consultant
Jane O’Shannessy, Santa Maria College

The Professional Practice and Conduct Committee was discontinued following the March 2011 Council meeting as there was no ongoing work justifying its continued existence. Periodic review of the Code of Conduct will be undertaken. Informal hearings are now heard by panels.

Accreditation Committee
The Accreditation Committee assesses and approves initial teacher education programs for the purposes of registration, consistent with the standards and guidelines issued by the Institute and described in Preparing Future Teachers. The Committee comprises teachers and principals from Victorian government and non-government schools, teacher educators, parents, and representatives of Victorian teacher employers.

During 2010–11, the Committee held seven meetings.

Members
Mr Dale Hendrick (Chairperson), Pakenham Hills Primary School
Professor Lawrence Angus, University of Ballarat
Ms Lynne Baker, Old Orchard Primary School
Mr Stephen Bhogal, Ballarat Grammar School
Ms Diane Bourke, Melbourne Girls Grammar School
Associate Professor Deborah Corrigan, Monash University
Ms Anne-Marie Dawson, ACU National University
Dr Bill Eckersley, Victoria University
Dr Julie Faulkner, RMIT University
Mr Stephen Franz-Ford, Association of School Councils in Victoria
Mr Peter Godden, Department of Education and Early Childhood Development
Ms Eleni Goulas, Lowther Hall Anglican Grammar School
Mr Joseph Haddad, Carwatha P–12 College
Ms Helen Hughes, Strathcona Baptist Girls Grammar School
Mr Peter Kelly, Christian Brothers College
Mr Alan Marshall, Deakin University
Dr Patricia McCann, La Trobe University
Mr Glenn Proctor, Hume Central Secondary College
Ms Margaret Ricardo, St John Vianney Primary School
Dr Vicki Steinle, The University of Melbourne
Ms Lorraine Tran, Victorian Curriculum and Assessment Authority
Ms Johanna Walker, Lilydale High School
Dr David Warner, Eltham College
Dr Amanda Watson, University High School

The Disciplinary Proceedings Committee
The Disciplinary Proceedings Committee is responsible for the administration of the Institute’s disciplinary procedures. In its decision making the Committee reflects the standards of fitness, conduct and competence the teaching profession expects of registered teachers.

During 2010–2011, the Committee met 11 times.

Members
Susan Halliday, (Chairperson) Victorian Institute of Teaching Council Chairperson
Michael Butler, Reservoir District Secondary College
Marino D’Ortenzio, Caroline Springs College
Michael Lester, Kyneton Secondary College (leave of absence)
Nicole Lylak, Narre Warren South P–12 College
Kevin Moloney, Loreto Mandeville Hall
Marilyn Mooney, Casual relief teacher
Jane O’Shannessy, Santa Maria College
Mary-Anne Pontikis, Meadow Heights Primary School
Kevin Pope, Meadow Heights Primary School
Gary Salisbury, Echuca College
Anne Sarros, Firbank Grammar School
Leonie Sheehy, St Joseph’s Primary School
Carmel White, Department of Education and Early Childhood Development
Standards and Professional Learning Committee
The Standards and Professional Learning Committee makes recommendations to the Institute Council about the development, establishment and maintenance of professional standards and provides advice about research into teaching and learning practices to inform this work. During the reporting period the committee undertook significant work to guide and develop a Council response to the draft national standards for teachers.

During 2010–11 the committee met five times.

Committee members
Jane O’Shanessy (Chairperson), Santa Maria College
Helen Astarte, Department of Education and Early Childhood Development
Stephen Bhogal, Ballarat Grammar School (resigned in December 2010)
Michael Butler, Reservoir District Secondary College
Jean Cooke, Aurora School
Jennifer Costello, Carranballac P–9 College
Brenton Doecke, Deakin University
Olwyn Gray, Council of Professional Teaching Associations of Victoria (CPTAV)
Sue Mackay, Tintern Schools
Diane Mayer, Deakin University
Miranda Price, Chatham Primary School
Garry Salisbury, Echuca Secondary College
Anne Sarros, Firbank Grammar School

The Institute Council recognised the input of the Committee to the development of policy relating to professional standards and determined that the substantive work of the Committee had been completed. The final meeting of the Committee was held in May 2011. Reference groups and ad hoc working groups will be convened as required in the future to consult with the profession regarding work in the standards and professional learning area.

Communications Committee
The Communications Committee makes recommendations to the Institute Council on the overall direction of the Institute’s communications and their implementation. The Committee oversees the management of the Institute’s communications strategy which is used to guide and inform all Institute communications, and is a vital link between the Institute and the teaching profession. The Committee also provided guidance and advice in relation to communications activities such as the publication of the quarterly newsletter, the annual World Teachers’ Day campaign and other initiatives of the Communications and Research Branch.

During 2010–11, the Committee held five meetings.

Members
Gail McHardy (Chairperson), Executive Officer, Parents Victoria
Marino D’Ortenzio, Caroline Springs College
Nicole Lylak, Narre Warren South P–12 College
Diane Mayer, Deakin University
Jan Sherry, registered teacher
Gaylene Watts, Principal, St Philip’s Primary School

The Communications Committee was suspended following the March 2011 Council meeting pending development of a new Communication Plan.
Risk Management attestation

I, Susan Halliday 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, 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.

Susan Halliday
Chairperson- Victorian Institute of Teaching

Melbourne
6 September 2011
### Comprehensive operating statement
for the financial year ended 30 June 2011

<table>
<thead>
<tr>
<th>Note</th>
<th>2011</th>
<th>2010</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>INCOME FROM TRANSACTIONS</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Interest</td>
<td>2 (a)</td>
<td>382,444</td>
</tr>
<tr>
<td>Fees</td>
<td>2 (b)</td>
<td>9,051,405</td>
</tr>
<tr>
<td>Government grant</td>
<td>2 (c)</td>
<td>300,000</td>
</tr>
<tr>
<td>Other income</td>
<td>2 (d)</td>
<td>96,478</td>
</tr>
<tr>
<td><strong>Total income from transactions</strong></td>
<td>9,830,327</td>
<td>10,358,097</td>
</tr>
</tbody>
</table>

| **EXPENSES FROM TRANSACTIONS** |      |      |
| Grants and other payments | 3 (a) | 273,234 | 297,185 |
| Employee expenses | 3 (b) | 5,028,995 | 4,739,106 |
| Depreciation and amortisation | 3 (c) | 522,408 | 330,863 |
| Supplies and services | 3 (d) | 3,660,482 | 4,621,942 |
| Borrowing expenses | 3 (e) | 20,203 | 11,391 |
| Other expenses | 3 (f) | 288,367 | 234,847 |
| **Total expenses from transactions** | 9,793,690 | 10,235,334 |

**Net result from transactions (net operating balance)** | 36,637 | 122,763 |

**OTHER ECONOMIC FLOWS INCLUDED IN NET RESULT**

<table>
<thead>
<tr>
<th>Note</th>
<th>2011</th>
<th>2010</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net gain/(loss) on non-financial assets</td>
<td>4 (a)</td>
<td>(7,251)</td>
</tr>
<tr>
<td>Other gains/(losses) from other economic flows</td>
<td>4 (b)</td>
<td>262</td>
</tr>
<tr>
<td><strong>Total other economic flows included in net result</strong></td>
<td>(6,989)</td>
<td>(11,468)</td>
</tr>
</tbody>
</table>

**Net result from continuing operations** | 29,649 | 111,295 |

**Comprehensive result** | 29,649 | 111,295 |

The above comprehensive operating statement should be read in conjunction with the notes included on pages 47 to 83.
### Balance sheet
as at 30 June 2011

<table>
<thead>
<tr>
<th>Note</th>
<th>2011</th>
<th>2010</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$</td>
<td>$</td>
</tr>
<tr>
<td><strong>FINANCIAL ASSETS</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash and deposits 18 (a)</td>
<td>1,095,771</td>
<td>1,303,421</td>
</tr>
<tr>
<td>Investments 5</td>
<td>5,000,000</td>
<td>7,000,000</td>
</tr>
<tr>
<td>Receivables 6</td>
<td>249,937</td>
<td>367,614</td>
</tr>
<tr>
<td><strong>Total financial assets</strong></td>
<td>6,345,708</td>
<td>8,671,035</td>
</tr>
<tr>
<td><strong>NON-FINANCIAL ASSETS</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Plant and equipment 8</td>
<td>1,553,432</td>
<td>991,703</td>
</tr>
<tr>
<td>Intangible assets 9</td>
<td>2,054,960</td>
<td>862,382</td>
</tr>
<tr>
<td>Other non-financial assets 7</td>
<td>205,379</td>
<td>79,977</td>
</tr>
<tr>
<td><strong>Total non-financial assets</strong></td>
<td>3,813,771</td>
<td>1,934,062</td>
</tr>
<tr>
<td><strong>Total assets</strong></td>
<td>10,159,479</td>
<td>10,605,097</td>
</tr>
<tr>
<td><strong>LIABILITIES</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Payables 10</td>
<td>1,185,842</td>
<td>1,634,780</td>
</tr>
<tr>
<td>Borrowings 11</td>
<td>53,268</td>
<td>30,996</td>
</tr>
<tr>
<td>Provisions 12</td>
<td>1,118,101</td>
<td>1,037,417</td>
</tr>
<tr>
<td>Income received in advance 13</td>
<td>3,968,021</td>
<td>4,097,306</td>
</tr>
<tr>
<td><strong>Total liabilities</strong></td>
<td>6,325,232</td>
<td>6,800,499</td>
</tr>
<tr>
<td><strong>Net assets</strong></td>
<td>3,834,247</td>
<td>3,804,598</td>
</tr>
<tr>
<td><strong>EQUITY</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Accumulated surplus 19</td>
<td>3,834,247</td>
<td>3,804,598</td>
</tr>
<tr>
<td><strong>Net worth</strong></td>
<td>3,834,247</td>
<td>3,804,598</td>
</tr>
<tr>
<td>Commitments for expenditure 23</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Contingent assets and contingent liabilities 16</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

The above balance sheet should be read in conjunction with the notes included on pages 47 to 83.
## Statement of changes in equity
for the financial year ended 30 June 2011

<table>
<thead>
<tr>
<th>Note</th>
<th>Accumulated surplus $</th>
<th>Contributions by owner $</th>
<th>Total $</th>
</tr>
</thead>
<tbody>
<tr>
<td>Balance at 1 July 2009</td>
<td>3,693,303</td>
<td>–</td>
<td>3,693,303</td>
</tr>
<tr>
<td>Net result for the year</td>
<td>111,295</td>
<td>–</td>
<td>111,295</td>
</tr>
<tr>
<td>Balance at 30 June 2010</td>
<td>3,804,598</td>
<td>–</td>
<td>3,804,598</td>
</tr>
<tr>
<td>Net result for the year</td>
<td>29,649</td>
<td>–</td>
<td>29,649</td>
</tr>
<tr>
<td>Balance at 30 June 2011</td>
<td>3,834,247</td>
<td>–</td>
<td>3,834,247</td>
</tr>
</tbody>
</table>

The above statement of changes in equity should be read in conjunction with the notes included on pages 47–83.
Cash flow statement
for the financial year ended 30 June 2011

<table>
<thead>
<tr>
<th>Note</th>
<th>2011 $</th>
<th>2010 $</th>
</tr>
</thead>
<tbody>
<tr>
<td>CASH FLOWS FROM OPERATING ACTIVITIES</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Receipts</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Receipts from Government</td>
<td>330,000</td>
<td>600,000</td>
</tr>
<tr>
<td>Receipts from customers and registration fees</td>
<td>9,152,406</td>
<td>9,485,107</td>
</tr>
<tr>
<td>Net Goods and Services Tax recovered from the ATO</td>
<td>527,865</td>
<td>465,061</td>
</tr>
<tr>
<td>Interest received</td>
<td>459,739</td>
<td>204,176</td>
</tr>
<tr>
<td>Total receipts</td>
<td>10,470,009</td>
<td>10,754,344</td>
</tr>
<tr>
<td>Payments</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Payments to suppliers and employees</td>
<td>(10,465,963)</td>
<td>(9,939,086)</td>
</tr>
<tr>
<td>Total payments</td>
<td>(10,465,963)</td>
<td>(9,939,086)</td>
</tr>
<tr>
<td>Net cash flows from operating activities</td>
<td>18 (b)</td>
<td>4,046</td>
</tr>
</tbody>
</table>

| CASH FLOWS FROM INVESTING ACTIVITIES | | |
| Payments for plant and equipment | (707,296) | (142,680) |
| Payments for intangible assets | (1,494,115) | (707,796) |
| Proceeds from sale of plant and equipment | 73 | 2,246 |
| Proceeds from redemption of investments | 2,000,000 | – |
| Payments for investments | – | (7,000,000) |
| Net cash flows from/(used in) in investing activities | (201,338) | (7,848,230) |

| CASH FLOWS FROM FINANCING ACTIVITIES | | |
| Repayment of finance lease (i) | (10,358) | (7,121) |
| Net cash flows from/(used in) in financing activities | (10,358) | (7,121) |

| Net increase/(decrease) in cash and deposits | (207,650) | (7,040,093) |
| Cash and deposits at the beginning of the financial year | 1,303,421 | 8,343,514 |
| Cash and deposits at the end of the financial year | 1,095,771 | 1,303,421 |

(i) During the period, the Institute acquired property, plant and equipment with a cost of $32,627 which was acquired by means of a Vic Fleet finance lease. Cash payments of $10,358 were made to purchase property, plant and leases.

The above cash flow statement should be read in conjunction with the notes included on pages 47 to 83.
## Notes to the financial statements
for the financial year ended 30 June 2011

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<td>3</td>
<td>Expenses</td>
</tr>
<tr>
<td>4</td>
<td>Other economic flows</td>
</tr>
<tr>
<td>5</td>
<td>Investments</td>
</tr>
<tr>
<td>6</td>
<td>Receivables</td>
</tr>
<tr>
<td>7</td>
<td>Other non-financial assets</td>
</tr>
<tr>
<td>8</td>
<td>Property, plant and equipment</td>
</tr>
<tr>
<td>9</td>
<td>Intangible assets</td>
</tr>
<tr>
<td>10</td>
<td>Payables</td>
</tr>
<tr>
<td>11</td>
<td>Borrowings</td>
</tr>
<tr>
<td>12</td>
<td>Provisions</td>
</tr>
<tr>
<td>13</td>
<td>Income received in advance</td>
</tr>
<tr>
<td>14</td>
<td>Superannuation</td>
</tr>
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<td>15</td>
<td>Leases</td>
</tr>
<tr>
<td>16</td>
<td>Contingent assets and liabilities</td>
</tr>
<tr>
<td>17</td>
<td>Financial instruments</td>
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<td>18</td>
<td>Cash flow information</td>
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<td>19</td>
<td>Movements in equity</td>
</tr>
<tr>
<td>20</td>
<td>Responsible persons</td>
</tr>
<tr>
<td>21</td>
<td>Remuneration of executives</td>
</tr>
<tr>
<td>22</td>
<td>Remuneration of auditors</td>
</tr>
<tr>
<td>23</td>
<td>Commitments for expenditure</td>
</tr>
<tr>
<td>24</td>
<td>Subsequent events</td>
</tr>
<tr>
<td>25</td>
<td>Glossary of terms and style conventions</td>
</tr>
</tbody>
</table>
Financial statements for the year ended 30 June 2011

VICTORIAN INSTITUTE OF TEACHING

Notes to the financial statements for the year ended 30 June 2010

NOTE 1  Summary of significant accounting policies

The annual financial statements represent the audited general purpose financial statements for the Victorian Institute of Teaching (the Institute).

The purpose of the report is to provide users with information about the Institute’s stewardship of resources entrusted to it.

To gain a better understanding of the terminology used in this report, a glossary of terms and style conventions can be found in Note 25.

(a) Statement of compliance

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

The annual financial statements were authorised for issue by the Chairperson of the Institute on 5 September 2011.

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

(b) Basis of accounting preparation and measurement

The accrual basis of accounting has been applied in the preparation of these financial statements whereby assets, liabilities, equity, income and expenses are recognised in the reporting period to which they relate, regardless of when cash is received or paid.

These financial statements are presented in Australian dollars, the functional and presentation currency of the Institute.

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

The estimates and associated assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and also in future periods that are affected by the revision. Judgements made by management in the application of AASs that have significant effects on the financial statements and estimates, with a risk of material adjustments in the next year, are disclosed throughout the notes to the financial statements.

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

The accounting policies set out below have been applied in preparing the financial statements for the financial year ended 30 June 2011 and the comparative information presented for the year ended 30 June 2010.

(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 for the regulation of the teaching profession in Victoria, and now operates under Part 2.6 of the Education and Training Reform Act 2006. The Institute reports directly to the Parliament of Victoria through the Minister responsible for the Teaching Profession.

Its principal address is:
Victorian Institute of Teaching
Level 24, 570 Bourke Street
Melbourne Victoria 3000

A description of the nature of the Institute’s operations and its principal activities is included in the report of operations on page 33–34, which does not form part of these financial statements.

(d) Objectives and funding

The legislated objectives of the Institute are to recognise 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.
Comprehensive operating statement

Income and expenses in the comprehensive operating statement are classified according to whether or not they arise from ‘transactions’ or ‘other economic flows’. This classification is consistent with the whole of government reporting format and is allowed under AASB 101 Presentation of Financial Statements.

‘Transactions’ and ‘other economic flows’ are defined by the Australian system of government finance statistics: Concepts, Sources and Methods 2005 Cat. No. 5514.0 published by the Australian Bureau of Statistics. Refer to Note 25 Glossary of terms and style conventions.

‘Transactions’ are those economic flows that are considered to arise as a result of policy decisions, usually interactions between two entities by mutual agreement. Transactions also include flows within an entity, such as depreciation where the owner is simultaneously acting as the owner of the depreciating asset and as the consumer of the service provided by the asset. Taxation is regarded as mutually agreed interactions between the government and taxpayers. Transactions can be in kind (e.g. assets provided/given free of charge or for nominal consideration) or where the final consideration is cash.

‘Other economic flows’ are changes arising from market re-measurements. They include:

- gains and losses from disposals, revaluations and impairments of non-financial physical and intangible assets;
- gains and losses arising from revaluation of long service leave liability.

The net result is equivalent to profit or loss derived in accordance with AASs.

Balance sheet

Assets and liabilities are presented in liquidity order with assets aggregated into financial assets and non-financial assets.

Current and non-current assets and liabilities (those expected to be recovered or settled beyond 12 months) are disclosed in the notes, where relevant.

Statement of changes in equity

The statement of changes in equity presents reconciliations of each non-owner and owner equity opening balance at the beginning of the reporting period to the closing balance at the end of the reporting period. It also shows separately changes due to amounts recognised in the comprehensive result and amounts recognised in other comprehensive income related to other non-owner changes in equity.

Cash flow statement

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

Rounding of amounts

Amounts in the financial statements (including the notes) have been rounded to the nearest whole dollar, unless otherwise stated. Figures in the financials may not equate due to rounding.

(f) Income from transactions

Income is recognised to the extent that it is probable that the economic benefits will flow to the entity and the income can be reliably measured. Income is recognised for each of the Institute’s major activities as follows:

(i) Grants

Income 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. Income 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 income.

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. Income relating to a future period, in accordance with the above income recognition policy, is carried forward in the balance sheet as ‘income received in advance’.

(iii) Application fees and national criminal history record check fees

Application fees and national criminal history record check fees (NCHRCs) are charged to prospective teachers and recognised as income in the period of payment. Application and NCHRC fees are non-refundable.

(iv) Late fees

Late fees are recognised on payment.

(v) Interest

Interest includes interest received on deposits and interest from investments. Interest income is recognised using the effective interest method which allocates the interest over the relevant period.
(vi) Other income
Other income primarily consists of sponsorship provided for various activities conducted by the Institute.

(g) Expenses from transactions
Expenses are recognised as they are incurred and reported in the financial year to which they relate.

(i) Grants and other transfers
Grants and other transfers 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. Refer to Glossary of terms and style conventions in Note 25 for an explanation of grants and other transfers.

(ii) Employee expenses
These expenses include all costs related to employment, including wages and salaries, fringe benefits tax, leave entitlements and Workcover premiums. Superannuation expenses are reported differently depending upon whether employees are members of defined benefit or defined contribution plans. In relation to defined contribution (i.e. accumulation) superannuation plans, the associated expense is simply the employer contributions that are paid or payable in respect of employees who are members of these plans during the reporting period. Employer superannuation expenses in relation to employees who are members of defined benefit superannuation plans are described below.

Superannuation
The amount recognised in the comprehensive operating statement in relation to employer contributions for members of defined benefit superannuation plans is simply the employer contributions that are paid or payable to these plans during the reporting period. The level of these contributions will vary depending upon the relevant rules of each plan, and is based upon actuarial advice.

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

When the Institute was established, a number of staff were transferred to the Institute from the Department of Education and Early Childhood Development (DEECD, formerly 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).

(iii) Depreciation
All infrastructure assets, plant and equipment and other non-financial physical assets (excluding items under operating leases) that have finite useful lives are depreciated. Depreciation is generally calculated on a reducing balance method to write the assets off over their estimated useful lives (assets purchased for less than $1,000 are expensed, whereas assets purchased greater than or equal to $1,000 are capitalised).

Leasehold improvements and plant and equipment under finance lease are depreciated on a straight line method over the period of the lease or estimated useful life, whichever is the shorter. The estimated useful lives, residual values and depreciation method are reviewed at the end of each annual reporting period.

Refer to Note 8(a) for depreciation rates for each asset class.

(iv) Amortisation
Intangible produced assets with finite useful lives are amortised as an expense from transactions 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) Interest expenses
Interest expense costs are recognised as expenses in the period in which they are incurred and include:

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

(vii) Bad and doubtful debts
Bad and doubtful debts are assessed on a regular basis. Those bad debts considered as written off by mutual consent are classified as a transaction expense. Those written off unilaterally and the allowance for doubtful receivables, are classified as other economic flows (refer to Note 1 (j)(iv) Financial assets – Impairment of financial assets).

(h) Other economic flows included in net result
Other economic flows measure the change in volume or value of assets or liabilities that do not result from transactions.

Net gain/(loss) on non-financial assets
Net gain/(loss) on non-financial assets and liabilities includes realised and unrealised gains and losses from revaluations, impairments, and disposals of all physical assets and intangible assets.

(i) Revaluation gains/(losses) of non-financial physical assets
Refer to Note 1 (k) Revaluations of non-financial physical assets.

(ii) Disposal of non-financial assets
Any gain or loss on the sale of non-financial assets is recognised at the date that control of the asset is passed to the buyer and is determined after deducting from the proceeds the carrying value of the asset at that time.

(iii) Amortisation of non-produced intangible assets
Refer to Note 1 (g)(iv) Amortisation.

(iv) Impairment of non-financial 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, except for financial assets.

If there is an indication of impairment, the assets concerned are tested as to whether their carrying value exceeds their possible recoverable amount. Where an asset’s carrying value exceeds its recoverable amount, the difference is written off by a charge to the Comprehensive 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.

Net gain/(loss) on financial instruments
Net gain/(loss) on financial instruments includes:
- realised and unrealised gains and losses from revaluations of financial instruments at fair value,
- impairment and reversal of impairment for financial instruments at amortised cost; and
- disposals of financial assets.

Revaluations of financial instruments at fair value
Refer to Note 1(i) Financial instruments.

Other gains/(losses) from other economic flows
Other gains/(losses) from other economic flows include the gains or losses from:
- the revaluation of the present value of the long service leave liability due to changes in the bond interest rates.

(1) Financial Instruments
Financial instruments arise out of contractual agreements that give rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Due to the nature of the Institute’s activities, certain financial assets and financial liabilities arise under statute rather than a contract. Such financial assets and financial liabilities do not meet the definition of financial instruments in AASB 132 Financial Instruments: Presentation. For example, statutory receivables arising from taxes, fines and penalties do not meet the definition of financial instruments as they do not arise under contract. However, guarantees issued by the Treasurer on behalf of the Institute are financial instruments because, although authorised under statute, the terms and conditions for each financial guarantee may vary and are subject to an agreement.
Where relevant, for note disclosure purposes, a distinction is made between those financial assets and financial liabilities that meet the definition of financial instruments in accordance with AASB 132 and those that do not.

The following refers to financial instruments unless otherwise stated.

**Categories of non-derivative financial instruments**

(i) Receivables

Receivables are financial instrument assets with fixed and determinable payments that are not quoted on an active market. These assets are initially recognised at fair value plus any directly attributable transaction costs. Subsequent to initial measurement, receivables are measured at amortised cost using the effective interest method, less any impairment.

Receivables category includes cash and deposits (refer to Note 1(j)(i)), term deposits with maturity greater than three months, trade receivables, and other receivables, but not statutory receivables.

(ii) Held-to-maturity financial assets

If the entity concerned has the positive intent and ability to hold nominated investments to maturity, then such financial assets may be classified as held-to-maturity. Held-to-maturity financial assets are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition held-to-maturity financial assets are measured at amortised cost using the effective interest method, less any impairment losses.

The held-to-maturity category includes certain term deposits for which the entity concerned intends to hold to maturity.

The Institute makes limited use of this classification because any sale or reclassification of more than an insignificant amount of held-to-maturity investments not close to their maturity would result in the whole category being reclassified as available-for-sale. The Institute would also be prevented from classifying investment securities as held-to-maturity for the current and the following two financial years.

(iii) Financial assets and liabilities at fair value through profit and loss

Financial assets are categorised as fair value through profit or loss at trade date if they are classified as held for trading or designated as such upon initial recognition. Financial instrument assets are designated at fair value through profit or loss on the basis that the financial assets form part of a group of financial assets that are managed by the entity concerned based on their fair values, and have their performance evaluated in accordance with documented risk management and investment strategies.

Financial instruments at fair value through profit or loss are initially measured at fair value and attributable transaction costs are expensed as incurred. Subsequently, any changes in fair value are recognised in the net result as other economic flows. Any dividend or interest on a financial asset is recognised in the net result from transactions.

(iv) Financial liabilities at amortised cost

Financial instrument liabilities are initially recognised on the date they are originated. They are initially measured at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, these financial instruments 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.

Financial instrument liabilities measured at amortised cost include all payables, deposits held and advances received, and interest-bearing arrangements other than those designated at fair value through profit or loss.

(v) Offsetting financial instruments

Financial instrument assets and liabilities are offset and the net amount presented in the consolidated balance sheet when, and only when, the Institute has a legal right to offset the amounts and intend either to settle on a net basis or to realise the asset and settle the liability simultaneously.

(vi) Reclassification of financial instruments

Subsequent to initial recognition and under rare circumstances, non-derivative financial instruments assets that have not been designated at fair value through profit or loss upon recognition, may be reclassified out of the fair value through profit and loss category, if they are no longer held for the purpose of selling or repurchasing in the near term.

Financial instrument assets that meet the definition of receivables may be reclassified out of the fair value through profit and loss category into the loans and receivables category, where they would have met the definition of receivables had they not been required to be classified as fair value through profit and loss. In these cases, the financial instrument assets may be reclassified out of the fair value through profit and loss category, if there is the intention and ability to hold them for the foreseeable future or until maturity.
Financial assets

(i) Cash and deposits
Cash and deposits, including 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), deposits at call and those highly liquid investments with an original maturity of three months or less, which are held for the purpose of meeting short-term cash commitments rather than for investment purposes, and which are readily convertible to known amounts of cash and are subject to an insignificant risk of changes in value.

(ii) Receivables
Receivables consist predominantly of debtors in relation to goods and services, accrued investment income and GST input tax credits recoverable. Receivables that are contractual are classified as financial instruments. Amounts owing from the Victorian Government, taxes and other statutory receivables are not classified as financial instruments.

Receivables are recognised initially at fair value and subsequently measured at amortised cost, using the effective interest method, less an allowance for impairment.

(iii) Investments and other financial assets
The Institute classifies its other investments in the following categories: loans and receivables and investments. The classification depends on the purpose for which the investments where acquired. Management determines the classification of its investments at initial recognition.

(iv) Impairment of financial assets
The Institute assesses at the end of each reporting period whether there is objective evidence that a financial asset or group of financial assets is impaired. Objective evidence includes financial difficulties of the debtor, default payments, debts which are more than 60 days overdue, and changes in debtor credit ratings. All financial assets, except those measured at fair value through profit or loss, are subject to annual review for impairment.

Bad and doubtful debts for financial assets are assessed on a regular basis. Those bad debts considered as written off by mutual consent are classified as a transaction expense. Bad debts not written off by mutual consent and the allowance for doubtful receivables are classified as ‘other economic flows’ in the net result.

The amount of the allowance is the difference between the financial asset’s carrying amount and the present value of estimated future cash flows, discounted at the effective interest rate.

In assessing impairment of statutory (non-contractual) financial assets which are not financial instruments, the Institute applies professional judgement in assessing materiality and using estimates, averages and computational shortcuts in accordance with AASB 136 Impairment of assets.

(k) Non-financial assets

(i) Intangible assets
Purchased intangible assets are initially recognised at cost. Subsequently, intangible assets with finite useful lives are carried at cost less accumulated amortisation and 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; and

f) the ability to measure reliably the expenditure attributable to the intangible asset during its development.

Intangible assets are measured at cost less accumulated amortisation and impairment.

(ii) Plant and equipment

All non-current physical assets are measured initially at cost and subsequently revalued at fair value less accumulated depreciation and impairment.

The initial cost for non-financial physical assets under a finance lease (refer to Note 1(m)) is measured at amounts equal to the fair value of the leased asset or, if lower, the present value of the minimum lease payments, each determined at the inception of the lease.

Where an asset is received for no or nominal consideration, the cost is the asset’s fair value at the date of acquisition.

For the accounting policy on impairment of non-financial physical assets, refer to impairment of non-financial assets under Note 1(h)(iv) Impairment of non-financial assets.

Leasehold improvements

The cost of a 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.

Non-current physical assets arising from finance leases

Refer to Note 1(m) Leases.

Revaluations of non-current physical assets

Non-current physical assets are measured at fair value, in accordance with the Financial Reporting Directions (FRDs) issued by the Minister for Finance. A full revaluation normally occurs every five years, based upon the asset’s government purpose classification, but may occur more frequently if fair value assessments indicate material changes in values. Independent valuers are generally used to conduct these scheduled revaluations. Certain infrastructure assets are revalued using specialised advisors. Any interim revaluations are determined in accordance with the requirements of the FRDs.

Revaluation increases or decreases arise from differences between an asset’s carrying value and fair value.

Net revaluation increases (where the carrying amount of a class of assets is increased as a result of a revaluation) are recognised in other comprehensive income and accumulated in equity under the revaluation surplus, except that the net revaluation increase shall be recognised in the net result to the extent that it reverses a net revaluation decrease in respect of the same class of property, plant and equipment previously recognised as an expense (other economic flows) in the net result.

Net revaluation decreases are recognised immediately as other economic flows in the net result, except that the net revaluation decrease is recognised in ‘other economic flows – other movements in equity’ to the extent that a credit balance exists in the asset revaluation surplus in respect of the same class of property, plant and equipment. The net revaluation decrease recognised in ‘other economic flows – other movements in equity’ reduces the amount accumulated in equity under the asset revaluation surplus.

Revaluation increases and decreases relating to individual assets within a class of property, plant and equipment are offset against one another within that class, but are not offset in respect of assets in different classes. Any revaluation surplus is not normally transferred to accumulated funds on de-recognition of the relevant asset.

(iii) Other non-financial assets

Prepayments

Other non-financial assets include prepayments which represent payments in advance of receipt of goods or services or that part of expenditure made in one accounting period covering a term extending beyond that period.

Impairment of non-financial assets

Refer to Note 1(h) Other economic flows included in net result.

(l) Liabilities

(i) Payables

Payables consist predominantly of accounts payable, unearned income and other sundry liabilities. Accounts payable 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 those goods and services.

Payables are initially recognised at fair value, being the cost of the goods and services, and subsequently measured at amortised cost.

Contractual payables are classified as financial instruments and categorised as financial liabilities at amortised cost (refer to Note 1(i)). Statutory payables are recognised and measured similarly to contractual payables, but are not classified as financial instruments and not included in the category of financial liabilities at amortised cost, because they do not arise from a contract.
(ii) Income received in advance
Registration fees are raised in advance. Income is recognised in the year to which the registration relates. The unexpired portion is recognised as unearned income. Refer to Note 2(b) Fees.

(iii) Borrowings
Borrowings are recorded initially at fair value, being the cost of the interest bearing liabilities, net of transaction costs. Refer to Note 1(m) Leases.

Subsequent to initial recognition, borrowings 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.

(iv) 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 liability 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, using the discount rate that reflects the time value of money and risks specific to the provision.

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.

(v) Financial guarantees
Payments that are contingent under financial guarantee contracts are recognised as a liability at the time the guarantee is issued. The liability is initially measured at fair value, and if there is a material increase in the likelihood that the guarantee may have to be exercised, then it is measured at the higher of the amount determined in accordance with AASB 137 Provisions, contingent liabilities and contingent assets and the amount initially recognised less cumulative amortisation, where appropriate.

In the determination of fair value, consideration is given to factors including the overall capital management/prudential supervision framework in operation, the protection provided by the State Government by way of funding should the probability of default increase, probability of default by the guaranteed party and the likely loss to the Institute in the event of default.

(vi) Employee benefits
Provision is made for benefits accruing to employees in respect of wages and salaries, annual leave and long service leave for services rendered to the reporting date.

(a) Wages and salaries and annual leave
Liabilities for wages and salaries and annual leave are recognised in the provision for employee benefits, classified as current liabilities. Those liabilities which are expected to be settled within 12 months of the reporting period, are measured at their nominal values.

Those liabilities that are not expected to be settled within 12 months are also recognised in the provision for employee benefits as current liabilities, but are 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.

Unconditional LSL is disclosed in the notes to the financial statements 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:
• nominal value – component that the Institute expects to settle within 12 months; and
• present value – component that the Institute does not expect to settle within 12 months.

Conditional LSL (representing less than 7 years of recognised continuous service for the Institute) 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. Any gain or loss following revaluation of the present value of non-current LSL liability is recognised as a transaction, except to the extent that a gain or loss arises due to changes in bond interest rates for which it is then recognised as an ‘other economic flow’ (refer to Note 1(h)).

(c) 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 the end of the reporting period are discounted to present value.

Employee benefits on-costs
Employee benefits on-costs such as payroll tax, workers’ compensation and superannuation are recognised separately from the provision for employee benefits.

Derecognition of financial liabilities
A financial liability is de-recognised when the obligation under the liability is discharged, cancelled or expires.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised as an ‘other economic flow’ in the estimated consolidated comprehensive operating statement.

(m) Leases
A lease is a right to use an asset for an agreed period of time in exchange for payment.

Leases are classified at their inception as either operating or finance leases based on the economic substance of the agreement so as to reflect the risks and rewards incidental to ownership. Leases of property, plant and equipment are classified as finance infrastructure leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership from the lessor to the lessee. All other leases are classified as operating leases.

(i) Finance 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.

(ii) Operating leases
Institute as lessee
Operating lease payments, including any contingent rentals, are recognised as an expense in the comprehensive 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.

(n) Commitments
Commitments are disclosed at their nominal value and inclusive of GST payable. In addition, where it is considered appropriate and provides additional relevant information to users, the net present values of significant individual projects are stated.

(o) 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. Contingent assets and liabilities are presented inclusive of GST receivable or payable respectively.

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

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

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the taxation authority, are presented as operating cash flow.
(q) 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 the end of the reporting period. Adjustments are made to amounts recognised in the financial statements for events which occur after the reporting period and before the date the financial statements are authorised for issue, where those events provide information about conditions which existed in the reporting period. Note disclosure is made about events between the end of the reporting period and the date the financial statements are authorised for issue where the events relate to conditions which arose after the end of the reporting period and which may have a material impact on the results of subsequent reporting periods.

(r) AASs issued that are not yet effective
Certain new accounting standards and interpretations have been published that are not mandatory for 30 June 2011 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 2011, the following standards and interpretations had been issued, but were not mandatory for financial years ending 30 June 2011. The Institute has not, and does not intend to, adopt these standards early.

<table>
<thead>
<tr>
<th>Standard / Interpretation</th>
<th>Summary</th>
<th>Applicable for annual reporting periods beginning on</th>
<th>Impact on departmental financial statements</th>
</tr>
</thead>
<tbody>
<tr>
<td>AASB 9 Financial instruments</td>
<td>This standard simplifies requirements for the classification and measurement of financial assets resulting from Phase 1 of the IASB's project to replace IAS 39 Financial Instruments: Recognition and Measurement (AASB 139 Financial Instruments: Recognition and Measurement).</td>
<td>Beginning 1 Jan 2013</td>
<td>Impact not expected to be significant.</td>
</tr>
<tr>
<td>AASB 124 Related Party Disclosures (Dec 2009)</td>
<td>Government related entities have been granted partial exemption with certain disclosure requirements.</td>
<td>Beginning 1 Jan 2011</td>
<td>Preliminary assessment suggests the impact is insignificant. However, the Institute is still assessing the detailed impact and whether to early adopt.</td>
</tr>
<tr>
<td>AASB 1053 Application of Tiers of Australian Accounting Standards</td>
<td>This Standard establishes a differential financial reporting framework consisting of two tiers of reporting requirements for preparing general purpose financial statements.</td>
<td>Beginning 1 July 2013</td>
<td>Impact dependent on a decision by The Victorian Government as they are currently considering the impacts of Reduced Disclosure Requirements (RDRs) for certain public sector entities and has not decided if RDRs will be implemented to the Victorian Public Sector.</td>
</tr>
<tr>
<td>AASB 2009-11 Amendments to Australian Accounting Standards arising from AASB 9 [AASB 1, 3, 4, 5, 7, 101, 102, 108, 112, 118, 121, 127, 128, 131, 132, 136, 139, 1023 and 1038 and Interpretations 10 and 12]</td>
<td>This Standard gives effect to consequential changes arising from the issuance of AASB 9.</td>
<td>Beginning 1 July 2013</td>
<td>Detail of impact is still being assessed.</td>
</tr>
<tr>
<td>Standard / Interpretation</td>
<td>Summary</td>
<td>Applicable for annual reporting periods beginning on</td>
<td>Impact on departmental financial statements</td>
</tr>
<tr>
<td>------------------------------------------------------------------------------------------</td>
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<td>-----------------------------------------------------</td>
<td>---------------------------------------------</td>
</tr>
<tr>
<td>AASB 2010-2 Amendments to Australian Accounting Standards arising from Reduced Disclosure Requirements</td>
<td>This Standard makes amendments to many Australian Accounting Standards, including Interpretations, to introduce reduced disclosure requirements to the pronouncements for application by certain types of entities.</td>
<td>Beginning 1 July 2013</td>
<td>Does not affect financial measurement or recognition, so is not expected to have any impact on financial result or position. May reduce some note disclosures in financial statements.</td>
</tr>
<tr>
<td>AASB 2010-6 Amendments to Australian Accounting Standards – Disclosures on Transfers of Financial Assets [AASB 1 &amp; AASB 7]</td>
<td>This amendment adds and changes disclosure requirements about the transfer of financial assets. This includes the nature and risk of the financial assets.</td>
<td>Beginning 1 July 2011</td>
<td>Detail of impact is still being assessed.</td>
</tr>
<tr>
<td>AASB 2010-7 Amendments to Australian Accounting Standards arising from AASB 9 (December 2010) [AASB 1, 3, 4, 5, 7, 101, 102, 108, 112, 118, 120, 121, 127, 128, 131, 132, 136, 137, 139, 1023 &amp; 1038 and Interpretations 2, 3, 10, 12, 19 &amp; 127]</td>
<td>These amendments are in relation to the introduction of AASB 9.</td>
<td>Beginning 1 Jan 2013</td>
<td>This amendment may have an impact as AASB 9 is a new standard and it changes the requirements of numerous standards. Detail of impact is still being assessed.</td>
</tr>
<tr>
<td>AASB 2010-8 Amendments to Australian Accounting Standards – Deferred Tax: Recovery of Underlying Assets [AASB 112]</td>
<td>This amendment provides a practical approach for measuring deferred tax assets and deferred tax liabilities when measuring investment property by using the fair value model in AASB 140 Investment Property.</td>
<td>Beginning 1 Jan 2012</td>
<td>There is no expected impact as the Institute does not have any investment property.</td>
</tr>
<tr>
<td>AASB 2011-2 Amendments to Australian Accounting Standards arising from the Trans-Tasman Convergence Project – Reduced Disclosure Requirements [AASB 101 &amp; AASB 1054]</td>
<td>The objective of this amendment is to include some additional disclosure from the Trans-Tasman Convergence Project and to reduce disclosure requirements for entities preparing general purpose financial statements under Australian Accounting Standards – Reduced Disclosure Requirements.</td>
<td>Beginning 1 July 2013</td>
<td>Impact is dependent upon the Victorian Government as they are currently considering the impacts of Reduced Disclosure Requirements (RDRs) and has not decided if RDRs will be implemented to Victorian Public Sector.</td>
</tr>
<tr>
<td>AASB 2011-3 Amendments to Australian Accounting Standards – Orderly Adoption of Changes to the ABS GFS Manual and Related Amendments [AASB 1049]</td>
<td>This amends AASB 1049 to clarify the definition of the ABS GFS Manual, and to facilitate the adoption of changes to the ABS GFS Manual and related disclosures.</td>
<td>Beginning 1 July 2012</td>
<td>This amendment provides clarification to users on the version of the GFS Manual to be used and what to disclose if the latest GFS Manual is not used. No impact on performance measurements will occur.</td>
</tr>
</tbody>
</table>
### NOTE 2 Income

<table>
<thead>
<tr>
<th></th>
<th>2011</th>
<th>2010</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>INCOME FROM TRANSACTIONS</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(a) Interest income</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Interest from financial assets not at fair value through comprehensive operating statement:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Interest on bank deposits</td>
<td>78,096</td>
<td>89,869</td>
</tr>
<tr>
<td>Interest on investments</td>
<td>304,348</td>
<td>225,376</td>
</tr>
<tr>
<td>Total interest income</td>
<td>382,444</td>
<td>315,245</td>
</tr>
<tr>
<td>(b) Fees</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Teacher registration</td>
<td>8,007,387</td>
<td>7,742,699</td>
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<tr>
<td>Teacher application</td>
<td>398,673</td>
<td>371,337</td>
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<tr>
<td>National history criminal record checks</td>
<td>388,575</td>
<td>752,025</td>
</tr>
<tr>
<td>Late registration payment</td>
<td>256,770</td>
<td>323,940</td>
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<tr>
<td>Total fees</td>
<td>9,051,405</td>
<td>9,190,001</td>
</tr>
<tr>
<td>(c) Government grant</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Department of Education and Early Childhood Development</td>
<td>300,000</td>
<td>600,000</td>
</tr>
<tr>
<td>Total income from government</td>
<td>300,000</td>
<td>600,000</td>
</tr>
<tr>
<td>(d) Other income</td>
<td></td>
<td></td>
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<tr>
<td>Sponsorship</td>
<td>22,727</td>
<td>22,727</td>
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<tr>
<td>Pdi subscription</td>
<td>19,592</td>
<td>25,259</td>
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<tr>
<td>Accreditation consultancies</td>
<td>54,159</td>
<td>204,865</td>
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<tr>
<td>Total other income</td>
<td>96,478</td>
<td>252,851</td>
</tr>
</tbody>
</table>
NOTE 3 Expenses

<table>
<thead>
<tr>
<th>EXPENSES FROM TRANSACTIONS</th>
<th>2011</th>
<th>2010</th>
</tr>
</thead>
<tbody>
<tr>
<td>(a) Grants and other payments</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Projects and teacher release</td>
<td>273,234</td>
<td>297,185</td>
</tr>
<tr>
<td>Total grants and other payments</td>
<td>273,234</td>
<td>297,185</td>
</tr>
<tr>
<td>(b) Employee expenses</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Salaries and wages</td>
<td>4,366,668</td>
<td>4,086,081</td>
</tr>
<tr>
<td>Superannuation</td>
<td>426,931</td>
<td>414,330</td>
</tr>
<tr>
<td>Oncosts (Payroll tax, Fringe benefits tax and Workcover)</td>
<td>235,397</td>
<td>238,695</td>
</tr>
<tr>
<td>Total employee benefits</td>
<td>5,028,995</td>
<td>4,739,106</td>
</tr>
<tr>
<td>(c) Depreciation and amortisation</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Depreciation of plant and equipment</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Plant and equipment</td>
<td>104,842</td>
<td>88,093</td>
</tr>
<tr>
<td>Plant and equipment under finance lease</td>
<td>10,326</td>
<td>7,410</td>
</tr>
<tr>
<td>Fixtures and fittings</td>
<td>11,918</td>
<td>13,380</td>
</tr>
<tr>
<td>Leasehold improvements</td>
<td>93,784</td>
<td>72,877</td>
</tr>
<tr>
<td>Total depreciation of plant and equipment</td>
<td>220,869</td>
<td>181,760</td>
</tr>
<tr>
<td>Software amortisation</td>
<td>301,539</td>
<td>149,103</td>
</tr>
<tr>
<td>Total depreciation and amortisation</td>
<td>522,408</td>
<td>330,863</td>
</tr>
<tr>
<td>(d) Supplies and services</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Contractors</td>
<td>625,115</td>
<td>1,076,916</td>
</tr>
<tr>
<td>Consultancies</td>
<td>9,403</td>
<td>9,809</td>
</tr>
<tr>
<td>Legal expenses</td>
<td>116,465</td>
<td>127,198</td>
</tr>
<tr>
<td>Legal expenses other – National history criminal record check fees</td>
<td>566,322</td>
<td>628,547</td>
</tr>
<tr>
<td>Communications expenses – other</td>
<td>403,524</td>
<td>285,037</td>
</tr>
<tr>
<td>Communications expenses – mail house and packaging</td>
<td>551,760</td>
<td>724,367</td>
</tr>
<tr>
<td>Communications expenses – printing</td>
<td>183,787</td>
<td>349,953</td>
</tr>
<tr>
<td>Administration expenses – other</td>
<td>994,552</td>
<td>1,149,685</td>
</tr>
<tr>
<td>Administration expenses – events</td>
<td>209,554</td>
<td>270,430</td>
</tr>
<tr>
<td>Total supplies and services</td>
<td>3,660,482</td>
<td>4,621,942</td>
</tr>
<tr>
<td>(e) Borrowing costs*</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Unwinding of discounts</td>
<td>20,203</td>
<td>11,391</td>
</tr>
<tr>
<td>Total finance costs</td>
<td>20,203</td>
<td>11,391</td>
</tr>
<tr>
<td>(f) Other expenses</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Operating lease rental expenses:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Minimum lease payments (expense)</td>
<td>288,367</td>
<td>234,847</td>
</tr>
<tr>
<td>Total other expenses</td>
<td>288,367</td>
<td>234,847</td>
</tr>
</tbody>
</table>

* (Interest paid to VIC Fleet Exec. Vehicle lease 10/11 = $3,173, total costs recovered through employee contributions)
### NOTE 4  Other economic flows

#### OTHER ECONOMIC FLOWS INCLUDED IN NET RESULT

<table>
<thead>
<tr>
<th>Description</th>
<th>2011</th>
<th>2010</th>
</tr>
</thead>
<tbody>
<tr>
<td>(a) Net gain/(loss) on non-financial assets</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net gain/(loss) on disposal of physical assets</td>
<td>(7,251)</td>
<td>(3,897)</td>
</tr>
<tr>
<td>Total net gain/(loss) on non-financial assets and liabilities</td>
<td>(7,251)</td>
<td>(3,897)</td>
</tr>
<tr>
<td>(b) Other gains/(losses) from other economic flows</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net gain/(loss) arising from revaluation of long service liability</td>
<td>262</td>
<td>(7,571)</td>
</tr>
<tr>
<td>Total other gain/(loss) from other economic flows</td>
<td>262</td>
<td>(7,571)</td>
</tr>
</tbody>
</table>

### NOTE 5  Investments

#### Current investments

<table>
<thead>
<tr>
<th>Description</th>
<th>2011</th>
<th>2010</th>
</tr>
</thead>
<tbody>
<tr>
<td>(i) Term deposits:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Australian dollar term deposits ≥3 months</td>
<td>5,000,000</td>
<td>7,000,000</td>
</tr>
<tr>
<td>Total current investments</td>
<td>5,000,000</td>
<td>7,000,000</td>
</tr>
</tbody>
</table>

(i) Term deposits under ‘investments’ class include only term deposits with maturity equal or greater than 90 days.

(a) Ageing analysis of investments and other financial assets

(b) Nature and extent of risk arising from investments and other financial assets

Please refer to Note 17 for the nature and extent of risks arising from investments and other financial assets.

### NOTE 6  Receivables

#### Current receivables

<table>
<thead>
<tr>
<th>Description</th>
<th>2011</th>
<th>2010</th>
</tr>
</thead>
<tbody>
<tr>
<td>Contractual</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Debtors</td>
<td>17,320</td>
<td>96,197</td>
</tr>
<tr>
<td>Department of Education and Early Childhood Development employee benefits</td>
<td>4,709</td>
<td>46,359</td>
</tr>
<tr>
<td>Accrued investment income</td>
<td>33,773</td>
<td>111,068</td>
</tr>
<tr>
<td>Total current receivables</td>
<td>55,803</td>
<td>253,624</td>
</tr>
</tbody>
</table>

(a) Ageing analysis of contractual receivables

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

Please refer to Note 17 for the nature and extent of risks arising from contractual receivables.
### NOTE 7  Other non-financial assets

<table>
<thead>
<tr>
<th></th>
<th>2011</th>
<th>2010</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$</td>
<td>$</td>
</tr>
<tr>
<td>Current other non-financial assets</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Prepayments</td>
<td>205,379</td>
<td>79,977</td>
</tr>
<tr>
<td><strong>Total current other assets</strong></td>
<td>205,379</td>
<td>79,977</td>
</tr>
<tr>
<td><strong>Total other non-financial assets</strong></td>
<td>205,379</td>
<td>79,977</td>
</tr>
</tbody>
</table>

### NOTE 8  Property, plant and equipment

<table>
<thead>
<tr>
<th></th>
<th>2011</th>
<th>2010</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$</td>
<td>$</td>
</tr>
<tr>
<td><strong>Carrying amounts</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Classification by nature</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Leasehold Improvements:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>– At cost</td>
<td>1,634,229</td>
<td>1,178,172</td>
</tr>
<tr>
<td>– Less: accumulated depreciation</td>
<td>(616,060)</td>
<td>(522,277)</td>
</tr>
<tr>
<td><strong>Total Leasehold Improvements</strong></td>
<td>1,018,169</td>
<td>655,895</td>
</tr>
<tr>
<td>Fixtures and fittings:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>– At cost</td>
<td>161,706</td>
<td>148,675</td>
</tr>
<tr>
<td>– Less: accumulated depreciation</td>
<td>(106,897)</td>
<td>(94,979)</td>
</tr>
<tr>
<td><strong>Total Fixtures and fittings</strong></td>
<td>54,810</td>
<td>53,696</td>
</tr>
<tr>
<td>Plant and equipment:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>– At cost</td>
<td>938,494</td>
<td>697,551</td>
</tr>
<tr>
<td>– Less: accumulated depreciation</td>
<td>(510,705)</td>
<td>(445,803)</td>
</tr>
<tr>
<td><strong>Total Plant and equipment</strong></td>
<td>427,789</td>
<td>251,748</td>
</tr>
<tr>
<td>Plant and equipment under finance lease:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>– At cost</td>
<td>74,106</td>
<td>41,479</td>
</tr>
<tr>
<td>– Less: accumulated depreciation (i)</td>
<td>(21,441)</td>
<td>(11,115)</td>
</tr>
<tr>
<td><strong>Total Plant and equipment under finance lease</strong></td>
<td>52,665</td>
<td>30,364</td>
</tr>
<tr>
<td><strong>Net carrying amount of PPE</strong></td>
<td>1,553,432</td>
<td>991,703</td>
</tr>
</tbody>
</table>

(i) Plant and equipment under finance lease is depreciated in accordance with the VIC Fleet Exec. Vehicle lease agreement (whole of life depreciation over 3-year term of lease = $43,223.98).
### NOTE 8 (a)  Plant and equipment

**Movements in carrying amount**

<table>
<thead>
<tr>
<th></th>
<th>Leasehold improvements</th>
<th>Fixtures and fittings</th>
<th>Plant and equipment</th>
<th>Plant and equipment under finance lease</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Opening balance</td>
<td>$655,895</td>
<td>$728,772</td>
<td>$53,696</td>
<td>$64,218</td>
<td>$251,748</td>
</tr>
<tr>
<td>Additions</td>
<td>$456,058</td>
<td>$–</td>
<td>$13,031</td>
<td>$4,430</td>
<td>$288,207</td>
</tr>
<tr>
<td>Write-offs</td>
<td>$–</td>
<td>$–</td>
<td>$–</td>
<td>$–</td>
<td>$–</td>
</tr>
<tr>
<td>Disposals</td>
<td>$–</td>
<td>$–</td>
<td>$–</td>
<td>$(1,572)</td>
<td>$(7,324)</td>
</tr>
<tr>
<td>Depreciation expense</td>
<td>$(93,784)</td>
<td>$(72,877)</td>
<td>$(11,918)</td>
<td>$(1,380)</td>
<td>$(104,842)</td>
</tr>
<tr>
<td>Closing balance</td>
<td>$1,018,169</td>
<td>$655,895</td>
<td>$54,809</td>
<td>$53,696</td>
<td>$427,789</td>
</tr>
</tbody>
</table>

The following rates are used in the calculation of depreciation:

<table>
<thead>
<tr>
<th></th>
<th>2011</th>
<th>2010</th>
</tr>
</thead>
<tbody>
<tr>
<td>Leasehold improvements</td>
<td>10%</td>
<td>10%</td>
</tr>
<tr>
<td>Furniture and fittings</td>
<td>20%</td>
<td>20%</td>
</tr>
<tr>
<td>Plant and equipment</td>
<td>33.33%</td>
<td>33.33%</td>
</tr>
<tr>
<td>Plant and equipment under finance lease</td>
<td>18%</td>
<td>18%</td>
</tr>
</tbody>
</table>
NOTE 8(b)  Aggregate depreciation recognised as an expense during the year

<table>
<thead>
<tr>
<th></th>
<th>2011</th>
<th>2010</th>
</tr>
</thead>
<tbody>
<tr>
<td>Leasehold improvements</td>
<td>$93,784</td>
<td>$72,877</td>
</tr>
<tr>
<td>Fixtures and fittings</td>
<td>$11,918</td>
<td>$13,380</td>
</tr>
<tr>
<td>Plant &amp; equipment</td>
<td>$104,842</td>
<td>$88,093</td>
</tr>
<tr>
<td>Plant and equipment under finance lease</td>
<td>$10,326</td>
<td>$7,410</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>$220,869</td>
<td>$181,760</td>
</tr>
</tbody>
</table>

NOTE 9  Intangible assets

<table>
<thead>
<tr>
<th>Capitalised software development</th>
<th>2011</th>
<th>2010</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gross carrying amount</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Opening balance</td>
<td>$1,566,415</td>
<td>$858,619</td>
</tr>
<tr>
<td>Additions</td>
<td>$150,021</td>
<td>$707,796</td>
</tr>
<tr>
<td>WIP</td>
<td>$1,344,096</td>
<td>$ –</td>
</tr>
<tr>
<td><strong>Closing balance</strong></td>
<td>$3,060,532</td>
<td>$1,566,415</td>
</tr>
<tr>
<td>Accumulated amortisation and impairment</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Opening balance</td>
<td>$(704,033)</td>
<td>$(554,930)</td>
</tr>
<tr>
<td>Amortisation expense</td>
<td>$(301,539)</td>
<td>$(149,103)</td>
</tr>
<tr>
<td><strong>Closing balance</strong></td>
<td>$(1,005,572)</td>
<td>$(704,033)</td>
</tr>
<tr>
<td>Net book value at the end of the financial year</td>
<td>$2,054,960</td>
<td>$862,382</td>
</tr>
</tbody>
</table>

Significant intangible assets
The Institute has capitalised software development expenditure for the development of its online communications and CRM software, resulting in an increase in intangible assets.

Work in progress
Costs involved with the Institute’s online communications and CRM software development, which is still under development and as at 30 June 2011 has not been capitalised or amortised. The amount within the work-in-progress account is $1,344,096 (2010: $0).

NOTE 10  Payables

<table>
<thead>
<tr>
<th>Current payables</th>
<th>2011</th>
<th>2010</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Contractual</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Trade creditors and accruals</td>
<td>$836,097</td>
<td>$1,233,068</td>
</tr>
<tr>
<td>Unused lease incentive – Marland House (Note 15)</td>
<td>$349,744</td>
<td>$401,712</td>
</tr>
<tr>
<td><strong>Total payables</strong></td>
<td>$1,185,841</td>
<td>$1,634,780</td>
</tr>
</tbody>
</table>

(a) Maturity analysis of contractual payables
Please refer to Table 17.5 in Note 17 for the maturity analysis of contractual payables.

(b) Nature and extent of risk arising from contractual payables
Please refer to Note 17 for the nature of risks arising from contractual payables.
NOTE 11  Borrowings

<table>
<thead>
<tr>
<th></th>
<th>2011</th>
<th>2010</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$</td>
<td>$</td>
</tr>
<tr>
<td><strong>Current</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Secured</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>VIC Fleet Exec. Vehicle Lease (i) (Note 15)</td>
<td>30,037</td>
<td>7,682</td>
</tr>
<tr>
<td><strong>Total current interest bearing liabilities</strong></td>
<td>30,037</td>
<td>7,682</td>
</tr>
<tr>
<td><strong>Non-current</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Secured</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>VIC Fleet Exec. Vehicle Lease (i) (Note 15)</td>
<td>23,230</td>
<td>23,314</td>
</tr>
<tr>
<td><strong>Total non-current interest bearing liabilities</strong></td>
<td>23,230</td>
<td>23,314</td>
</tr>
<tr>
<td><strong>Total interest bearing liabilities</strong></td>
<td>53,268</td>
<td>30,996</td>
</tr>
</tbody>
</table>

(i) Secured by the assets leased. Finance leases are effectively secured as the rights to the leased assets revert to the lessor in the event of default.

(a) Maturity analysis of borrowings
Please refer to Table 17.5 in Note 17 for the maturity analysis of borrowings.

(b) Nature and extent of risk arising from borrowings
Please refer to Note 17 for the nature and extent of risks arising from borrowings.

(c) Defaults and breaches
During the current and prior year, there were no defaults and breaches of any of the loans.

NOTE 12  Provisions

<table>
<thead>
<tr>
<th></th>
<th>2011</th>
<th>2010</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$</td>
<td>$</td>
</tr>
<tr>
<td><strong>Current</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Employee benefits (i) (Note 12(a)) – annual leave</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Unconditional and expected to be settled within 12 months (ii)</td>
<td>205,218</td>
<td>181,224</td>
</tr>
<tr>
<td>Unconditional and expected to be settled after 12 months (iii)</td>
<td>138,859</td>
<td>119,061</td>
</tr>
<tr>
<td>Employee benefits (i) (Note 12(a)) – long service leave</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Unconditional and expected to be settled within 12 months (ii)</td>
<td>29,707</td>
<td>93,835</td>
</tr>
<tr>
<td>Unconditional and expected to be settled after 12 months (iii)</td>
<td>176,054</td>
<td>46,695</td>
</tr>
<tr>
<td><strong>Total current provisions</strong></td>
<td>549,838</td>
<td>440,815</td>
</tr>
</tbody>
</table>

Employee benefit on-costs |        |        |
| Unconditional and expected to be settled within 12 months (ii) | 30,887  | 51,473  |
| Unconditional and expected to be settled after 12 months (iii) | 46,872  | 29,665  |
| **Total current provisions** | 77,759  | 81,138  |

<table>
<thead>
<tr>
<th></th>
<th>2011</th>
<th>2010</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$</td>
<td>$</td>
</tr>
<tr>
<td><strong>Non-current</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Employee benefits (Note 12(a))</td>
<td>97,404</td>
<td>174,397</td>
</tr>
<tr>
<td>Employee benefit on-costs (ii)</td>
<td>15,201</td>
<td>33,371</td>
</tr>
<tr>
<td>Make good provision Marland House (Note 12(b)) (ii)</td>
<td>377,899</td>
<td>307,696</td>
</tr>
<tr>
<td><strong>Total non-current provisions</strong></td>
<td>490,504</td>
<td>515,464</td>
</tr>
<tr>
<td><strong>Total provisions</strong></td>
<td>1,118,101</td>
<td>1,037,417</td>
</tr>
</tbody>
</table>
NOTE 12(a) Employee benefits and related on-costs

<table>
<thead>
<tr>
<th></th>
<th>2011</th>
<th>2010</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Current employee benefits</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Annual leave entitlements</td>
<td>344,077</td>
<td>300,285</td>
</tr>
<tr>
<td>Unconditional long service leave entitlements</td>
<td>205,761</td>
<td>140,530</td>
</tr>
<tr>
<td><strong>Non-current employee benefits</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Conditional long service leave entitlements</td>
<td>97,404</td>
<td>174,397</td>
</tr>
<tr>
<td><strong>Total employee benefits</strong></td>
<td>647,242</td>
<td>615,212</td>
</tr>
<tr>
<td><strong>Current on-costs</strong></td>
<td>77,759</td>
<td>81,138</td>
</tr>
<tr>
<td><strong>Non-current on-costs</strong></td>
<td>15,201</td>
<td>33,371</td>
</tr>
<tr>
<td><strong>Total on-costs</strong></td>
<td>92,960</td>
<td>114,509</td>
</tr>
<tr>
<td><strong>Total employee benefits and related on-costs</strong></td>
<td>740,202</td>
<td>729,721</td>
</tr>
</tbody>
</table>

(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 12(b) Movement in provisions

<table>
<thead>
<tr>
<th></th>
<th>Make good provision</th>
<th>On-costs</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2011 $</td>
<td>2011 $</td>
<td>2011 $</td>
</tr>
<tr>
<td>Opening balance</td>
<td>307,696</td>
<td>114,509</td>
<td>422,205</td>
</tr>
<tr>
<td>Additional provisions recognised</td>
<td>50,000</td>
<td>–</td>
<td>50,000</td>
</tr>
<tr>
<td>Reductions of provisions recognised</td>
<td>–</td>
<td>(21,549)</td>
<td>(21,549)</td>
</tr>
<tr>
<td>Unwinding of discount and effect of changes in the discount rate</td>
<td>20,203</td>
<td>–</td>
<td>20,203</td>
</tr>
<tr>
<td>Closing balance</td>
<td>377,899</td>
<td>92,960</td>
<td>470,859</td>
</tr>
<tr>
<td>Current</td>
<td>–</td>
<td>77,759</td>
<td>77,759</td>
</tr>
<tr>
<td>Non-current</td>
<td>377,899</td>
<td>15,201</td>
<td>393,100</td>
</tr>
</tbody>
</table>

|                      | 377,899 | 92,960 | 470,859 |

NOTE 13 Income received in advance

<table>
<thead>
<tr>
<th></th>
<th>2011</th>
<th>2010</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$</td>
<td>$</td>
</tr>
<tr>
<td>Unearned teacher registration fees</td>
<td>3,968,021</td>
<td>4,097,306</td>
</tr>
<tr>
<td><strong>Total revenue received in advance</strong></td>
<td>3,968,021</td>
<td>4,097,306</td>
</tr>
</tbody>
</table>
NOTE 14 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 comprehensive operating statement of the Institute.

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

<table>
<thead>
<tr>
<th>Fund</th>
<th>Contribution for the Year</th>
<th>Contribution Outstanding at Year End</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2011</td>
<td>2010</td>
</tr>
<tr>
<td>Defined benefit plans:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>State Superannuation Fund:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Revised and new</td>
<td>23,241</td>
<td>60,880</td>
</tr>
<tr>
<td>State employees retirement benefit</td>
<td>12,408</td>
<td>11,042</td>
</tr>
<tr>
<td>Defined contribution plans:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>VicSuper</td>
<td>177,527</td>
<td>151,409</td>
</tr>
<tr>
<td>Other (i)</td>
<td>213,755</td>
<td>177,069</td>
</tr>
<tr>
<td>Total</td>
<td>426,931</td>
<td>400,400</td>
</tr>
</tbody>
</table>

(i) Includes payments made to Department of Education and Early Childhood Development for superannuation on-costs in relation to secondments.
NOTE 15  Leases

DISCLOSURES FOR LESSEES – FINANCE LEASES

Leasing arrangements
The Institute has entered into a 3 year finance lease with Vic Fleet. Under the arrangement, the portions of the payments that relate to the right to use the assets are accounted for as finance leases as disclosed in the following table.

Other finance lease relates to equipment with lease terms of 5 years.

<table>
<thead>
<tr>
<th>Present value of minimum lease payments</th>
<th>Minimum future lease payments</th>
<th>2011</th>
<th>2010</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Finance lease liabilities payable</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>– Not longer than 1 year</td>
<td></td>
<td>32,643</td>
<td>9,779</td>
</tr>
<tr>
<td>– Longer than 1 year but not longer than 5 years</td>
<td></td>
<td>25,100</td>
<td>24,138</td>
</tr>
<tr>
<td>– Longer than 5 years</td>
<td></td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>Minimum future lease payments</td>
<td></td>
<td>57,743</td>
<td>33,917</td>
</tr>
<tr>
<td>Less future finance charges</td>
<td></td>
<td>(4,475)</td>
<td>(2,921)</td>
</tr>
<tr>
<td>Present value of minimum lease payments</td>
<td></td>
<td>53,268</td>
<td>30,996</td>
</tr>
</tbody>
</table>

Included in the financial statements as:
Current interest bearing liabilities (Note 11) 30,037 7,682
Non-current interest bearing liabilities (Note 11) 23,230 23,314

(i) Minimum future lease payments include the aggregate of all lease payments and any residual.

DISCLOSURES FOR LEASEE – 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 recorded in current liabilities as ‘Unused lease incentive Marland House’ (Note 10).

<table>
<thead>
<tr>
<th>2011</th>
<th>2010</th>
</tr>
</thead>
<tbody>
<tr>
<td>$</td>
<td>$</td>
</tr>
</tbody>
</table>

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 525,070 423,841
– Longer than 1 year but not longer than 5 years 1,166,758 1,433,037

Total non-cancellable operating leases payable (exclusive of GST) 1,691,828 1,856,878
Add GST recoverable from the Australian Taxation Office 169,183 185,688
Total non-cancellable operating leases payable (inclusive of GST) 1,861,011 2,042,566

In respect of non-cancellable operating leases the following liabilities have been recognised:

Current Unused lease incentive – Marland House (Note 10) 349,744 401,712

Maturity analysis of finance lease liabilities and the nature and extent of risk arising from finance lease liabilities are disclosed in Note 17.
NOTE 16  Contingent assets and liabilities

As at 30 June 2011 there were no contingent assets and liabilities (2010: $0).

NOTE 17  Financial instruments

(a) Financial risk management objectives and policies

The Institute’s principal financial instruments comprise:

- cash assets;
- receivables (excluding statutory receivables);
- investments (deposits receivable);
- payables (excluding statutory payables); and
- finance lease payables.

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.

The main purpose in holding financial instruments is to prudentially manage the Institute’s financial risks within the government policy parameters.

The carrying amounts of the Institute’s contractual financial assets and financial liabilities by category are disclosed in Table 17.1.
### TABLE 17.1: Categorisation of financial instruments

<table>
<thead>
<tr>
<th>Contractual financial assets, loans and receivables</th>
<th>Contractual financial liabilities at amortised cost</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>2011</strong> <strong>Contractual financial assets</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash and deposits</td>
<td>1,095,771</td>
<td>1,095,771</td>
</tr>
<tr>
<td>Receivables:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>– Sale of goods and services</td>
<td>17,320</td>
<td>17,320</td>
</tr>
<tr>
<td>– DEECD employee benefits</td>
<td>4,709</td>
<td>4,709</td>
</tr>
<tr>
<td>– Accrued investment income</td>
<td>33,773</td>
<td>33,773</td>
</tr>
<tr>
<td>Investments</td>
<td></td>
<td></td>
</tr>
<tr>
<td>– Term deposits</td>
<td>5,000,000</td>
<td>5,000,000</td>
</tr>
<tr>
<td><strong>Total contractual financial assets</strong></td>
<td>6,151,573</td>
<td>6,151,573</td>
</tr>
<tr>
<td><strong>Contractual financial liabilities</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Accounts payable</td>
<td></td>
<td></td>
</tr>
<tr>
<td>– Supplies and services</td>
<td>–</td>
<td>836,097</td>
</tr>
<tr>
<td>– Unused lease incentive Marland House</td>
<td>–</td>
<td>349,744</td>
</tr>
<tr>
<td><strong>Total contractual financial liabilities</strong></td>
<td>–</td>
<td>1,239,109</td>
</tr>
<tr>
<td><strong>2010</strong> <strong>Contractual financial assets</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash and deposits</td>
<td>1,303,421</td>
<td>1,303,421</td>
</tr>
<tr>
<td>Receivables:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>– Sale of goods and services</td>
<td>96,197</td>
<td>96,197</td>
</tr>
<tr>
<td>– DEECD employee benefits</td>
<td>46,360</td>
<td>46,360</td>
</tr>
<tr>
<td>– Accrued investment income</td>
<td>111,069</td>
<td>111,069</td>
</tr>
<tr>
<td>Investments</td>
<td></td>
<td></td>
</tr>
<tr>
<td>– Term deposits</td>
<td>7,000,000</td>
<td>7,000,000</td>
</tr>
<tr>
<td><strong>Total contractual financial assets</strong></td>
<td>8,557,047</td>
<td>8,557,047</td>
</tr>
<tr>
<td><strong>Contractual financial liabilities</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Accounts payable</td>
<td></td>
<td></td>
</tr>
<tr>
<td>– Supplies and services</td>
<td>–</td>
<td>1,233,068</td>
</tr>
<tr>
<td>– Unused lease incentive – Marland House</td>
<td>–</td>
<td>401,712</td>
</tr>
<tr>
<td><strong>Total contractual financial liabilities</strong></td>
<td>–</td>
<td>1,665,776</td>
</tr>
</tbody>
</table>

Financial statements for the year ended 30 June 2011
Table 17.2: Net holding gain/(loss) on financial instruments by category

<table>
<thead>
<tr>
<th></th>
<th>Net holding gain/loss</th>
<th>Net interest income/expense</th>
<th>Fee income/(expense)</th>
<th>Impairment loss</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$</td>
<td>$</td>
<td>$</td>
<td>$</td>
<td>$</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2011</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Contractual financial assets</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Financial assets – loans and receivables</td>
<td>–</td>
<td>382,444</td>
<td>–</td>
<td>–</td>
<td>382,444</td>
</tr>
<tr>
<td>Total contractual financial assets</td>
<td>–</td>
<td>382,444</td>
<td>–</td>
<td>–</td>
<td>382,444</td>
</tr>
<tr>
<td>Contractual financial liabilities</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Financial liabilities at amortised cost</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>Total contractual financial liabilities</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>2010</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Contractual financial assets</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Financial assets – loans and receivables</td>
<td>–</td>
<td>315,244</td>
<td>–</td>
<td>–</td>
<td>315,244</td>
</tr>
<tr>
<td>Total contractual financial assets</td>
<td>–</td>
<td>315,244</td>
<td>–</td>
<td>–</td>
<td>315,244</td>
</tr>
<tr>
<td>Contractual financial liabilities</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Financial liabilities at amortised cost</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>Total contractual financial liabilities</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>–</td>
</tr>
</tbody>
</table>

The net holding gains or losses disclosed above are determined as follows:
- For cash and cash equivalents, loans or receivables the net gain or loss is calculated by taking the interest revenue, minus any impairment recognised in the net result.
(b) Credit risk

Credit risk arises from the financial assets of the Institute, which comprise cash and deposits, trade and other receivables. The Institute’s exposure to credit risk arises from the potential default of the counterparty 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 authorised deposit-taking institutions (ADIs) and to obtain sufficient collateral or credit enhancements where appropriate.

In addition, the Institute does not engage in hedging for its financial assets and mainly obtains financial assets that are on fixed interest, except for cash assets, which are mainly cash at bank.

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.

Table 17.3: Credit quality of contractual financial assets that are neither past due nor impaired

<table>
<thead>
<tr>
<th>Financial institutions (AAA credit rating)</th>
<th>Govt agencies (AAA credit rating)</th>
<th>Govt agencies (BBB credit rating)</th>
<th>Other (min BBB rating)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2011</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash and deposits</td>
<td>1,094,644</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>Receivables (i)</td>
<td>–</td>
<td>38,481</td>
<td>–</td>
</tr>
<tr>
<td>Investments and other financial assets</td>
<td>–</td>
<td>5,000,000</td>
<td>–</td>
</tr>
<tr>
<td>Total contractual financial assets</td>
<td>1,094,644</td>
<td>5,038,481</td>
<td>–</td>
</tr>
<tr>
<td>2010</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash and deposits</td>
<td>1,303,421</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>Receivables (i)</td>
<td>–</td>
<td>157,429</td>
<td>96,197</td>
</tr>
<tr>
<td>Investments and other financial assets</td>
<td>–</td>
<td>7,000,000</td>
<td>–</td>
</tr>
<tr>
<td>Total contractual financial assets</td>
<td>1,303,421</td>
<td>7,157,429</td>
<td>96,197</td>
</tr>
</tbody>
</table>

(i) The total amounts disclosed here exclude statutory amounts (e.g. amounts owing from Victorian Government and GST input tax credit recoverable).

Contractual 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 17.4: Ageing analysis of contractual financial assets

<table>
<thead>
<tr>
<th></th>
<th>Carrying amount $</th>
<th>Past due but not impaired</th>
<th>2011</th>
<th>2010</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Not past due and not impaired $</td>
<td>Less than 1 month $</td>
<td>1–3 months $</td>
<td>3 months – 1 year $</td>
</tr>
<tr>
<td>Receivables: (i)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>– Sale of goods and services</td>
<td>17,320</td>
<td>17,320</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>– DEECD employee benefits</td>
<td>4,709</td>
<td>4,709</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>– Accrued investment income</td>
<td>33,773</td>
<td>33,773</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>Investments:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Term deposit</td>
<td>5,000,000</td>
<td>5,000,000</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>5,055,802</td>
<td>5,038,481</td>
</tr>
</tbody>
</table>

2010

Receivables: (i)

<table>
<thead>
<tr>
<th></th>
<th>Carrying amount $</th>
<th>Past due but not impaired</th>
<th>2010</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Not past due and not impaired $</td>
<td>Less than 1 month $</td>
<td>1–3 months $</td>
<td>3 months – 1 year $</td>
</tr>
<tr>
<td>– Sale of goods and services</td>
<td>96,197</td>
<td>18,762</td>
<td>77,500</td>
<td>25</td>
</tr>
<tr>
<td>– DEECD employee benefits</td>
<td>46,360</td>
<td>46,360</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>– Accrued investment income</td>
<td>111,069</td>
<td>111,069</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>Investments:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Term deposit</td>
<td>7,000,000</td>
<td>7,000,000</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>7,253,626</td>
<td>7,157,429</td>
</tr>
</tbody>
</table>

(i) The carrying amount disclosed here excludes statutory amounts (e.g. amounts owing from Victorian Government and GST input tax credit recoverable).

(c) Liquidity risk

Liquidity risk is the risk that the Institute would be unable to meet its financial obligations as and when 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, making payments within 30 days from the date of resolution.

The Institute’s maximum exposure to liquidity risk is the carrying amounts of financial liabilities as disclosed in the face of the balance sheet. The Institute manages its liquidity risk by:

- maintaining an adequate level of uncommitted funds that can be drawn at short notice to meet its short-term obligations;
- careful maturity planning of its financial obligations based on forecasts of future cash flows; and
- a high credit rating for the State of Victoria (Moody’s Investor Services & Standard & Poor’s triple-A), which assists in assessing debt market at a lower interest rate.

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

The following table discloses the contractual maturity analysis for the Institute’s contractual financial liabilities.
### Table 17.5: Maturity analysis of contractual financial liabilities

<table>
<thead>
<tr>
<th>Maturity dates</th>
<th>Carrying amount</th>
<th>Nominal amount</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$</td>
<td>$</td>
</tr>
<tr>
<td>Less than 1 month</td>
<td>$</td>
<td>$</td>
</tr>
<tr>
<td>1–3 months</td>
<td>$</td>
<td>$</td>
</tr>
<tr>
<td>3 months – 1 year</td>
<td>$</td>
<td>$</td>
</tr>
<tr>
<td>1–5 years</td>
<td>$</td>
<td>$</td>
</tr>
<tr>
<td>5+ years</td>
<td>$</td>
<td>$</td>
</tr>
</tbody>
</table>

#### 2011

**Payables:**
- Supplies and services: 836,097
- Other payables: 349,744

**Borrowings:**
- VIC Fleet Exec. Vehicle lease: 53,268

<table>
<thead>
<tr>
<th>Maturity dates</th>
<th>Carrying amount</th>
<th>Nominal amount</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$</td>
<td>$</td>
</tr>
<tr>
<td>2011</td>
<td>1,239,109</td>
<td>1,239,109</td>
</tr>
<tr>
<td></td>
<td>828,448</td>
<td>828,448</td>
</tr>
<tr>
<td></td>
<td>9,715</td>
<td>9,715</td>
</tr>
<tr>
<td></td>
<td>28,340</td>
<td>28,340</td>
</tr>
<tr>
<td></td>
<td>22,862</td>
<td>22,862</td>
</tr>
<tr>
<td></td>
<td>–</td>
<td>–</td>
</tr>
</tbody>
</table>

#### 2010

**Payables:**
- Supplies and services: 1,233,068
- Other payables: 401,712

**Borrowings:**
- VIC Fleet Exec. Vehicle lease: 30,999

<table>
<thead>
<tr>
<th>Maturity dates</th>
<th>Carrying amount</th>
<th>Nominal amount</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$</td>
<td>$</td>
</tr>
<tr>
<td>2010</td>
<td>1,665,779</td>
<td>1,665,779</td>
</tr>
<tr>
<td></td>
<td>640</td>
<td>640</td>
</tr>
<tr>
<td></td>
<td>1,280</td>
<td>1,280</td>
</tr>
<tr>
<td></td>
<td>5,762</td>
<td>5,762</td>
</tr>
<tr>
<td></td>
<td>23,314</td>
<td>23,314</td>
</tr>
<tr>
<td></td>
<td>–</td>
<td>–</td>
</tr>
</tbody>
</table>

### (d) Market risk

The Institute’s exposures to market risk are primarily through interest rate risk with 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**

Fair value interest rate risk is the risk that the fair value of a financial instrument will fluctuate because of changes in market interest rates. The Institute does not hold any interest bearing financial instruments that are measured at fair value, therefore has nil exposure to fair value interest rate risk.

Cash flow interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Institute has minimal exposure to cash flow interest rate risks through its cash and deposits, term deposits and bank overdrafts that are at floating rate.

The Institute manages this risk by mainly undertaking fixed rate or non interest bearing financial instruments with relatively even maturity profiles, with only insignificant amounts of financial instruments at floating rate. Management has concluded for cash at bank and bank overdraft, as financial assets that can be left at floating rate, without necessarily exposing the Institute to significant bad risk, management monitors movement in interest rates on a daily basis.
Table 17.6: Interest rate exposure of financial instruments

<table>
<thead>
<tr>
<th>Weighted average effective interest rate</th>
<th>Carrying amount</th>
<th>Interest rate exposure</th>
<th>Fixed interest rate</th>
<th>Variable interest rate</th>
<th>Non-interest bearing</th>
</tr>
</thead>
<tbody>
<tr>
<td>%</td>
<td>$</td>
<td>$</td>
<td>$</td>
<td>$</td>
<td></td>
</tr>
<tr>
<td>---</td>
<td>---</td>
<td>---</td>
<td>---</td>
<td>---</td>
<td></td>
</tr>
</tbody>
</table>

**2011**

**Financial assets**
- Cash and deposits: 3.74% 1,095,771 – 1,094,644 1,127
- Receivables:
  - Sale of goods and services 17,320 – – 17,320
  - DEECD employee benefits 4,709 – – 4,709
  - Accrued investment income 33,773 – – 33,773
- Investments:
  - Term deposit 4.96 5,000,000 5,000,000 – –

**Total financial assets** 6,151,573 5,000,000 1,094,644 56,929

**Financial liabilities**
- Payables:
  - Supplies and services 836,097 – – 836,097
  - Other payables 349,744 – – 349,744
- Borrowings:
  - VIC Fleet Exec. Vehicle lease 7.12 53,268 53,268 – –

**Total financial liabilities** 1,239,109 53,268 – 1,185,842

**2010**

**Financial assets**
- Cash and deposits: 3.49% 1,303,421 – 1,303,421 –
- Receivables:
  - Sale of goods and services 96,197 – – 96,197
  - DEECD employee benefits 46,360 – – 46,360
  - Accrued investment income 111,069 – – 111,069
- Investments:
  - Term deposit 3.91 7,000,000 7,000,000 – –

**Total financial assets** 8,557,047 7,000,000 1,303,421 253,626

**Financial liabilities**
- Payables:
  - Supplies and services 1,233,067 – – 1,223,067
  - Other payables 401,712 – – 401,712
- Borrowings:
  - VIC Fleet Exec. Vehicle lease 7.62 30,999 30,999 – –

**Total financial liabilities** 1,665,778 30,999 – 1,624,779
Sensitivity disclosure analysis

The Institute’s sensitivity to market risk is determined based on the observed range of actual historical data for the preceding 5-year period, with all variables other than the primary risk variable held constant. The Department’s fund managers cannot be expected to predict movements in market rates and prices; sensitivity analyses shown are for illustrative purposes only. The following movements are ‘reasonably possible’ over the next 12 months:

- a movement of 200 basis points up and down (2010: 200 down and 200 up) in market interest rates (AUD).

Table 17.7 discloses the impact on the Institute’s net result for each category of financial instrument held by the Institute at year end as presented to key management personnel if the above were to occur.

Table 17.7: Interest rate risk sensitivity

<table>
<thead>
<tr>
<th>Interest rate</th>
<th>2011 Carrying amount</th>
<th>2011 Net result</th>
<th>2011 Net result</th>
</tr>
</thead>
<tbody>
<tr>
<td>-2% (200 basis points)</td>
<td>1,095,771</td>
<td>(21,892)</td>
<td>21,892</td>
</tr>
<tr>
<td>+2% (200 basis points)</td>
<td>5,000,000</td>
<td>(100,000)</td>
<td>100,000</td>
</tr>
<tr>
<td>Total impact</td>
<td>(121,892)</td>
<td>121,892</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Interest rate</th>
<th>2010 Carrying amount</th>
<th>2010 Net result</th>
<th>2010 Net result</th>
</tr>
</thead>
<tbody>
<tr>
<td>-2% (200 basis points)</td>
<td>1,303,421</td>
<td>(26,068)</td>
<td>26,068</td>
</tr>
<tr>
<td>+2% (200 basis points)</td>
<td>7,000,000</td>
<td>(140,000)</td>
<td>140,000</td>
</tr>
<tr>
<td>Total impact</td>
<td>(26,068)</td>
<td>26,068</td>
<td></td>
</tr>
</tbody>
</table>

Notes:
(i) Cash and cash deposits includes a deposit of $1,094,644 (2010: $1,302,521) that is exposed to floating rates movements. Sensitivities to these movements are calculated as follows:
- 2011: $1,094,644 x – .02 = – $21,892; and $1,094,644 x .02 = $21,892; and
- 2010: $1,302,521 x – .02 = – $26,050; and $1,302,521 x .02 = $26,050
(e) Fair value

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

- **Level 1** – the fair value of financial instruments with standard terms and conditions and traded in active liquid markets are determined with reference to quoted market prices;
- **Level 2** – the fair value is determined in accordance using inputs other than quoted prices that are observable for the financial asset or liability, either directly or indirectly; and
- **Level 3** – the fair value is determined in accordance with generally accepted pricing models based on discounted cash flow analysis using unobservable market inputs.

The Institute does not have any financial assets or financial liabilities that meets these three levels of classifications.

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.

The following table shows that the fair values of most of the contractual financial assets and liabilities are the same as the carrying amounts.

**Table 17.8: Comparison between carrying amount and fair value**

<table>
<thead>
<tr>
<th>Contractual financial assets</th>
<th>Carrying amount 2011 $</th>
<th>Fair value 2011 $</th>
<th>Carrying amount 2010 $</th>
<th>Fair value 2010 $</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash and deposits</td>
<td>1,095,771</td>
<td>1,095,771</td>
<td>1,303,421</td>
<td>1,303,421</td>
</tr>
<tr>
<td>Receivables:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>– Sale of goods and services</td>
<td>17,320</td>
<td>17,320</td>
<td>96,197</td>
<td>96,197</td>
</tr>
<tr>
<td>– DEECD employee benefits</td>
<td>4,709</td>
<td>4,709</td>
<td>46,360</td>
<td>46,360</td>
</tr>
<tr>
<td>– Accrued investment income</td>
<td>33,773</td>
<td>33,773</td>
<td>111,069</td>
<td>111,069</td>
</tr>
<tr>
<td>Investments:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>– Term deposit</td>
<td>5,000,000</td>
<td>5,000,000</td>
<td>7,000,000</td>
<td>7,000,000</td>
</tr>
<tr>
<td>Total contractual financial assets</td>
<td>6,151,573</td>
<td>6,151,573</td>
<td>8,557,047</td>
<td>8,557,047</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Contractual financial liabilities</th>
<th>Carrying amount 2010 $</th>
<th>Fair value 2010 $</th>
</tr>
</thead>
<tbody>
<tr>
<td>Payables:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>– Supplies and services</td>
<td>836,097</td>
<td>1,233,067</td>
</tr>
<tr>
<td>– Other payables</td>
<td>349,744</td>
<td>401,712</td>
</tr>
<tr>
<td>Borrowings:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>– VIC Fleet Exec. Vehicle lease</td>
<td>53,268</td>
<td>30,999</td>
</tr>
<tr>
<td>Total contractual financial liabilities</td>
<td>1,239,109</td>
<td>1,665,778</td>
</tr>
</tbody>
</table>
### NOTE 18  Cash flow information

<table>
<thead>
<tr>
<th></th>
<th>2011</th>
<th>2010</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>(a) Reconciliation of cash and cash equivalents</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total cash and cash equivalents disclosed in the balance sheet</td>
<td>$1,095,771</td>
<td>$1,303,421</td>
</tr>
<tr>
<td>Balance as per cash flow statement</td>
<td>$1,095,771</td>
<td>$1,303,421</td>
</tr>
</tbody>
</table>

| **(b) Reconciliation of net result for the period to net cash flows from operating activities** |          |          |
| Net result for the reporting period | $29,649 | $111,295 |
| Non–cash movements: | | | |
| (Gain)/loss on sale or disposal of non–current assets | $7,251 | $3,897 |
| (Gain)/loss arising from revaluation of long service leave liability | $(262) | $7,571 |
| Depreciation and amortisation of non–current assets | $522,408 | $330,863 |
| **Movements in assets and liabilities** | | | |
| (Increase)/decrease in current receivables | $117,677 | $(119,577) |
| (Increase)/decrease in other current assets | $(125,400) | $(26,854) |
| (Increase)/decrease in current payables | $(448,938) | $409,119 |
| (Increase)/decrease in unearned fees | $(129,285) | $118,577 |
| Net (Increase)/decrease in provisions | $30,946 | $(19,633) |
| **Net cash flows from/(used in) operating activities** | $4,046 | $815,258 |

### NOTE 19  Movements in equity

<table>
<thead>
<tr>
<th></th>
<th>2011</th>
<th>2010</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Accumulated surplus</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Balance at beginning of financial year</td>
<td>$3,804,598</td>
<td>$3,693,303</td>
</tr>
<tr>
<td>Net result for the reporting period</td>
<td>$29,649</td>
<td>$111,295</td>
</tr>
<tr>
<td><strong>Balance at end of financial year</strong></td>
<td>$3,834,247</td>
<td>$3,804,598</td>
</tr>
<tr>
<td><strong>Total equity at the end of the financial year</strong></td>
<td>$3,834,247</td>
<td>$3,804,598</td>
</tr>
</tbody>
</table>
NOTE 20  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, MP  
Former Minister for Education (1 July 2010 to 1 December 2010)

The Hon. P Hall, MP  
Minister responsible for the Teaching Profession (2 December 2010 to 30 June 2011)

Ms M Saba  
Accountable Officer (CEO) commenced on 23 August 2010

Assignment of the CEO responsibilities were delegated to a Interim Leadership Group from 17 April to 22 August 2010, comprising of:

‡ Mrs Barbara Carter – Group Manager, Registration and Accreditation
‡ Mrs Fran Cosgrove – Group Manager, Standards and Professional Learning
‡ Mr Matthew Hibbert – Group Manager, Corporate and Communications

‡ Salaries included in Note 21 Remuneration of executives

**Council members as at 30 June 2011**

* Ms S Halliday – Council chairperson
* Ms D Punton
* Mr G Salisbury
* Dr H Schnagl
* Ms J O’Shannessy
* Mr D Hendrick
* Ms J Petch
* Mrs L Sheehy
* Mr S Bhogal
Prof D Mayer

* Ms J Cooke
* Mr K Moloney
* Ms N Lylak
* Mr M Butler
* Ms A Sarros
Ms G McHardy
* Mrs J Costello
* Mr M D’Ortenzio
* Ms M Pontikis
* Mr G Spence

**Council members who resigned in April 2011**

Ms G Watts

**Related party transactions**

*Indicates Council member who paid to the Institute a teacher registration fee of $72 in the year ended 30 June 2011. Any other transactions are at arms length between the Institute and the Council member.

Susan Halliday is a board member of Caraniche Pty Ltd and the Institute made a payment of $418 for services received by the company.

**Remuneration**

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

<table>
<thead>
<tr>
<th>Income band</th>
<th>2011</th>
<th>2010</th>
</tr>
</thead>
<tbody>
<tr>
<td>$0</td>
<td>11</td>
<td>16</td>
</tr>
<tr>
<td>$0–$9,999</td>
<td>8</td>
<td>4</td>
</tr>
<tr>
<td>$50,000–$59,999</td>
<td>–</td>
<td>1</td>
</tr>
<tr>
<td>$60,000–$69,999</td>
<td>1</td>
<td>–</td>
</tr>
<tr>
<td><strong>Total numbers</strong></td>
<td>20</td>
<td>21</td>
</tr>
<tr>
<td><strong>Total remuneration for Council members</strong></td>
<td><strong>$81,841</strong></td>
<td><strong>$66,130</strong></td>
</tr>
</tbody>
</table>

**Chief Executive Officer**

Remuneration received or receivable by the Chief Executive Officer in connection with the management of the Institute during the reporting period was in the range $160,000–$169,999 (2010: $330,000 – $339,999. This includes accumulated leave entitlements paid out upon resignation).

Note: remuneration includes payment of leave entitlements and motor vehicle contributions.

Amounts relating to the Minister responsible for the Teaching Profession are reported in the financial statements of the Department of Premier and Cabinet.
NOTE 21 Remuneration of executives

The number of executive officers, other than Ministers and accountable officers, and their total remuneration during the reporting period are shown in the first two columns in the table below in their relevant income bands. The base remuneration of executive officers is shown in the third and fourth columns. Base remuneration is exclusive of bonus payments and retirement benefits.

<table>
<thead>
<tr>
<th>Income band</th>
<th>Total remuneration</th>
<th>Base remuneration</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2011</td>
<td>2010</td>
</tr>
<tr>
<td>$100,000 – $109,999</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>$110,000 – $119,999</td>
<td>–</td>
<td>1</td>
</tr>
<tr>
<td>$120,000 – $129,999</td>
<td>–</td>
<td>1</td>
</tr>
<tr>
<td>$130,000 – $139,999</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>$140,000 – $149,999</td>
<td>1</td>
<td>3</td>
</tr>
<tr>
<td>$150,000 – $159,999</td>
<td>1</td>
<td>–</td>
</tr>
<tr>
<td>$160,000 – $169,999</td>
<td>2</td>
<td>–</td>
</tr>
<tr>
<td>Total numbers</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td>Total amount</td>
<td>$633,483</td>
<td>$670,891</td>
</tr>
</tbody>
</table>

NOTE 22 Remuneration of auditors

<table>
<thead>
<tr>
<th></th>
<th>2011</th>
<th>2010</th>
</tr>
</thead>
<tbody>
<tr>
<td>Victorian Auditor General’s Office</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Audit of the financial report</td>
<td>22,236</td>
<td>21,800</td>
</tr>
<tr>
<td></td>
<td>22,236</td>
<td>21,800</td>
</tr>
</tbody>
</table>

NOTE 23 Commitments for expenditure

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

<table>
<thead>
<tr>
<th>Expenditure commitments:</th>
<th>2011</th>
<th>2010</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pdi Management and Maintenance fee to ACER for 12 months service</td>
<td></td>
<td></td>
</tr>
<tr>
<td>– Payable:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>– Not longer than 1 year</td>
<td>172,387</td>
<td>107,910</td>
</tr>
<tr>
<td>– Longer than 1 year and not longer than 5 years</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>– Longer than 5 years</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>Total commitments for expenditure (inclusive of GST)</td>
<td>172,387</td>
<td>107,910</td>
</tr>
<tr>
<td>Less GST recoverable from the Australian Taxation Office</td>
<td>15,672</td>
<td>9,810</td>
</tr>
<tr>
<td>Total commitments for expenditure (exclusive of GST)</td>
<td>156,715</td>
<td>98,100</td>
</tr>
</tbody>
</table>

NOTE 24 Subsequent events

There has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely, to affect significantly the operations, results of those operations, or the state of affairs of the Institute, in future financial years.
Amortisation
Amortisation is the expense which results from the consumption, extraction or use over time of a non-produced physical or intangible asset. This expense is classified as other economic flow.

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

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

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

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

Financial asset
A financial asset is any asset that is:
(a) cash;
(b) an equity instrument of another entity;
(c) a contractual right:
   to receive cash or another financial asset from another entity; or to exchange financial assets or financial liabilities with another entity under conditions that are potentially favourable to the entity; or
(d) a contract that will or may be settled in the entity’s own equity instruments and is:
   a non-derivative for which the entity is or may be obliged to receive a variable number of the entity’s own equity instruments; or
   a derivative that will or may be settled other than by the exchange of a fixed amount of cash or another financial asset for a fixed number of the entity’s own equity instruments.

Financial liability
A financial liability is any liability that is:
(a) a contractual obligation:
   (i) to deliver cash or another financial asset to another entity; or
   (ii) to exchange financial assets or financial liabilities with another entity under conditions that are potentially unfavourable to the entity; or
(b) a contract that will or may be settled in the entity’s own equity instruments and is:
   (i) a non-derivative for which the entity is or may be obliged to deliver a variable number of the entity’s own equity instruments; or
   (ii) a derivative that will or may be settled other than by the exchange of a fixed amount of cash or another financial asset for a fixed number of the entity’s own equity instruments.

Grants and other transfers
Transactions in which one unit provides goods, services, assets (or extinguishes a liability) or labour to another unit without receiving approximately equal value in return. Grants can either be operating or capital in nature.

While grants to governments may result in the provision of some goods or services to the transferor, they do not give the transferor a claim to receive directly benefits of approximately equal value. Receipt and sacrifice of approximately equal value may occur, but only by coincidence. For example, governments are not obliged to provide commensurate benefits, in the form of goods or services, to particular taxpayers in return for their taxes.

Also be used to replace the old term ‘financial report’ under the revised AASB 101 (Sept 2007), which means it may include the main financial statements and the notes.

Financial instrument
A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Financial assets or liabilities that are not contractual (such as statutory receivables or payables that arise as a result of statutory requirements imposed by governments) are not financial instruments.
For this reason, grants are referred to by the AASB as involuntary transfers and are termed ‘non-reciprocal transfers’.

Grants can be paid as general purpose grants, which refer to grants that are not subject to conditions regarding their use. Alternatively, they may be paid as specific purpose grants; that is, grants that are paid for a particular purpose and/or have conditions attached regarding their use.

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

**Interest expense**
Costs incurred in connection with the borrowing of funds. Interest expenses include interest on bank overdrafts and short-term and long-term borrowings, amortisation of discounts or premiums relating to borrowings, interest component of finance leases repayments, the increase in financial liabilities and non-employee provisions due to the unwinding of discounts to reflect the passage of time.

**Interest revenue**
Interest revenue includes interest received on bank term deposits, interest from investments, and other interest received.

**Net acquisition of non-financial assets (from transactions)**
Purchases (and other acquisitions) of non-financial assets less sales (or disposals) of non-financial assets less depreciation plus changes in inventories and other movements in non-financial assets. Includes only those increases or decreases in non-financial assets resulting from transactions and therefore excludes write-offs, impairment write-downs and revaluations.

**Net result**
Net result is a measure of financial performance of the operations for the period. It is the net result of items of revenue, gains and expenses (including losses) recognised for the period, excluding those that are classified as ‘other non-owner changes in equity’.

**Net result from transactions/net operating balance**
Net result from transactions or net operating balance is a key fiscal aggregate and is revenue from transactions minus expenses from transactions. It is a summary measure of the ongoing sustainability of operations. It excludes gains and losses resulting from changes in price levels and other changes in the volume of assets. It is the component of the change in net worth that is due to transactions and can be attributed directly to government policies.

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

**Non-financial assets**
Non-financial assets are all assets that are not ‘financial assets’. They include plant and equipment, and intangible assets.

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

**Other economic flows**
Other economic flows are changes in the volume or value of an asset or liability that do not result from transactions. They include gains and losses from disposals, revaluations and impairments of non-current physical and intangible assets; actuarial gains and losses arising from defined benefit superannuation plans; fair value changes of financial instruments and agricultural assets; and depletion of natural assets (non-produced) from their use or removal. In simple terms, other economic flows are changes arising from market re-measurements.

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

**Receivables**
Includes amounts owing from government through appropriation receivable, short- and long-term trade credit and accounts receivable, accrued investment income, grants, taxes and interest receivable.

**Sales of goods and services**
Refers to revenue from the direct provision of goods and services, and includes fees and charges for services rendered, sales of goods and services, fees from regulatory services, work done as an agent for private enterprises. It also includes rental income under operating leases and on produced assets such as buildings and entertainment, but excludes rent income from the use of non-produced assets such as land. User charges includes sale of goods and services revenue.

**Supplies and services**
Supplies and services generally represent cost of goods sold and the day-to-day running costs, including maintenance costs, incurred in the normal operations of the Institute.
Transactions

Transactions are those economic flows that are considered to arise as a result of policy decisions, usually an interaction between two entities by mutual agreement. They also include flows within an entity such as depreciation where the owner is simultaneously acting as the owner of the depreciating asset and as the consumer of the service provided by the asset. Taxation is regarded as mutually agreed interactions between the government and taxpayers. Transactions can be in kind (e.g. assets provided/given free of charge or for nominal consideration) or where the final consideration is cash. In simple terms, transactions arise from the policy decisions of the government.

Unwinding of discounts

Increase in financial liabilities and provisions in regards to ‘Make good provision Marland House’ due to the unwinding of discounts to reflect the passage of time.

Style conventions

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

The notation used in the tables is as follows:

– zero, or rounded to zero

(XXX.X) negative numbers

200X year period

200X–0X year period
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 Directions 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 Comprehensive 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 2011 and the position of the Victorian Institute of Teaching as at 30 June 2011.

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

The annual financial statements were authorised by the accountable officer, chief finance and accounting officer and member of the responsible body.

Susan Halliday
Chairperson - Victorian Institute of Teaching
Melbourne
5 September 2011

Melanie Saba
Chief Executive Officer
Melbourne
5 September 2011

Matthew Hibbert
Group Manager - Corporate & Communications
Melbourne
5 September 2011
INDEPENDENT AUDITOR’S REPORT

To the Board Members, Victorian Institute of Teaching

The Financial Report

The accompanying financial report for the year ended 30 June 2011 of the Victorian Institute of Teaching which comprises the comprehensive operating statement, balance sheet, statement of changes in equity, cash flow statement, notes comprising a summary of significant accounting policies and other explanatory information, and the accountable officer’s and chief finance and accounting officer’s declaration has been audited.

The Board Members’ Responsibility for the Financial Report

The Board Members of the Victorian Institute of Teaching are responsible for the preparation and 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, and for such internal control as the Board Members determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

Auditor’s Responsibility

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

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

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

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 compiled with all applicable independence requirements of the Australian accounting profession.
Independent Auditor’s Report (continued)

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

Opinion
In my opinion, the financial report presents fairly, in all material respects, the financial position of the Victorian Institute of Teaching as at 30 June 2011 and of its financial performance and its 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.

Matters Relating to the Electronic Publication of the Audited Financial Report
This auditor’s report relates to the financial report of the Victorian Institute of Teaching for the year ended 30 June 2011 included both in the Victorian Institute of Teaching’s annual report and on the website. The Board is responsible for the integrity of the Victorian Institute of Teaching’s website. I have not been engaged to report on the integrity of the Victorian Institute of Teaching’s website. The auditor’s report refers only to the subject matter described above. It does not provide an opinion on any other information which may have been hyperlinked to/from these statements. If users of the financial report are concerned with the inherent risks arising from publication on a website, they are advised to refer to the hard copy of the audited financial report to confirm the information contained in the website version of the financial report.

MELBOURNE
6/09/2011

DD R Pearson
Auditor-General
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.

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<td>Australian Accounting Standards and Interpretations</td>
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<td>AASB</td>
<td>Australian Accounting Standards Board</td>
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<tr>
<td>the Act</td>
<td>the <em>Education and Training Reform Act 2006</em></td>
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<tr>
<td>ACER</td>
<td>Australian Council for Educational Research</td>
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<td>AGTA</td>
<td>Australian Geography Teachers’ Association</td>
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<tr>
<td>ATO</td>
<td>Australian Tax Office</td>
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<td>AUD</td>
<td>Australian dollars</td>
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<td>CEO</td>
<td>Chief Executive Officer</td>
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<td>the Council</td>
<td>the Council of the Institute</td>
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<td>CRC</td>
<td>Criminal Records Check</td>
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<td>CRT</td>
<td>casual relief teacher</td>
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<td>DEECD</td>
<td>Department of Education and Early Childhood Development</td>
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<td>FOI</td>
<td>Freedom of Information</td>
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<td>the FOI Act</td>
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<td>GFS</td>
<td>Government Finance Statistics</td>
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<td>GST</td>
<td>Goods and Services Tax</td>
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<td>GTAV</td>
<td>Geography Teachers’ Association of Victoria</td>
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<td>IASB</td>
<td>International Accounting Standards Board</td>
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<td>IPSASB</td>
<td>International Public Sector Accounting Standards Board</td>
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<td>the Victorian Institute of Teaching</td>
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<td>Information technology</td>
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<td>the Victorian Registration and Qualifications Authority</td>
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<td>Working with Children</td>
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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:

CEO
Victorian Institute of Teaching
PO Box 531
Collins Street West
Victoria 8007
Australia

Acknowledgements
The Victorian Institute of Teaching thanks all those who have participated in Institute professional development activities, events, and working parties in 2010–11, for their time and professional commitment. These include the registered teachers, Council and committee members, guest presenters and stakeholder representatives who have given the Institute permission to reproduce the images used throughout this report.

Cover photograph: Footscray Primary School teacher Chau Cong with two of her students.