Annual Report
2013–2014

Great state. Great opportunity.

Queensland
Government

About this report

The *Department of Education, Training and Employment (DETE) Annual Report 2013–14* is an integral part of the department's corporate governance framework, describing our achievements, outlook and financial position for the year. The annual report also plays an important role in fulfilling the department's commitment to accountability and transparency.

The annual report is based on the DETE *Strategic Plan 2013–17*, which communicates the important role each and every DETE employee and our partners play in providing Queenslanders with the knowledge and skills to participate effectively in o*u*r community and the economy. The priority actions for delivering outcomes for Queenslanders, as outlined in the strategic plan, are highlighted throughout the document. The strategic plan's key performance indicators are identified throughout the annual report with this symbol KPI. The department's strategic plan is available online at www.dete.qld.gov.au/publications/strategic.

The annual report provides comprehensive information about the department's financial position for the 2013–14 financial year. It also provides information about our:

- performance against objectives
- organisation, people management and corporate governance processes
- future direction.

The annual report contains compliance information as stipulated in the *Annual report requirements for Queensland Government agencies — Requirements for the 2013–14 reporting period.* In accordance with these reporting requirements, the following additional information is available on the department's annual report website and the Queensland Government Open Data website at www.qld.gov.au/data:

- consultancies
- overseas travel
- Queensland Cultural Diversity Policy*.*

In accordance with the requirement for agencies to contain production costs, the print run of the *Department of Education, Training and Employment Annual Report 2013–14* as tabled in the Queensland Legislative Assembly, has been limited to 12 copies. This report can be downloaded and printed in full from www.dete.qld.gov.au/publications/annual-reports/13-14/index.html.

Providing feedback – our contact details

We continually strive to meet best-practice reporting standards and value the views of our readers. We invite you to provide feedback on this report by email to AnnualReport@dete.qld.gov.au, by contacting Governance, Strategy and Planning, PO Box 15033, City East Qld 4002 or online at www.qld.gov.au/annual reportfeedback.

Interpreter services

The Queensland Government is committed to providing accessible services to Queenslanders from all culturally and linguistically diverse (CALD) backgrounds. If you require assistance to understand the annual report, you can contact the Australian Government's Translating and Interpreting Service on telephone 131 450 to arrange an interpreter to effectively communicate the report to you. Further information about interpreter services can be found at www.datsima.qld.gov.au/ multicultural/resources/translating-and-interpreting-services/interpreter-services.

Strategic Plan 2013–17

Our vision

Engaging minds. Empowering futures.

Our purpose

Providing high quality learning and skilling focused on preparing Queenslanders with the knowledge, skills and confidence to participate effectively in the community and the economy

Our values

Customer focus
Creating positive experiences for children, students, families, communities and industry through enabling choice, being responsive and providing inclusive services

Innovation
Recognising and cultivating innovation for better outcomes

High performance
Working efficiently and effectively, with high expectations of each other, our services and our students

Accountability
Promoting evidence informed decision making, transparency and accountability

Our people
Developing and empowering our people through relationships based on trust, respect and valuing diversity

Our focus

Successful learners

Strong foundations for lifelong learning and global citizenship

Creative thinkers shaped by inspiring and challenging learning experiences

Improved outcomes for all students

Successful transitions to further learning and work

Skilling to enhance employability

Engaged partners

Parents and carers involved in their child's learning and development

Students, parents, carers, the community and industry involved in decision making

Employers engaged in identifying and prioritising the critical skills for the economy

Strong cross-sector relationships

Empowerment

Autonomous schools delivering improved outcomes

Empowered leaders making local decisions in consultation with communities, business and industry

Evidence informed practice and collaboration driving innovation and improvement

Great people

Skilled and committed workforce focused on high quality care for each child

Professional and dedicated teachers focused on each student's learning and achievement

High quality industry experienced trainers focused on student and apprentice completions

High standards

Performance information focused on improving services and outcomes

Quality standards and regulation

Safe and inclusive learning and working environments

![Queensland Government — Department of Education, Training and Employment logo]

2 September 2014

The Honourable John-Paul Langbroek MP
Minister for Education, Training and Employment
PO Box 15033
CITY EAST QLD 4002

Dear Minister

I am pleased to present the *Department of Education, Training and Employment Annual Report 2013–14*. This report reflects the structure, operations and performance of the department as at 30 June 2014.

I certify that it complies with:

- the prescribed requirements of the *Financial Accountability Act 2009* and the Financial and Performance Management Standard 2009; and

- the detailed requirements set out in the *Annual report requirements for Queensland Government agencies — Requirements for the 2013–14 reporting period*.

A checklist outlining the annual reporting requirements can be accessed at www.dete.qld.gov.au/publications/annual-reports/13-14/index.html.

Yours sincerely

Dr Jim Watterston
Director-General

Office of the Director-General
Floor 22 Education House
30 Mary Street Brisbane 4000
PO Box 15033 City East
Queensland 4002 Australia
Telephone +61 3237 0900
Facsimile +61 3237 1369
Website www.dete.qld.gov.au
ABN 76 337 613 647

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Director-General's overview

This annual report is much more than a simple record of legislative accountability.

It is a report card on our successes over the past year, and an invaluable chronicle of significant achievements. The 2013-14 annual report captures the important milestones on our ambitious journey of reform, revitalisation and renewal.

This is my second annual report and I continue to be impressed by the enthusiasm and dedication of our people as I travel around the state. We have much to be proud of, but there is more to do if we are to capitalise on the results of our labour. We must continue to work hard to deliver the smart outcomes that young Queenslanders demand, now and in years to come. The innovations already implemented across early childhood, education, training and employment are the stepping stones to the future.

This annual report is an important tool by which our success can be measured. It sets out our key achievements for 2013-14, which include:

Early childhood education and care
- Appointing a Deputy Director-General, Early Childhood Education and Care to oversee the direction of this vibrant sector, which provided services to 250,000 children and Kindergarten programs to more than 60 000 children across the state.
- Increasing Kindergarten participation rates from 77 per cent in 2012 to 97.4 per cent in 2013.
- Delivering a quality pre-Prep program to children across 35 Indigenous communities.

School education
- Investing $131 million under the Great Results Guarantee in 2014 to improve student performance in state schools and Independent Public Schools.
- Implementing *Great Teachers = Great Results*, a $537 million five-year action plan for all Queensland schools to direct funding and resources where they are needed the most. Its focus is on lifting literacy and numeracy standards in the early years, increasing school autonomy and strengthening discipline in schools.
- Establishing 54 additional state schools as Independent Public Schools, as part of a $22.8 million four-year investment to increase autonomy in decision making, cut red tape and remove layers of management to improve outcomes for students. These 54 schools join the 26 state schools that kicked off the Independent Public Schools initiative in 2013.
- Continuing to implement over $600 million of reforms to give children a *Flying Start* during their early years and at their transition to high school. Next year will be an historic one for Queensland when Year 7 joins high school for the first time.
- Allocating 768 new teachers and teacher aides in 2013–14 in response to enrolment growth and students with additional needs.
- Investing $100 million to meet maintenance backlogs in Queensland state schools under the *Advancing our Schools Maintenance* (AoSM) initiative.
- Continuing to implement the Australian Curriculum in English, Maths, Science and History, aligning our student's learning with the rest of the country.

Training and employment
- Advancing the *Great skills. Real opportunities* skills reform program, a five-year action plan that supports Queenslanders obtaining great skills for real job opportunities, and boosts economic and social prosperity for the State. We have built genuine partnerships with industry, established a contestable training market, reformed the apprenticeship system and created a stronger Technical and Further Education TAFE Queensland by establishing it as an independent statutory body on 1 July 2013.
- Established Queensland's first dual-sector university through the merger of Central Queensland Institute of TAFE with Central Queensland University (legislation enacted).

- Invested $1.9 million in 2013–14 out of $10 million committed over four years as part of the *Supporting Women Scholarships* initiative to fund 500 university scholarships of up to $20 000 each, for women. The scholarships are in traditionally male dominated fields in priority industries.

Delivering the best possible education and training services and outcomes for Queenslanders would not be possible without reflecting on our work and the way we operate, acknowledging our achievements but also looking to where we can do better.

We sought and listened to the views of our workforce through central and regional staff forums during 2013–14. This feedback from staff and stakeholders laid the groundwork for the development of our renewal strategy. The strategy addresses many of the systemic challenges we face in trying to deliver world class education, training and employment services to the children, students and young workers of Queensland. It sets down strong foundations for the future through a revitalised organisational structure, resources and accountabilities that support our key priorities.

I continue to be enthused by the challenges we have set ourselves through our ambitious reform agenda and remain confident we can make a real difference to the lives of Queensland's young people on their own journey through early childhood, school, training and work.

Dr Jim Watterston
Director-General

About the Department

Agency role and main functions

DETE is creating opportunities for every learner to be successful by providing high quality learning and supporting training focused on preparing Queenslanders with the knowledge, skills and confidence to participate effectively in the community and the economy.

DETE provides services through three broad service delivery areas:
- early childhood education and care (ECEC)
- school education
- training and employment.

Early childhood education and care

Providing children with access to quality early childhood education and care through establishing and funding Kindergarten and integrated early years services as well as a range of parent and family support programs, and regulating, approving and quality assessing education and care services.

School education

Delivering Prep to Year 12 in Queensland state schools to prepare young people for successful transitions into further education, training and/or work, regulation of home education and administering funding to Queensland non-state schools.

Training and employment

Improving the skills profile of Queensland through targeting funding for delivery of Vocational Education and Training (VET) that leads directly to employment. Providing information, advice and support to VET providers, employers, students, apprentices and trainees.

Our priorities

This annual report is based on the *Strategic Plan 2013–17*, which focuses on the following priority areas:
- early childhood education and care
- school education
- training and employment
- resourcing and capability.

During 2013–14, the department released the following major policy initiatives:
- *Great teachers = Great results* five-year action plan to lift standards of teaching so our next generation can learn from our best and brightest, and provide more schools with greater autonomy so they can get on with the job and make decisions that best suit their local communities. Further information on this initiative can be found in School Education section.
- *Great skills. Real opportunities.* action plan to reform Queensland's further education and training sector to support Queenslanders to access and complete the skills training they need to get a job. Further information on this initiative can be found in Training and Employment section.
- *Solid partners Solid futures.* four-year plan to provide Aboriginal and Torres Strait Islander children and young people with the support they need to enjoy and achieve success throughout their educational journey, from early childhood through to employment. Further information on this initiative can be found in Early Childhood Education and Care, School Education and Training and Employment sections.

Our locations

Our early childhood education, school education and training services are integrated at a regional level. This integration enables cohesive service delivery, strengthens links between sectors and ensures decisions are made closer to our clients. Information regarding the location of Queensland state schools, regional offices and TAFE campuses in the seven regional boundaries can be found online at www.education.qld.gov.au/schools/maps/.

Our legislation

DETE's functions and powers are derived from administering the Acts of Parliament in accordance with Administrative Arrangements Order (No. 1) 2014.

Table 1: Administrative Arrangements Order (No. 1) 2014

Principal ministerial responsibilities	Acts administered
Minister for Education, Training and Employment	
- Early Childhood Education and Care including— - Kindergarten Programs - Education including— - Aboriginal and Torres Strait Islander Education - Distance Education - Education of Students in Youth Detention Centres - International Education - Primary Education - Secondary Education - Special Education - Employment Policies and Programs - Higher Education including— - State Government Policy and Planning - International Vocational Education and Training - Non-State School Funding - Registration of Teachers - Skills and Workforce Development - Smart State Education Initiatives - Vocational Education and Training including - Technical and Further Education	*Australian Catholic University (Queensland) Act 2007* *Bond University Act 1987* *Central Queensland University Act 1998* *Education (Accreditation of Non-State Schools) Act 2001* *Education and Care Services Act 2013* *Education and Care Services National Law (Queensland) Act 2011* *Education (Capital Assistance) Act 1993* *Education (General Provisions) Act 2006* *Education (Overseas Students) Act 1996* *Education (Queensland College of Teachers) Act 2005* *Education (Queensland Curriculum and Assessment Authority) Act 2014* *Education (Work Experience) Act 1996* *Further Education and Training Act 2014* *Grammar Schools Act 1975* *Griffith University Act 1998* *James Cook University Act 1997* *Queensland University of Technology Act 1998* *TAFE Queensland Act 2013* *University of Queensland Act 1998* *University of Southern Queensland Act 1998* *University of the Sunshine Coast Act 1998* *Vocational Education and Training (Commonwealth Powers) Act 2012*

Source: Department of the Premier and Cabinet

Our organisational structure

Figure 1: Department of Education, Training and Employment organisational structure (as at 30 June 2014)

Statutory Bodies	
Ministerial Advisory Councils	

**The Honourable
John-Paul Langbroek MP**
Minister for Education, Training and Employment

Saxon Rice MP
Assistant Minister for Technical and Further Education

Office of the Director-General
Nick Seeley
Executive Director

Dr Jim Watterston*
Director-General

Internal Audit
Lesley Lalley
Head of Internal Audit

Regulation, Assessment and Service Quality
Cathy O'Malley
Executive Director

Program Management, Funding and Performance
David Shearer
A/Executive Director

Indigenous Projects and Evaluation
Eileen Thumpkin
Director

Early Childhood Education and Care
Gabrielle Sinclair*
Deputy Director-General

Policy, Performance and Planning
Annette Whitehead*
Deputy Director-General
Renewal Champion

Strategic Policy and Intergovernmental Relations
Pia St Clair
A/Assistant Director-General

Strategy and Performance
Lesley Robinson
A/Assistant Director-General

Portfolio Services and External Relations
Amanda Dulvarie
Executive Director

Registration Services (International, Non-State & Home Education)
Vanessa Fensom
Director

Independent Public Schools - School Principals

Regional Directors**
Wayne Butler (CQ)
Sharyn Donald (SE)
Deb Dunstone (FNQ)
Greg Dickman (DDSW)
Sharon Schimming (NQ)
Tracy Corsbie (NC - Acting)
Mark Campling (M)

Functional reporting responsibility to other EMB members

Finance
Adam Black*
Chief Finance Officer
Assistant Director-General

Assistant Regional Directors

Human Resources
Cathy Heffernan
Assistant Director-General

School Principals

State Schools - Operations
Bevan Brennan
Assistant Director-General

State Schools
Patrea Walton*
Deputy Director-General

Information and Technology
Mark Hind
Chief Information Officer
A/Assistant Director-General

Corporate Services
David O'Hagan*
A/Deputy Director-General

State Schools – Performance
Leanne Nixon
Assistant Director-General

Corporate Procurement
Mike Heard
Chief Procurement Officer
Executive Director

State Schools – Indigenous Education
Selwyn Button***
Assistant Director-General

Infrastructure Services
Paul Hobbs
Assistant Director-General

DET International
Robyn Albury
A/Executive Director

Flying Start Implementation
Dion Coghlan
Executive Director

Employment, Skills and Training Investment
Geoff Favell
Assistant Director-General

Information and Quality
Stephen Mathieson
Executive Director

Training and Employment
Drew Ellem*
Deputy Director-General

VET System Strategy and Evaluation
Neville Worland
Executive Director

Source: Department of Education, Training and Employment

Notes:
* Indicates Executive Management Board Member.
** Deputy Director-General, State Schools supervises regional service delivery, with Regional Directors also having functional reporting responsibility to the other Executive Management Board Members.
*** Commencing August 2014.

Machinery-of-government changes

During 2013–14, the department was impacted by a number of machinery-of-government changes.

Skills Queensland

Skills Queensland was abolished on 22 November 2013. Skills Queensland functions were transferred to the newly established Ministerial Industry Commission announced as part of *Great skills. Real opportunities*. action plan and the remainder of the functions were transferred to DETE.

Skills Queensland's final report detailing its operations and activities over the course of the financial year up until 22 November 2013 is available online at www.dete.qld.gov.au/publications/skills-qld/index.html.

TAFE Queensland

TAFE Queensland was established as a statutory body under the *TAFE Queensland Act 2013* on 1 July 2013.

TAFE Queensland's mission is to be an efficient, effective, sustainable and responsive organisation that develops the skills and employment opportunities for individuals meeting employer, industry and community demands. As at 30 June 2014, TAFE Queensland will operate statewide training centres managed through six regions including Brisbane, Gold Coast, SkillsTech, East Coast, South West and North.

Queensland Curriculum and Assessment Authority

The Queensland Curriculum and Assessment Authority (QCAA) will replace the Queensland Studies Authority (QSA) on 1 July 2014 as the statutory body responsible for providing kindergarten to Year 12 syllabuses and guidelines, and assessment, testing, reporting, certification and tertiary entrance services to Queensland schools. The QCAA will continue to support the Government's objectives for the community to revitalise front line services for families by assisting teachers to develop high-quality curriculum for the classroom.

Supporting government objectives

The department is focused on contributing to the Government's objectives for the community to:
- grow a four-pillar economy based on tourism, agriculture, resources and construction by investing in Queenslanders' skills and employment initiatives in these areas
- lower the cost of living for families by cutting waste and reducing red tape
- provide better infrastructure and better planning for kindergartens and schools
- revitalise frontline services for education, and improve training and employment outcomes
- restore accountability in government.

These objectives are underpinned by the Government's target to reduce unemployment in Queensland to four per cent within six years.

Queensland public service values

In September 2013, the Queensland Government established five values that guide how employees work within the Queensland Public Sector. DETE has adopted these values and embedded them in our corporate documents to ensure that all staff understand and apply the values in their day-to-day work. The values, as they apply within DETE, are included in our Strategic Plan:
- *Customers first* – creating positive experiences for children, students, families, communities and industry through enabling choice, being responsive and providing inclusive services.

- *Ideas into action* – recognising and cultivating innovation for better learning outcomes.

- *Unleash potential* – working efficiently and effectively, with high expectations of each other and our services.

- *Be courageous* – promoting evidence informed decision making, transparency and accountability.

- *Empower people* – developing and empowering our people through relationships based on trust, respect and valuing diversity.

We have also used the values to underpin the department's governance framework. Governance elements are mapped to the values so that staff understand the relationship between governance and our values.

Whole-of-government projects

The department is contributing to various whole-of-government projects to achieve the Government's goal of transforming the Queensland Public Sector into the most responsive and respected public sector in the nation. These include implementation of the recommendations of the independent Commission of Audit, Corporate Services Renewal, the Open Data Revolution, and the Red Tape Reduction Program. During 2013–14, DETE critically examined its services and service delivery to ensure that future delivery models will deliver the best possible outcomes for clients as efficiently as possible. This work will continue in 2014–15.

Public sector renewal

The department's renewal strategy aligns with the whole-of-government agenda to renew the public service. We have already started to put in place the fundamental building blocks to reposition the work we do to ensure we deliver the best possible education, training and employment services and outcomes for Queenslanders.

Our renewal strategy is focussed on three key reforms:
1. Developing a new operating model for the delivery of departmental services, with a strong focus on customer outcomes and clear roles and responsibilities across regions and central office.
2. Ensuring smooth transitions between stages of education, supported by close connections between regions and central office.
3. Establishing clear accountabilities to ensure efforts and resources are directed towards our key priorities, including a new performance assessment framework for schools.

Corporate Services Renewal program

The Queensland Government has an ambitious reform agenda to transform the Queensland Public Sector into the best public sector in the nation with the renewal of corporate services being a key focus. DETE has commenced the revitalisation of its corporate services with a focus on providing cost-effective solutions for frontline service delivery. A key component of the DETE Corporate Services Renewal program will be an increase in contestability arrangements through the application of the whole-of-government contestability framework.

Red tape reduction

The Queensland Competition Authority has developed a framework to reduce the burden of regulation across the Queensland Government by 20 per cent over six years. The department's target is a 17 per cent reduction. This lower-than-average target acknowledges the amount of national legislation we administer, for which there is limited reduction opportunity. This is mainly in the Early Years and Higher Education sectors. In the Office of Best Practice Regulation's first Annual Report (as at 30 June 2013), the department's reduction was one per cent. We are on track to increase that percentage at the end of the 2014 financial year.

To achieve this reduction, the department released its *Red Tape Reduction Strategy* in March 2014. The strategy:

- focuses on delivering better outcomes for business and the community by making it easier to deal with us and improving customer focus through streamlined internal processes
- consolidates red tape reduction initiatives in a single reference point to provide consistency and avoid duplication
- outlines red tape reduction principles, responsibilities and projects underway and completed.

The strategy will be supported by an action plan which lists all the red tape reduction projects across the department, and supports staff in counting requirements. The department's *Red Tape Reduction Strategy* is available on the department's website at www.dete.qld.gov.au/corporate/red-tape-reduction-strategy.html.

In 2013–14 the department's contribution to the Government's commitment to reduce red tape included:
- introducing the *Education and Care Services Act 2013* in response to the review of the *Child Care Act 2002* to reduce the administrative burden on early childhood education and care providers while maintaining accountability through appropriate levels of monitoring

- reviewing the *Grammar Schools Act 1975* to ensure the legislation met contemporary needs for Grammar Schools
- reviewing legislation relating to higher education to reduce regulatory burden and duplicative reporting, including:
    - *Higher Education (General Provisions) Act 2008*
    - Queensland university legislation
- reviewing the processes for regulation of the non-state education sector to streamline and simplify practices while ensuring that standards of education and public confidence are maintained
- implementing a new VET framework to:
    - establish a contestable VET funding model that increases funding available to the broader training market
    - establish a contemporary regulatory framework for apprenticeships and traineeships
    - reduce legislative barriers to employment and training opportunities
    - recognise alternative training pathways
- continuing to streamline policy and procedural requirements imposed on teachers, departmental staff, students, parents and industry
- introducing the *Strengthening Discipline in Queensland State Schools* strategy to give principals more power to manage behavioural issues quickly and effectively without regulatory burdens
- establishing the Red Tape Reduction Council of Principals to advise on practical measures to reduce the administrative burden on school principals and their staff
- developing the *Department of Education, Training and Employment's Red Tape Reduction Strategy*, supported by an action plan
- supporting the Australian Government's review of the *Australian Education Act 2013* which underpins school funding arrangements to ensure the states, territories and non-government sectors maintain authority over and responsibility for their schools
- releasing the second edition of the Queensland state schools *Red Tape Reduction* booklet outlining the latest figures on red tape reductions.

Corporate governance

The department's corporate governance framework sets out the standards of accountability and transparency expected of government by our many stakeholders and the people of Queensland. The overall aim of the framework is to drive performance improvement while meeting our obligations and legislative requirements. It outlines the principles, elements and mechanisms to drive and support effective governance through strong leadership, responsible and ethical decision-making, management and accountability, and performance improvement. The DETE *Corporate Governance Framework 2014–18* is available online at www.dete.qld.gov.au/corporate/governance.

Governance committees

The department has established a number of governance committees to advise and support the Director-General in discharging responsibilities. The Executive Management Board (EMB) provides executive leadership to support the Director-General to meet departmental legislative, policy and management accountabilities. EMB member profiles as at 30 June 2014 are provided in Appendix 1.

The EMB is supported by corporate governance committees that provide forums for senior executives to engage with the range of strategic agendas. A number of other committees and consultation mechanisms, both internal and external, also help to support decision-making by the EMB and its subcommittees. The department's governance committees are reviewed annually to ensure alignment with DETE's direction and objectives. The structure of the committees, that were operational during the 2013–14 financial year, and the reporting arrangements are outlined in Figure 2.

Figure 2: Department of Education, Training and Employment governance committee structure, 2013–14
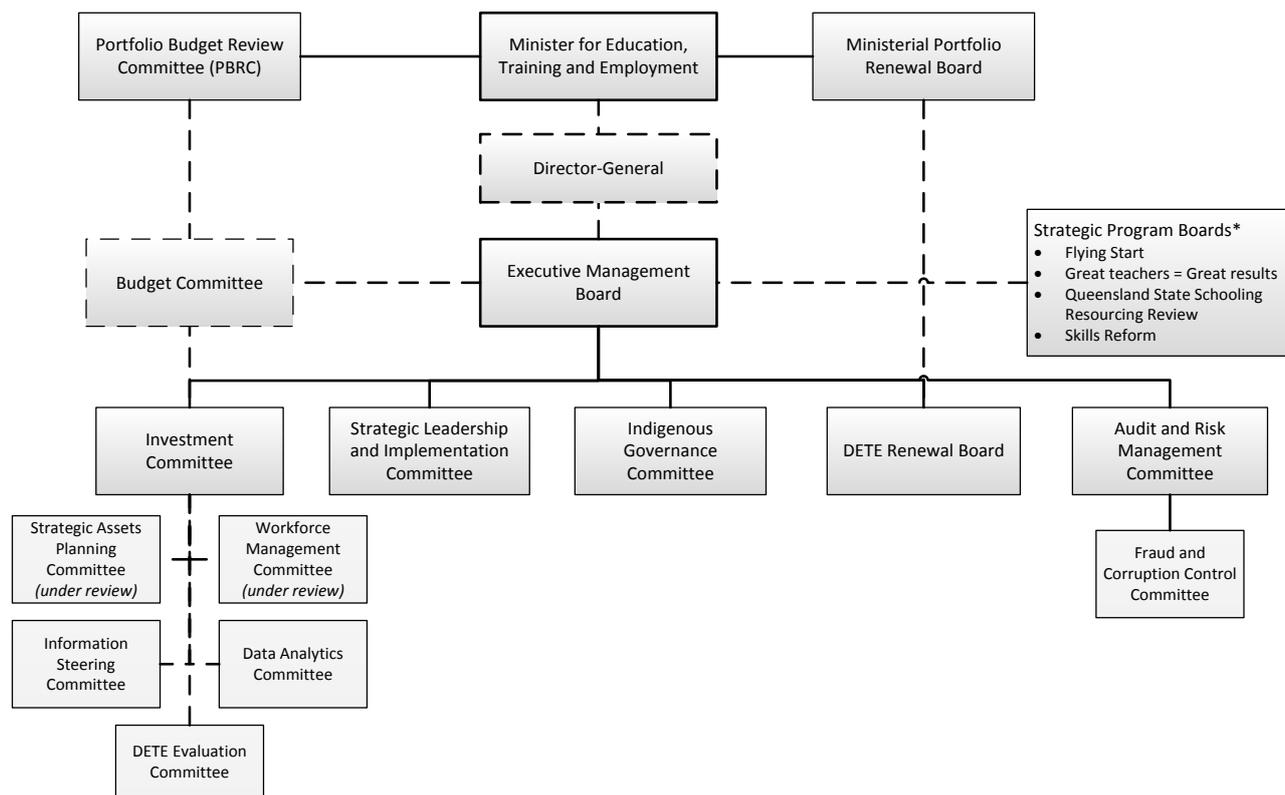
Source: Department of Education, Training and Employment

The department's governance committees meet annually at a minimum. Further information regarding the committees is provided in Appendix 2.

Statutory bodies and entities

The following statutory bodies and entities produce their own annual reports to be tabled in Parliament, or have reporting requirements independent from the department:

- TAFE Queensland
- Boards of Trustees of Grammar Schools
- Non-State Schools Accreditation Board (including Non-State Schools Eligibility for Government Funding Committee)
- Queensland College of Teachers (QCT)
- Queensland Education Leadership Institute (QELI)
- Queensland Studies Authority (QSA) – the QSA will prepare its final annual report for the financial year ending 30 June 2014
- Queensland Curriculum and Assessment Authority (QCAA) – the functions of the QSA will be transferred to the QCAA on 1 July 2014
- Building and Construction Industry Training Fund (BCITF) (Qld), trading as Construction Skills Queensland
- Queensland universities.

Further information about these statutory bodies and entities is provided in Appendix 3.

Our stakeholders

To assist in our planning and policy making, the department engages with a wide range of stakeholders including:

- parents and carers
- members of school councils
- early childhood services and organisations
- Parents and Citizens (P&C) associations
- parents and friends associations
- non-government schooling sectors

- students
- volunteers
- unions
- employees
- business and industry
- universities and the broader higher education sector
- private training providers
- statutory bodies
- peak bodies and interest groups
- related government organisations
- interested groups
- the Queensland community
- not-for-profit community-based organisations.

Our work with the Australian Government

Due to machinery-of-government changes within the Australian Government, the department now works in partnership with the federal Department of Education, the Department of Industry and the Department of Employment on early childhood, schooling, VET, higher education and employment issues.

At the end of 2013, the Council of Australian Governments (COAG) decided to streamline the existing 22 Ministerial Councils to eight, to refocus on COAG priorities. The two new relevant councils are the Education Council (with responsibility for early childhood, schooling and higher education) and the Industry and Skills Council.

The department's key strategies support the COAG agenda through National Agreements, National Partnerships and other initiatives, including:
- universal access to early childhood education
- Indigenous early childhood development
- implementing a National Quality Framework (NQF) for early childhood education and care
- improving student outcomes in low socio-economic school communities
- providing more support for students with disability
- closing the gap for Indigenous children and Indigenous economic participation
- Australian Curriculum
- improving literacy and numeracy
- empowering local schools
- trade training centres in schools
- investing in focus schools
- helping our kids understand finances
- improving teacher quality
- youth attainment and transitions
- national solar schools plan
- skills reform
- training places for single and teenage parents
- TAFE fee waivers for child care qualifications
- Commonwealth, State and Territory Group Training Program.

A number of national partnership and project agreements expired during the 2013–14 year, including improving literacy and numeracy, investing in focus schools, improving teacher quality, youth attainment and transitions, national solar schools plan and the Commonwealth, State and Territory Group Training Program. As part of the Australian Government's Student's First initiative, the national partnership relating to improving student outcomes in low socio-economic school communities was ceased and rolled up into the new recurrent funding arrangements for schools.

Information regarding the outcomes, objectives, targets and performance indicators in National Agreements and National Partnership Agreements under the Intergovernmental Agreement on Federal Financial Relations can be found online at www.federalfinancialrelations.gov.au/content/intergovernmental_ agreements.aspx.

Our critical issues

Key challenges that face the department as we plan for the future include:
- operational efficiency and the reduction of red tape in our operations
- regulation of early childhood education and care services
- access to quality Kindergarten programs across Queensland
- readiness of all Queensland children to start school
- educational outcomes including literacy, numeracy and science for every child in every classroom
- senior schooling retention and attainment rates
- responsiveness and efficiency of the post-secondary education and training sector
- Queenslanders with trade, training and tertiary qualifications that meet the needs of Queensland industries
- contribution to the Government's target to reduce unemployment in Queensland to four per cent within six years
- systems and infrastructure that support effective and contemporary service delivery now and into the future
- attraction, retention and development of high-quality teachers, staff and leaders within a geographically diverse state
- delivery of services to a diverse and growing population that includes increasing numbers of vulnerable and disadvantaged Queenslanders
- the gap between Indigenous and non-Indigenous attendance and outcomes
- seamless transitions for students and workers through early years, education, training and into employment
- developing future global citizens who recognise and value diversity.

Our future directions

2014–15 will mark the next stage of our renewal journey and will see the start of the department's new operating model which has a strategic priority of empowerment and collaboration across the whole department.

This new empowered business model will ensure accountabilities and resources are in place to support our three key areas of responsibility – early childhood education and care, schools, and training and employment – as outlined in the *DETE Strategic Plan 2014–18*.

DETE has already commenced a number of strategic reforms such as:
- Great teachers = Great Results
- Great skills. Real opportunities
- Solid partners Solid futures.

The coming year will see the department continue to embed these key policy reforms.

In particular, in the early years sector, we will be working with stakeholders to co-design a new early childhood action plan that will build on the strong foundations of Queensland's existing vibrant early childhood and care sector. This next stage will focus on quality, universal access, improving access and attendance for the most vulnerable children, and building successful transitions through closer connections with school education.

In the school education sector, we will focus on increasing school autonomy and reducing red tape so our schools can direct their resources to those actions that will lift the quality of teaching and learning in every classroom, every day. An important renewal activity in the school sector will be the introduction of a School Improvement Unit to assist schools to lift performance for their school communities.

In the training and employment sector, we will continue to work in partnership with industry to embed greater student choice, more contestability in the training market, an improved apprenticeship system and investment guided by industry advice leading to employment outcomes.

DETE will also have a key role in supporting the Government in delivering Queensland's first Education Accord, a historic document that will map a 30-year vision for school education for Queenslanders. Education has been identified as the most important foundation area in the Queensland Plan and the Education Accord will bring together ideas from government, industry and community to map out the future of education.

Our people are the key to delivery of our services and in line with the new operating model of collaborative empowerment, we will be adopting a partnership approach across regions and central office to deliver our services. This single, state-wide service delivery model for services will lead to better services and, ultimately, better outcomes for students and our customers.

Commitment to real collaboration and engagement across service sectors, and with the community, industry and all levels of government is at the core of our success to date. We will continue to strengthen these relationships over the coming year.

Chief Finance Officer's report

Chief Finance Officer's report

The year saw the implementation of the department's renewal strategy, including establishment of a new operating model, a focus on improving transitions between the different stages of education and establishing clear accountabilities to ensure investment is directed towards the department's strategic priorities.

This ambitious reform agenda includes enhanced financial autonomy for schools to encourage innovative approaches to learning through localized decision making and ensuring that resources are allocated in a fair and transparent way and focused on enhanced student outcomes. In alignment with this strategy, the *Great Results Guarantee* was introduced with $131 million in funds being provided directly to all state schools in 2014.

Great Skills. Real Opportunities saw the establishment of TAFE Queensland (TAFE) and Queensland Training Asset Management Authority (QTAMA) as statutory authorities on 1 July 2014. 2013-14 was the last year that TAFE operations and training assets will be incorporated into the department's Financial Statements.

The SAP Enterprise Resource Planning and Business Intelligence solution was successfully implemented in the first half of 2013-14. The implementation of this system will realise financial savings in excess of $16 million over the next ten years, which will provide a platform for enhanced business intelligence reporting to achieve greater value for money and will enable the realignment of departmental resources to frontline service delivery.

Through strong fiscal discipline the department achieved an operating surplus of $0.1 million in 2013-14.

In accordance with the requirements of section 77(2)(b) of the *Financial Accountability Act 2009*, I have provided the Director-General with a statement that the financial internal controls of the department are operating efficiently, effectively and economically in conformance with section 57 of the Financial and Performance Management Standard 2009. As Chief Finance Officer, I have therefore fulfilled the minimum responsibilities as required by section 77(1)(b) of the Act.

Adam Black FCPA CA
Assistant Director-General, Finance
Chief Finance Officer

<table>
<tr><td></td><td colspan="5">Priority action</td></tr>
<tr><td>Financial sustainability</td><td colspan="5">Strengthen service outcomes through maximising value, driving efficiency and planned and targeted investment.</td></tr>
</table>

Table 2: Financial snapshot

Financial snapshot	2009–10 $(000)	2010–11 $(000)	2011–12 $(000)	2012–13 $(000)	2013–14 $(000)
Controlled revenue					
Departmental services revenue	6 361 623	6 827 758	7 425 300	7 394 773	7 604 826
Other revenues	688 447	726 701	788 180	814 899	755 721
Controlled expenses	7 048 818	7 553 279	8 212 044	8 209 130	8 360 444
Operating surplus/(deficit)	1 252	1 180	1 436	542	103
Administered grants (state)	614 699	664 728	675 895	710 923	773 613
Capital outlays	2 063 375	1 437 739	532 842	423 868	532 099
Total assets	17 835 198	18 662 635	18 719 423	18 481 943	18 450 300
Total liabilities	1 241 759	1 017 233	993 342	950 005	1 078 339
Net assets/(liabilities)	16 593 439	17 645 402	17 726 081	17 531 938	17 371 961
	2009–10	**2010–11**	**2011–12**	**2012–13**	**2013–14**
Employee expenses ($000)	4 981 683	5 325 565	5 685 185	5 756 319	5 934 253
Number of employees at 30 June (FTE)	65 829	66 716	67 435	66 629	67 952

Source: Department of Education, Training and Employment

For a comprehensive set of financial statements covering all aspects of the department's activities, see **Financial statements**. No totals have been adjusted for commercial-in-confidence requirements.

Our income – where the funds come from

We received $8.360 billion for our operations, an increase of $151 million from last year.

Departmental services revenue increased by $210 million. This was largely due to additional funding for state school enrolment growth, enterprise bargaining and increased Australian Government funding under the *National Education Reforms – Students First* program. These increases have been partially offset by funding deferrals particularly in the Early Childhood, and Skills Reform areas.

The department also received $2.736 billion in administered funding, an increase of $203 million from 2012-13. Administered funding includes Commonwealth funding transfers to non-government schools, as well as state grants to statutory authorities, peak bodies for non-state schools and other entities, enabling them to deliver agreed services to Queenslanders.

Figure 3: Income, 2013–14
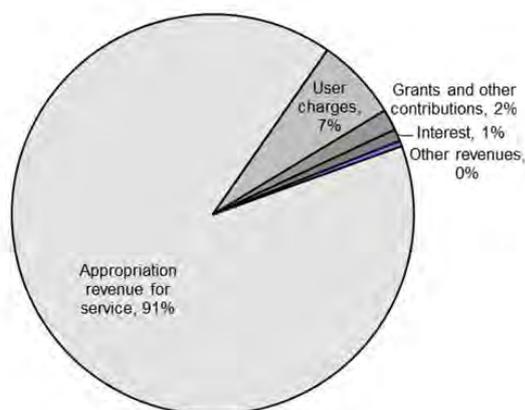
Source: Department of Education, Training and Employment

Our expenses – how the funds are spent

The department's total expenses for 2013-14 were $8.360 billion, an increase of $151 million from last year. Salaries and wages remain the agency's major expense component at 71 per cent of total expenses. This is in line with the agency's renewal agenda to ensure resources are prioritised towards frontline services, including teachers and trainers supporting the learning needs of students and clients.

Figure 4: Expenses, 2013–14
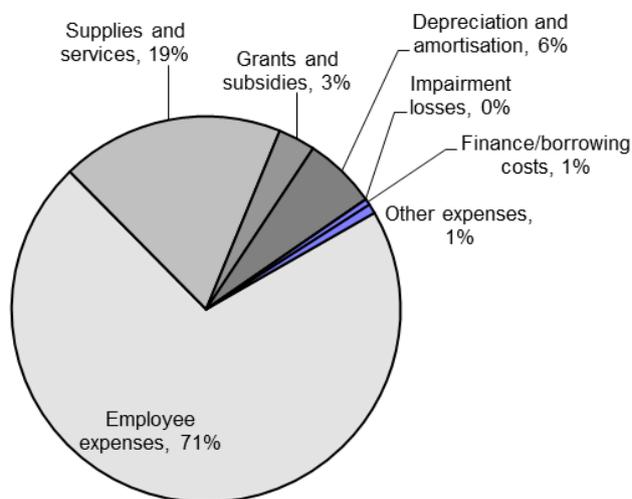
Source: Department of Education, Training and Employment

Figure 5: Average cost per student in state schools **KPI**
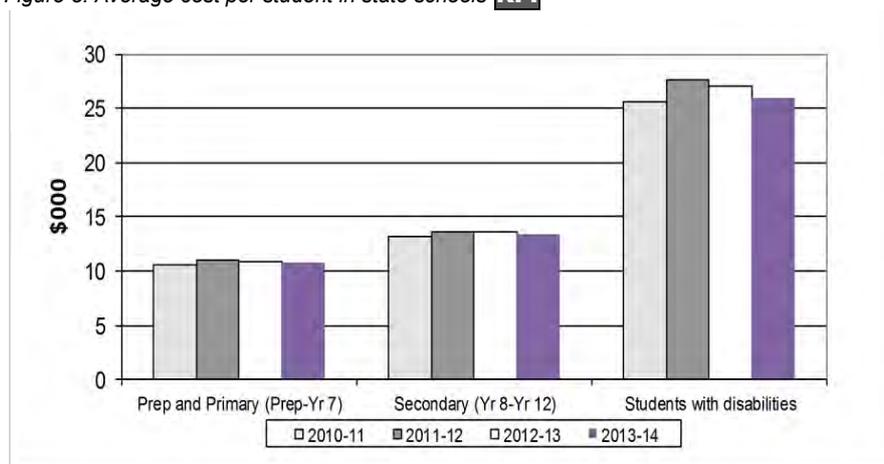
Source: Department of Education, Training and Employment

Notes:
1. *Average Cost per Student based on Service Delivery Statements Estimated Actual.*
2. *2013-14 excludes payroll tax in the average cost per student calculation.*

Our assets – what we own

The department held assets totalling $18.450 billion at 30 June 2014, a decrease of $32 million on 2012-13.

There was improvement in the department's cash position as a result of the inclusion of Southbank Institute of TAFE and Gold Coast Institute of TAFE in the department's accounts, increased school bank balances, improvement in TAFE operating position and higher accrued employee expenses.

The majority of our assets are in land and buildings associated with schools, TAFE institutes and early childhood facilities. Changes to the Fair Value accounting standard, whereby assets are valued at their highest and best use, was applied to the department's asset base in 2013-14, resulting in a change in the accounting valuation of training assets from a replacement cost to income basis. This resulted in a write down of these assets from $982 million to $391 million at the end of the financial year.

Figure 6: Value of property, plant and equipment and intangible assets
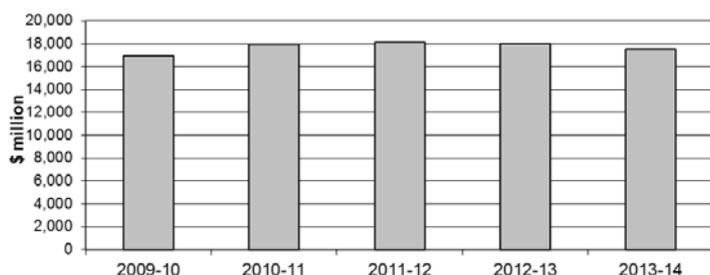
Source: Department of Education, Training and Employment

Our liabilities – what we owe

The department held liabilities totalling $1.078 billion at 30 June 2014, an increase of $128 million from 2012-13. This increase is mainly due to higher accrued expenses for employee benefits, and for capital works expenditure due to the *Flying Start* - Year 7 into high school infrastructure program.

Lease assets and corresponding finance lease liabilities for the Southbank Education and Training Precinct and the Aspire South East Queensland Schools program are held by the department and form the majority of our financial liabilities.

Comparison of actual financial results with budget

Provision of these statements allows comparison of the actual financial results of the controlled operations of the department with the department estimates published in the State Budget papers 2013–14 Service Delivery Statements – Book 3. This is consistent with the government's commitment to more transparent financial reporting.

Table 3: Statement of income for the year ended 30 June 2014

	Notes	2013–14 Actual $'000	2013–14 Original budget $'000	Variation
Income from Continuing Operations				
Departmental services revenue	1	7 604 826	7 931 608	-4%
User charges	2	560 497	423 465	32%
Grants and other contributions		145 258	164 664	-12%
Interest	3	14 012		
Other revenues	4	35 954	152 707	-76%
Total Income from Continuing Operations		8 360 547	8 672 444	-4%
Expenses from Continuing Operations				
Employee expenses		5 934 253	5 915 207	0%
Supplies and services		1 549 959	1 644 236	-6%
Grants and subsidies	5	258 483	479 286	-46%
Depreciation and amortisation		506 716	522 410	-3%
Impairment losses and other expenses		1 114	697	60%
Finance/borrowing costs		43 631	42 028	4%
Other expenses		66 288	68 580	-3%
Total Expenses from Continuing Operations		8 360 444	8 672 444	-4%
Operating Result from Continuing Operations				
Operating Result from Continuing Operations		104	-	

Source: Department of Education, Training and Employment

Notes:
1. The decrease is mainly due to transfer of funds to equity to reflect the level of expensed capital works and school bank account movements, and deferrals of funding for programs including Skills Reform, and Universal Access, partially offset by increased Commonwealth funding under the National Education Reforms - Students First program.
2. The increase is mainly due to higher school revenues such as excursions and resource hire schemes, and higher revenues received by TAFE units Gold Coast Institute of TAFE (GCIT) and Southbank Institute of Technology (SBIT) which returned to the department on 1 July 2013.
3. Interest revenue included in 'Other revenues' budget line.
4. The decrease is due to change in treatment of recoveries for staff provided to SBIT and GCIT.
5. The decrease is mainly due to funding deferrals of funding including Commonwealth National Partnership programs for Skills Reform, and Universal Access, and the State funded component of the Universal Access program.

Table 4: Statement of financial position as at 30 June 2014

	Notes	2013–14 Actual $'000	2013–14 Adjusted budget $'000	Variation (a)
Current Assets				
Cash and cash equivalents	1	623 020	404 873	54%
Receivables		187 165	180 492	4%
Other financial assets	2	25 871	-	
Inventories		3 679	4 025	-9%
Other current assets		44 093	50 792	-13%
		883 828	640 182	38%
Non-current assets classified as held for sale	3	51 411	8 530	503%
Total Current Assets		935 239	648 712	44%
Non-Current Assets				
Property, plant and equipment	4	17 428 844	18 787 862	-7%
Intangible assets	5	86 217	69 244	25%
Total Non-Current Assets		17 515 061	18 857 106	
TOTAL ASSETS		18 450 300	19 505 818	
Current Liabilities				
Payables	6	367 870	333 452	10%
Interest-bearing liabilities		10 692	10 869	-2%
Accrued employee benefits		122 735	117 487	4%
Other current liabilities	7	75 530	40 767	85%
Total Current Liabilities		576 827	502 575	
Non-Current Liabilities				
Interest bearing liabilities		501 512	501 959	0%
Total Non-Current Liabilities		501 512	501 959	
TOTAL LIABILITIES		1 078 339	1 004 534	
NET ASSETS		17 371 961	18 501 284	
Equity				
Contributed equity		5 353 572	4 954 822	8%
Accumulated surplus		44 987	44 341	1%
Asset revaluation surplus	8	11 973 402	13 502 121	-11%
TOTAL EQUITY		17 371 961	18 501 284	

Source: Department of Education, Training and Employment

Notes:
The variances for these controlled items can be explained as follows:
1. *The increase is mainly due to higher balances in school accounts and for GCIT and SBIT, as well as holdings to match the higher level of current liabilities.*
2. *The increase reflects SBIT's fixed term deposit investment.*
3. *The increase reflects rationalisation of assets determined to be surplus to requirements*
4. *The decrease is mainly due to the write down of TAFE infrastructure assets prior to their transfer to the Queensland Training Assets Management Authority (QTAMA).*
5. *The increase is due to capitalisation of the latest stage of the OneSchool school administration system.*
6. *The increase is mainly due to higher capital creditors due to the Flying Start building program*
7. *The increase is mainly due to higher level of revenue received in advance for International students, TAFE students, and for land sales deposits.*
8. *The decrease is mainly due to the write down of TAFE infrastructure assets prior to their transfer to the Queensland Training Assets Management Authority (QTAMA).*

Early childhood education and care

Outcome: *Queensland families accessing quality early years services*

Our focus | Priority actions

Successful learners

Support Queensland families to enrol their children in Kindergarten programs, with a focus on those families with most need.

Great people

Support the early childhood education and care workforce through up-skilling programs, teacher scholarships, fast-track skilling programs and targeted training.

Engaged partners

Work with parents and carers to be actively engaged in their child's learning and development.

Integrate early years service delivery by funding 'wrap around' models such as Early Years Centres and Children and Family Centres.

High standards

Implement the National Quality Framework (NQF) and equivalent regulatory requirements for non-NQF services.

Performance indicators

- Participation in early childhood education programs
- Regulatory compliance

Service standards

Table 5: Service standards – Early childhood education and care

Service standards	Notes	2013–14	
		Target/estimate	Actual
Proportion of Queensland children enrolled in an early childhood education program **KPI**	1,2,3,4	95%	97.4%
Proportion of enrolments in an early childhood education program:	1,2,3,4,5,6		
• Indigenous children **KPI**	7,8	95%	77.9%
• Children in disadvantaged communities **KPI**	9	95%	85.5%
Proportion of complaints relating to serious safety breaches in education and care services and child care services that are responded to within two working days **KPI**.		100%	100%

Source: Queensland State Budget 2013–14 Service Delivery Statements and Performance, Monitoring and Reporting, Department of Education, Training and Employment

Notes:
1. *The 2013–14 and 2014–15 Target Estimate is a nationally agreed benchmark established under the National Partnership Agreement on Universal Access to Early Childhood Education.*
2. *Early childhood education program: A play-based program provided by a degree qualified teacher recognised under the National Quality Framework delivered to children in the year before full-time school.*
3. *Under the National Partnership Agreement for Universal Access to Early Childhood Education, Queensland is committed to achieving and maintaining access to an early childhood education program for all children in the year before full-time school.*
4. *Data is published by the Australian Bureau of Statistics (ABS) in the Preschool Education Australia 2013 publication catalogue 4240.0.*
5. *Variance between the 2013–14 Target Estimate and Actual can be attributed to the voluntary nature of Kindergarten participation and factors affecting participation by more vulnerable and disadvantaged groups such as affordability, physical access and cultural inclusiveness.*
6. *The measures represent the proportion of children enrolled from each cohort group as a proportion of the estimated total population of that cohort group in Queensland.*
7. *Indigenous: a person of Aboriginal and/or Torres Strait Islander origin who identifies at enrolment to be of Aboriginal and/or Torres Strait Islander origin.*
8. *This result was incorrectly reported as 79.9% in the Department of Education, Training and Employment 2014–15 Service Delivery Statement.*
9. *Disadvantaged: a person that resides in statistical areas classified by the ABS in the bottom quintile using the Index of Relative Socio Economic Disadvantage.*

Our Achievements

Empowerment

> **Priority action**
> *Work with the early childhood sector to ensure early years initiatives are effectively targeted and inclusive.*

Early years action plan

In December 2013, the department released a discussion paper titled 'Pathways to Action: Improving early childhood outcomes'. This discussion paper set the scene for discussions with stakeholders over three days in December 2013, seeking views on the future direction for early childhood services in Queensland.

The department is developing an early years action plan that will build on the strong foundation of Queensland's existing and vibrant early childhood education and care sector and will focus on improved outcomes for Queensland children and their families.

Valuing diversity

The Queensland Government is committed to ensuring that Kindergarten programs provided are inclusive and reflect the community's diverse needs. During 2013–14, the department strived to ensure that vulnerable and disadvantaged children were provided with the opportunities to participate in a Kindergarten program. The following programs were delivered during 2013–14:

- The Specialised Equipment and Resources program provided eligible kindergarten services with access to specialised equipment and professional resources to support children with disabilities to participate in their Kindergarten program.
- The $2.036 million Disability Support Funding program provided between $2000 and $6000 per eligible child to support children with a suspected or diagnosed disability to participate in a quality Kindergarten program.
- The Kindergarten transport initiative increased the participation of children in 11 locations enrolled in Kindergarten programs where attendance is impeded by the lack of available transport.
- The Transition to Kindergarten Program supported Aboriginal and Torres Strait Islander and CALD families in playgroup settings to learn about the importance of Kindergarten and make connections to kindergarten programs.
- Pre-Kindergarten Grants built the capacity of existing early years and family-centred services to address challenges to Kindergarten access and participation for Aboriginal and Torres Strait Islander children and children from CALD backgrounds.
- Pilot trial of a cultural competence support and guidance program strengthened the capacity of Kindergarten providers to effectively engage with Aboriginal and Torres Strait Islander families and deliver inclusive early childhood education programs to meet the learning needs of Aboriginal and Torres Strait Islander children.
- Grants for Kindergarten program providers supported qualified early childhood teachers from Aboriginal, Torres Strait Islander or non-English speaking backgrounds to commence work in an eligible Kindergarten program and also support activities that assist cultural inclusion and promote collaborative partnerships with local CALD families and communities.
- The Queensland Kindergarten Funding Scheme (QKFS) Plus Kindy Support subsidy was extended to provide support to Aboriginal and Torres Strait Islander families, ensuring low or no cost access to a Kindergarten program.

In 2013, funding was provided for 48 projects across Queensland through the Australian Early Development Index Community Action Grants Program. The projects raised awareness of issues relevant to early childhood development, supported partnerships within communities and enhanced community capacity to support early childhood development.

Solid partners Solid futures – Phase 1

Solid partners Solid futures is the department's commitment to ensure that all Aboriginal and Torres Strait Islander children have the support they need to enjoy and achieve success throughout their educational journey from early childhood through to employment. In Phase 1, Aboriginal and Torres Strait Islander children from birth to eight years of age are supported to learn, thrive and make successful transitions from home to early childhood education and care, and into school.

Embedding Aboriginal and Torres Strait Islander Perspectives in Early Childhood

As part of the Queensland Government's commitment to ensuring that early childhood education and care services provide inclusive programs that reflect and value their community's diversity, the department conducted a 12 month pilot trial of the Embedding Aboriginal and Torres Strait Islander Perspectives (EATSIPS) in Early Childhood program in 10 priority locations across Queensland. EATSIPS is a cultural competence support and guidance program to strengthen the capacity of Kindergarten providers to effectively engage with Aboriginal and Torres Strait Islander families and deliver inclusive early childhood education programs to meet the learning needs of Aboriginal and Torres Strait Islander children.

Significant achievements during 2013–14 include:
- The successful program 'Embedding Aboriginal and Torres Strait Islander Perspectives in School' was adapted to suit the early childhood context.
- 301 educators from 121 Kindergarten program providers and 37 other stakeholders participated in the 12 month pilot, attending a suite of workshops and benefiting from in-situ advice and guidance support from local cultural mentors.

- Findings from the review of the pilot indicated the program had been positively received and was extremely successful in increasing participants' knowledge of: Aboriginal and Torres Strait Islander history and culture, engaging effectively with Aboriginal and Torres Strait Islander families and delivering culturally inclusive programs.
- Lessons from the pilot have been used to inform program rollout in 2014.

Pre-Prep – Aboriginal and Torres Strait Islander communities

Pre-Prep provides an early learning program for Aboriginal and Torres Strait Islander children in their Kindergarten year living across 35 discrete communities. The program is supported by the *Foundations for Success guideline for extending and enriching learning for Aboriginal and Torres Strait Islander children in the Kindergarten year*, which educators use to build on children's culture, language and strengths. The program is provided 15 hours a week for 40 weeks a year and is delivered in a range of settings, including schools, community kindergartens and a child care centre (28 state schools and five non-government settings). In 2013, 653 children were enrolled in the pre-Prep program.

Successful learners

Priority action
Support Queensland families to enrol their children in Kindergarten programs, with a focus on those families with most need.

The department is committed to providing Queensland children with a great start to lifelong learning and ensuring that all Queensland children have the opportunity to access safe and quality early childhood education and care regardless of where they live, or the economic circumstances of their families. As one of its key priorities, the department aims to ensure that all Queensland children are able to access a Kindergarten program in the year before they commence Prep.

Universal access to Kindergarten programs

The introduction of the Kindergarten reforms led to a significant increase in the proportion of Queensland children enrolled in early childhood education (Kindergarten programs). In 2008, 29 per cent of children in Queensland were enrolled in an early childhood education program. This increased to 97.4 per cent in 2013 `KPI`.

During 2013–14, the department worked towards delivering extra Kindergarten services by 2015. In 2013–14, a total of 19 extra Kindergarten services were established. The Brisbane School of Distance Education provides children who cannot easily access a centre-based Kindergarten program due to isolation, illness or family lifestyle with access to a Kindergarten program. In 2014, a total of 182 children were enrolled in eKindy, up from 169 in 2013.

The department administered the Renovation and Refurbishment Grant Program for Kindergarten Services and the Essential Upgrades for Not-for-profit ECEC services capital grant programs which provided up to $34 million for eligible services to improve facilities to assist in the delivery of Kindergarten programs that meet new NQF standards. The department funded Childcare Queensland to deliver the Kindergarten Advisory Support Service to assist long day care services to implement and maintain an approved Kindergarten program and meet the requirements of the QKFS. The number of long day care service providers continues to grow with approximately 1200 centres receiving funding to deliver an approved kindergarten program in 2013.

All new and existing Kindergarten services are required to be a member of a Central Governing Body (CGB) in order to access Kindergarten funding. CGBs support the provision of quality and inclusive Kindergarten services and programs. CGBs are the primary contact for Kindergarten services for all matters relating to the delivery of their Kindergarten program. Administrative support is provided by CGBs to ensure Kindergarten services fulfil their financial and performance reporting requirements and obligations. The department has five organisations approved as CGBs:
- The Crèche and Kindergarten Association Limited
- Independent Schools Queensland
- Queensland Catholic Education Commission
- Queensland Lutheran Early Childhood Services
- The Gowrie (QLD) Inc.

Bilateral agreement targets

Queensland exceeded the overall participation target for 2013. However, achieving the targets set for providing universal access to Kindergarten for vulnerable and disadvantaged children, including Aboriginal and Torres Strait Islander children is still a challenge for Queensland. Queensland will continue to focus on improving participation of vulnerable and disadvantaged children.

In 2013, 77.9 per cent of Indigenous children and 85.5 per cent of disadvantaged children were enrolled in early childhood education (Kindergarten) programs KPI. The number of four-year university trained (or equivalent) and early childhood qualified teachers delivering a Kindergarten program continued to grow from 1082 in 2011 to 2611 in 2013.

Great people

> ***Priority action***
> *Support the early childhood education and care workforce through up-skilling programs, teacher scholarships, fast-track skilling programs and targeted training.*

Early childhood workforce

The department's *Early Childhood Education and Care Workforce Action Plan 2011–2014* includes programs which have attracted and retained qualified early childhood educators and teachers; provided opportunities to up-skill the early childhood workforce, and supported Aboriginal and Torres Strait Islander early childhood educators. The range of initiatives under the *ECEC Workforce Action Plan 2011–2014* include:
- tuition-free TAFE Early Childhood Teacher Bridging Program for primary-qualified teachers to obtain early childhood qualifications and be recognised as an early childhood teacher
- scholarships for existing ECEC educators with three-year degree or Advanced Diploma qualifications to become qualified early childhood teachers
- incentive grants of $12 000 for early childhood teachers to relocate to rural and remote locations to deliver an approved Kindergarten program
- delivery of training support to existing and prospective educators in rural and remote areas
- delivery of training support for Indigenous educators in the Cape, Gulf and Torres Strait to complete an approved ECEC qualification
- provision of leadership and professional development programs for educators across the sector.

As at March 2014, 560 individuals have enrolled in the Early Childhood Bridging Program and 341 have completed their qualifications. In addition, the department has implemented the Kindy Rural and Remote Teacher Incentive Scheme, providing financial incentives to support 14 early childhood teachers to deliver an approved Kindergarten program in a rural and remote service.

Throughout 2013–14, the department managed the Early Childhood Teacher Scholarship Program, upgrading staff teachers' qualifications to facilitate delivery of approved Kindergarten programs. A total of 363 scholarships were offered to ECEC educators to support universal access to Kindergarten programs. As at 30 June 2014, 70 scholarship recipients had completed their studies with remaining scholarship recipients due to complete their studies by 2015. In addition, the department implemented strategies to increase and retain the cultural and linguistic diversity of the ECEC workforce. To date, a total of 233 grants have been provided across the four Supporting Diversity programs.

To support the achievement of our target of universal access to Kindergarten, the department provides funding to approved Kindergarten providers. One criterion of the funding approval process is that the Kindergarten program be delivered by a teacher with an approved early childhood teacher qualification.

Queensland Kindergarten Learning Guideline

The *Queensland Kindergarten Learning Guideline* (QKLG), developed by the former QSA, represents Queensland's first state-wide Kindergarten-specific learning program. The QKLG provides advice and guidance to teachers in delivering approved Kindergarten programs and monitoring children's progress. A suite of online professional development materials and free statewide, face-to-face workshops developed and delivered by the former QSA support Kindergarten teachers with the implementation of the QKLG. The QKLG professional development materials are available online at http://www.qcaa.qld.edu.au/10192.html.

Engaged partners

The department continues to fund more than 200 services to deliver early years programs and services, including child and family support hubs and playgroups, and early childhood development services such as family support and parenting programs. Throughout 2013–14, the department continued to encourage parents to enrol their children in an approved Kindergarten program through a range of strategies including:

- a statewide awareness campaign to Aboriginal and Torres Strait Islander communities and communities from CALD backgrounds
- support to parents and services through the Kindy Hotline
- access to accredited interpreters and translated posters, brochures and fact sheets available in 30 languages.

The department continued to engage with key stakeholders throughout 2013–14, including all CGB organisations, as well as other key stakeholders to inform the ongoing review and implementation of universal access initiatives. The department also convened a number of forums to engage stakeholders in the direction of early years programs. The Legislative and National Implementation Reform Committee continues to provide a mechanism for the ECEC sector to inform implementation of key state and national ECEC reform agendas. In addition, the Aboriginal and Torres Strait Islander Early Childhood Advisory Group, continues to provide advice to inform implementation of the National Partnership Agreement for Indigenous Early Childhood Development, and strategies for increasing participation of Aboriginal and Torres Strait Islander children in Kindergarten programs.

Integration of early years services

Integrated early years services provide early childhood education and care, family support and child and maternal health services to families with children aged from birth to eight years. The department's framework for integrated early childhood development supports and enhances integration across early years service providers. During 2013–14, the department:

- provided funding and support to integrated services including the EYCs, Child and Family Support Hubs and Remote Area Aboriginal and Torres Strait Islander early childhood services
- continued to fund and support a range of early years services that build the capacity of parents and carers to support their children's early learning and development and help prepare them for Kindergarten and school.

Children and family centres

The National Partnership Agreement for Indigenous Early Childhood Development provided for the establishment of 10 children and family centres in Queensland. The locations include Cairns, Doomadgee, Ipswich, Logan, Mackay, Mareeba, Mornington Island, Mount Isa, Palm Island and Rockhampton. The children and family centres provide integrated early childhood education and care, parenting and family support, and maternal and child health services. These centres focus on providing services to Aboriginal and Torres Strait Islander families with children from pre-birth to eight years. However, services are able to be accessed by all families.

Significant achievements during 2013–14 include:

- services provided to children and families from permanent facilities in all ten locations. Children and family centre services that commenced from permanent premises this year include Mount Isa and Mackay
- children and family centres continued to work closely and consolidate relationships with their local Aboriginal and Torres Strait Islander community to determine the kind of services and programs they require.

High standards

Priority action
Implement the National Quality Framework (NQF) and equivalent regulatory requirements for non-NQF services.

The department is responsible for approving and regulating education and care services in Queensland and leading Queensland's input into the national early childhood reform agenda. The NQF provides for a quality assessment and rating system and National Quality Standard for long day care, Kindergarten, pre-Prep, family day care and outside school-hours care. NQF services are assessed against seven quality areas and assigned a quality rating. They are also given an overall rating. Under the NQF, service providers are required to display their specific service ratings. From 1 May 2013, ratings of those education and care services that have received an assessment and rating have been published by the Australian Children's Education and Care Quality Authority established under the NQF. Queensland legislation for services not covered by the NQF has been reviewed. As a result, the *Education and Care Services Act 2013* has been developed. The Act commenced on 1 January 2014. Further information is available online at www.dete.qld.gov.au/earlychildhood/.

School education

Outcome: Queensland students engaged in learning and successfully transitioning to further education, training and work

Our focus | Priority actions

Empowerment

Drive autonomy and empower school principals to make decisions to address the learning needs of their school community with an unrelenting focus on improvement.

Successful learners

Focus on the core learning priorities (reading, writing, numeracy and science) to ensure all students have solid foundations to effectively engage in the community.

Improve attendance, retention, attainment and transition of students at key points in their schooling journey.

Support whole-of-school approaches that effectively target resources to meet the needs of every student.

Great people

Support teachers to build their professional capacity, provide meaningful feedback on their performance and identify those performing at the highest level.

Ensure every school has consistent and effective teaching and learning practices that include a focus on enhancing students' digital capability.

Engaged partners

Develop productive partnerships with parents, carers and the community to support improved student learning opportunities.

Welcome parents to be actively engaged in their child's learning.

High standards

Improve learning outcomes through consistent curriculum and analysis of student data to inform whole-of-school and individual improvement strategies.

Conduct reviews to ensure processes, school supports and regulation are best practice.

Ensure every school offers a safe and disciplined environment, where students and their parents understand the expectations of their school and their responsibilities as members of the school community.

Focus on efficient and effective registration services to ensure consistency of standards across schooling options.

Performance indicators

- Literacy and numeracy achievement
- Year 12 or equivalent attainment
- Student and parent satisfaction
- Outcomes for Indigenous Queenslanders
- Transitions to further education, training or employment

Service standards

Table 6: Service standards – School education

Service standards	Notes	2013–14	
		Target/est.	Actual
Literacy and numeracy			
Year 3 Test – Proportion of students at or above the National Minimum Standard KPI:	1,2		
• All students:			
− Reading		92%	93.1%
− Writing		94%	93.4%
− Numeracy		94%	93.4%
• Indigenous students:	3		
− Reading		84%	84.6%
− Writing		84%	82.4%
− Numeracy		86%	82.2%
Year 5 Test – Proportion of students at or above the National Minimum Standard KPI:	1,2		
• All students:			
− Reading		88%	94.6%
− Writing		90%	86.0%
− Numeracy		93%	90.5%
• Indigenous students:	3		
− Reading		67%	87.9%
− Writing		72%	66.1%
− Numeracy		78%	74.7%
Year 7 Test – Proportion of students at or above the National Minimum Standard KPI:	1,2		
• All students:			
− Reading		94%	91.1%
− Writing		92%	86.8%
− Numeracy		95%	94.7%
• Indigenous students:	3		
− Reading		85%	76.5%
− Writing		78%	69.0%
− Numeracy		85%	85.8%
Year 9 Test – Proportion of students at or above the National Minimum Standard KPI:	1,2		
• All students:			
− Reading		90%	89.9%
− Writing		86%	74.7%
− Numeracy		94%	86.5%
• Indigenous students:	3		
− Reading		75%	77.6%
− Writing		69%	55.3%

Service standards	Notes	2013–14	
		Target/est.	Actual
– Numeracy		82%	69.0%
Attainment outcomes			
Proportion of Year 12 students awarded a QCE **KPI**	1,4	83%	86.3%
Proportion of Year 12 students who are completing or have completed a SAT(School-based Apprenticeship and Traineeship) or were awarded one or more of: QCE, IBD or VET qualification **KPI**	1,4	95%	95.1%
Proportion of OP/IBD students who received an OP 1 to 15 or an IBD **KPI**	1	75%	75.1%
Number of students awarded a Queensland Certificate of Individual Achievement (QCIA) **KPI**	1	550	597
Post-schooling destinations			
Proportion of students who, six months after completing Year 12, were participating in education, training or employment **KPI**	5	88%	83.8%
Cost and satisfaction			
Average cost of service per student **KPI**	6		
• Primary (Prep – Year 7)		$10 792	$10 832
• Secondary (Year 8 – Year 12)		$13 572	$13 417
• Students with disabilities		$26 788	$25 950
Proportion of parents satisfied with their child's school **KPI**	7	90%	95.8%

Source: Queensland State Budget 2013–14 Service Delivery Statements and Performance, Monitoring and Reporting, Department of Education, Training and Employment

Notes:
1. *These service standards relate to the state schooling sector only.*
2. *NAPLAN National Minimum Standard (NMS) targets represent the aspirational goals for achievement against these measures and should be read in conjunction with other NAPLAN data, which show broad improvements (ABS Index of Relative Socio-Economic Disadvantage, IRSED).*
3. *Indigenous: a person of Aboriginal and/or Torres Strait Islander origin who identifies at enrolment to be of Aboriginal and/or Torres Strait Islander origin.*
4. *Attainment Outcomes acronyms: SAT – School-based Apprenticeship and Traineeship, IBD – International Baccalaureate Diploma, OP – Overall Position and QCE – Queensland Certificate of Education (QCE).*
5. *Sourced from the annual DETE Next Step survey. 'Students' refers to Year 12 completers. Due to the legislative requirement to table agency annual reports in September 2014, the 2014 Next Step survey data was not available at the time of printing. When the data becomes available, it will be uploaded to the DETE online annual report at www.dete.qld.gov.au/publications/annual-reports/13-14/index.html.*
6. *Calculation of the average cost of service per student is based on the total cost of state schooling for primary and secondary students and students with disabilities, divided by the enrolments for those student cohorts.*
7. *Sourced from the annual DETE School Opinion Survey—Parent/Caregiver Survey. The proportion presents the aggregation of positive responses, that is, 'somewhat Agree', 'Agree', and 'Strongly Agree' to the item 'This is a good school'. Confidence intervals for agreement estimates derived from sample survey responses need to be considered when interpreting relative performance.*

Our Achievements

Empowerment

Priority action
Drive autonomy and empower school principals to make decisions to address the learning needs of their school community with an unrelenting focus on improvement.

Independent Public Schools

The Independent Public Schools initiative aims to increase autonomy in decision making, cut red tape and remove layers of management to improve outcomes for students. This initiative delivers on the Government's commitment to invest $22.8 million over four years to provide an opportunity for at least 120 schools to become Independent Public Schools by 2016. Following an expression of interest process, 26 schools were selected to become Independent Public Schools in 2013 and 54 in 2014. In 2015, further opportunities will be provided for Queensland state schools to become Independent Public Schools. The list of Independent

Public Schools is available online at www.education.qld.gov.au/schools/independent-public-schools/ips-schools.html#ips2014.

Principals' Capability and Leadership Framework

The department's *Principals' Capability and Leadership Framework* continues to describe the leadership knowledge, skills and behaviours required of principals to effectively lead an explicit school improvement agenda in Queensland small, medium and large schools. Additionally, the *Deputy Principals' Capability and Leadership Framework* and *Heads of Programs' Capability and Leadership Framework* are designed to enrich instructional leadership, capability development and provide a focus for performance development planning. The frameworks detail core instructional leadership elements through identified knowledge, skills and behaviours required to effectively contribute to the leadership of an explicit school improvement agenda. The frameworks are available online at www.education.qld.gov.au/staff/development/standards/index.html.

Further information about principal leadership can be found in Resourcing and Capability section.
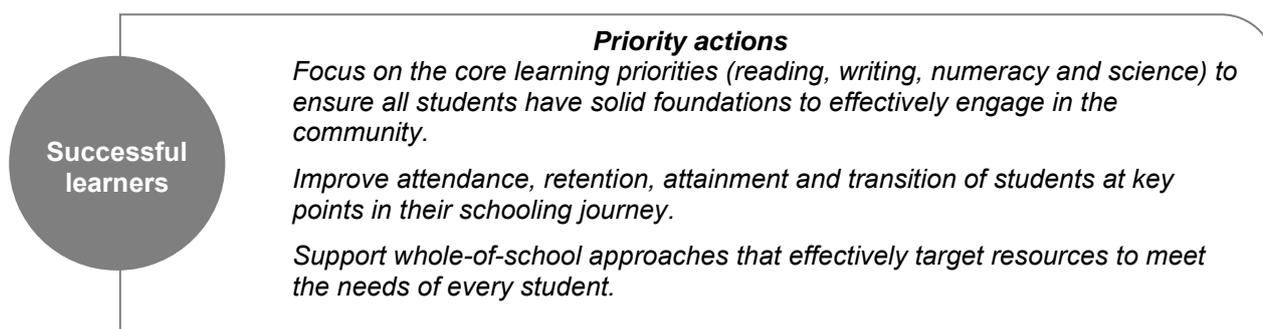
Successful learners

Priority actions
Focus on the core learning priorities (reading, writing, numeracy and science) to ensure all students have solid foundations to effectively engage in the community.

Improve attendance, retention, attainment and transition of students at key points in their schooling journey.

Support whole-of-school approaches that effectively target resources to meet the needs of every student.

Great Results Guarantee

The *Great Results Guarantee* is an agreement between state schools and the Department of Education, Training and Employment, and Independent Public Schools and their School Councils, to improve learning outcomes for Queensland students. $131m will be invested into Queensland schools in 2014 to support this agreement.

The agreement makes schools accountable for improving student performance and encourages schools to engage with their communities around how the extra funding should be spent to achieve the best results at a local level. It will outline the student outcomes to be achieved as well as the evidence-based strategies the school will use to deliver those outcomes. Each school will publish its approved guarantee on their website and report their achievements to the community at the end of the year.

The guarantee is that every Queensland state school student will either:
- achieve the National Minimum Standard (NMS) for literacy and numeracy for their year level, or
- have an evidence-based plan, developed by the school, in place to address their specific learning needs.

Step up into education

Step up into education is a Queensland Government commitment to better prepare and support children to make the transition to school, and to support parents to become involved in their child's education. Under this initiative, 24 Queensland schools from areas of disadvantage are receiving funding to deliver school readiness and transition initiatives to suit the needs of their local community. The state schools that will receive funding from 2012–13 to 2015–16 to better prepare children in areas of disadvantage for school and encourage parents to become involved in their child's learning journey are listed on the Step up into education website at www.education.qld.gov.au/schools/stepup/educators/schools.html.

Year 7 to secondary

The department is committed to the continued implementation of the *Flying Start* reforms. Moving Year 7 to high school is a significant step in the ongoing transformation of Queensland's education system. To give children a *Flying Start,* from 2015, Year 7 will become the first year of high school across Queensland. This move is the culmination of changes in education over the past decade, including the introduction of full-time Prep in 2007, which added an extra year of schooling to our education system. The school entry age was also raised by six months in 2008, which means that from 2015 more than half of the students who are in Year 7 will turn 13 years of age and be in their eighth year of schooling, which is the right time to be entering high school. These combined changes bring Queensland in line with most other Australian states.

In preparation for the implementation of this major reform, the department has worked with both the Catholic and Independent sectors to plan for the state-wide move in 2015. During 2013–14, the department continued to pilot Year 7 in a secondary setting. The experiences of the pilot schools will inform the state-wide approach for the move in 2015. Information about the 20 state schools taking part in the Year 7 pilot program is available online at www.flyingstart.qld.gov.au/getting-ready-high-school/year7-pilot-program/Pages/home.aspx.

As part of these *Flying Start* reforms, since 2013 Queensland state schools recognised Years 8 and 9 as Junior Secondary, with Year 7 to be included when it joins high school in 2015. Junior Secondary is an intentional approach to the academic, social and emotional needs of state school students in Years 7, 8 and 9.

Premier's Anzac Prize

The Premier's Anzac Prize gives eligible Queensland high school students a once-in-a-lifetime opportunity to experience the Anzac tradition firsthand from 2013 to 2015. Five winners of the Premier's Anzac Prize 2013 and five winners of the Premier's Anzac Prize 2014 travelled to Gallipoli and the Western Front. In 2015, 70 Queensland students and 10 chaperones will be able to witness the historic Anzac Day centenary commemoration at Gallipoli.

The Duke of Edinburgh's and Bridge Award programs

The Duke of Edinburgh's Award and Bridge Award programs provide opportunities for young Queenslanders to get active, learn new skills and engage with their communities. School student participation in The Duke of Edinburgh's Award can add up to four points towards their Queensland Certificate of Education (QCE). In 2014, 10 accredited online training modules were created for volunteer adventurous journey supervisors to support their role with young people undertaking an award. In 2013–14 more than 8800 young Queenslanders participated in the award program.

State school education

During 2013, the department provided services to 327 888 full-time students in state primary schools, 175 152 full-time students in state secondary schools and 3904 full-time students in state special schools as indicated in Table 7.

Table 7: Number of full-time students in Queensland state schools

School education	2009	2010	2011	2012	2013
Primary (Prep–Year 7)	308 597	309 661	313 413	321 025	327 888
Secondary (Year 8–Year 12)	172 726	172 749	172 576	173 280	175 152
Special	3 292	3 388	3 529	3 708	3 904
Total	**484 615**	**485 798**	**489 518**	**498 013**	**506 944**

Source: Department of Education, Training and Employment

Notes:
1. *Prep was recognised as the first year of schooling in all Queensland state schools in 2012.*
2. *2008–09 primary and secondary enrolments include ungraded students. Full-time enrolments as at August of each year.*

The 2013 School Opinion Survey showed that 95.8 per cent of parents/caregivers of students in state schools agreed that their child's school is a good school KPI.

Student attendance

Student attendance can significantly affect a student's education, and can be associated with a student leaving school early or having limited employment and life opportunities. Schools have guidelines to address chronic absenteeism, school refusal and truancy. In many cases, schools may involve other agencies, including the Department of Communities, Child Safety and Disability Services and other local non-government organisations to assist students and their families.

In 2013–14, the Every Day Counts campaign continued to raise awareness of the importance of regular school attendance. The Every Day Counts website provides brochures, posters, postcards and fact sheets for use by parents, students and the community. Case studies, vignettes and resources, such as an Attendance Improvement Plan and Student Attendance Profile are also available to assist schools in planning and documenting their approach to improving school attendance.

Departmental policies and procedures on attendance, absences and roll-marking provide guidance to all schools on improving attendance. These policies are supported by mechanisms for data collection within the OneSchool system. The department continues to build on the range of reporting available to schools to assist them in monitoring and managing student attendance. Many schools use automated text messaging services to alert parents when students are absent from school. Schools routinely follow up with parents when a persistent pattern of non-attendance is evident.

Table 8: Queensland state school attendance rates by region

Region	2009	2010	2011	2012	2013
Central Queensland	90.4%	90.5%	90.4%	90.8%	90.7%
Darling Downs South West	90.5%	90.4%	90.3%	91.0%	90.3%
Far North Queensland	88.6%	89.3%	88.1%	88.1%	87.9%
Metropolitan	92.2%	92.3%	92.3%	92.6%	92.4%
North Coast	90.6%	90.9%	90.9%	90.7%	90.4%
North Queensland	89.0%	89.6%	88.3%	89.4%	89.0%
South East	90.5%	91.0%	91.1%	91.0%	90.7%
Queensland	**90.7%**	**91.0%**	**90.9%**	**91.1%**	**90.8%**

Source: Department of Education, Training and Employment

Notes:
1. *The student attendance rate is based on Semester 1 each year and is generated by dividing the total of full-days and part-days that students attended, and comparing this to the total of all possible days for students to attend, expressed as a percentage.*
2. *The 2009 to 2012 attendance calculations include all full-time students, providing students were enrolled for at least some period during Semester 1 and were still enrolled as at August Census.*
3. *For 2013, there has been a change in methodology used for calculating attendance rates, effectively counting attendance for every student for every day of attendance in Semester 1. This has caused a break in time series. Caution should be exercised when making comparisons between 2013 and previous years.*
4. *It should be noted that pandemics and extreme weather events which impact much of the state may result in changes to the attendance rate.*

Indigenous student school attendance

There is evidence to suggest that the more regularly students attend school, the greater their success in learning. In 2013, Queensland had 29.4 per cent of the full-time Indigenous students in Australia. The 2013 gap between Queensland Indigenous state school student attendance rates and Queensland non-Indigenous state school student attendance rates is 8.1 percentage points. This is why school attendance for Indigenous students is a major priority for all Queensland state schools.

NAPLAN

Since 2008, the annual National Assessment Program – Literacy and Numeracy (NAPLAN) tests have been conducted in May for students in Years 3, 5, 7 and 9 from all state and non-state schools across Australia. The national tests assess the skills of these students in reading, writing, language conventions (spelling, grammar and punctuation) and numeracy. These tests measure how all students are performing against national standards and provide students, parents, teachers, schools and school systems with information about the literacy and numeracy achievements of students.

NAPLAN was developed collaboratively by the Australian Government, state and territory governments and non-state school sectors. The national reports on NAPLAN test results are produced by the Standing Council of School Education and Early Childhood. The administration, marking and reporting of the NAPLAN tests in Queensland is coordinated by the QCCA (former QSA).

NAPLAN outcomes

NAPLAN test results are reported across a 10-band national scale for Years 3, 5, 7 and 9, with results for any one year level reported across six bands as follows:

- Year 3 – bands 1 to 6
- Year 5 – bands 3 to 8
- Year 7 – bands 4 to 9
- Year 9 – bands 5 to 10.

The NMS is located at the second lowest band for each year level. Students whose results are in the NMS band are considered to have demonstrated the basic elements of literacy and numeracy for the year level. The 2013 NAPLAN outcomes report, providing results for all Queensland schools by test area, is available online at www.nap.edu.au/Test_Results/National_reports/index.html.

In 2011, the NAPLAN Writing Test introduced a persuasive writing task in place of the previous narrative task. As this is a different scale, persuasive writing scores for 2013, 2012 and 2011 should not be compared with narrative writing scores from previous years. Comparisons for reading, spelling, grammar, punctuation and numeracy from 2008 (baseline) through to 2013 and for writing from 2011 (baseline) to 2013 are both possible.

Upper two bands

In terms of the proportion of students who achieved results in the upper two bands of each year level, Queensland improved in 16 of the 20 result areas since baseline (2008, 2011) and 2013. Also, in 2013, the highest ranking achieved by Queensland, relative to other states and territories, was in Years 3 and 5 writing, Year 3 grammar and punctuation and Year 5 numeracy, where Queensland ranked fourth.

National Minimum Standard

Since baseline (2008, 2011) and 2013, Queensland improved its NMS performance in 14 of the 20 result areas. The highest ranked result area in 2013 was Year 7 numeracy and Year 9 spelling where Queensland ranked third relative to other states and territories.

Mean scale scores

Since baseline (2008, 2011) and 2013, Queensland improved its mean scale score performance in 16 of the 20 result areas. In 2013, the highest ranking achieved by Queensland, relative to other states and territories, was in Year 3 writing, grammar and punctuation and Year 5 reading and numeracy, where Queensland ranked fourth.

Figures 7-9 show the percentage of all Queensland students at or above the NMS in reading, writing and numeracy compared to the nation **KPI**

Figures 10-12 show the percentage of Queensland state school students at or above the NMS in reading, writing and numeracy compared to the nation

Queensland 2008	Australia 2008
Queensland 2009	Australia 2009
Queensland 2010	Australia 2010
Queensland 2011	Australia 2011
Queensland 2012	Australia 2012
Queensland 2013	Australia 2013

Queensland State Schools 2008	Australia 2008
Queensland State Schools 2009	Australia 2009
Queensland State Schools 2010	Australia 2010
Queensland State Schools 2011	Australia 2011
Queensland State Schools 2012	Australia 2012
Queensland State Schools 2013	Australia 2013

Figure 7: NAPLAN 2008–2013 Reading comparative data: Queensland and Australia **KPI**

Figure 10: NAPLAN 2008–2013 Reading comparative data: Queensland state schools and Australia **KPI**
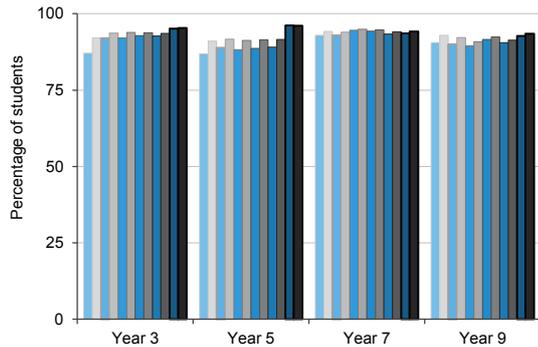
Figure 8: NAPLAN 2008–2013 Writing comparative data: Queensland and Australia **KPI**

Figure 11: NAPLAN 2008–2013 Writing comparative data: Queensland state schools and Australia **KPI**
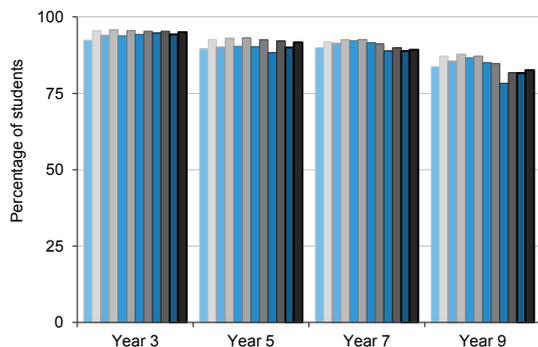
Figure 9: NAPLAN 2008–2013 Numeracy comparative data: Queensland and Australia **KPI**
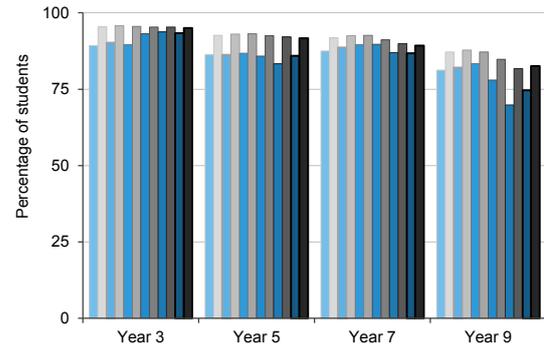
Figure 12: NAPLAN 2008–2013 Numeracy comparative data: Queensland state schools and Australia **KPI**
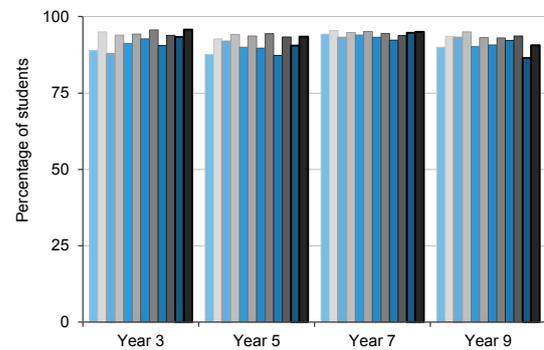
Source: Data is drawn from NAPLAN – National Assessment Program – Literacy and Numeracy National Report

Source: Data is drawn from NAPLAN – National Assessment Program – Literacy and Numeracy National Report

Aboriginal and Torres Strait Islander student performance

In the 2013 NAPLAN results, Queensland Indigenous students ranked fifth on average in all jurisdictions across all result areas of literacy and numeracy. In absolute terms, a higher proportion of Queensland Indigenous students achieved the NMS than Indigenous students nationally in all 20 test result areas in 2013, and 19 of the 20 test results in 2012.

In 2013, Queensland Indigenous students had their best results on record in nine out of 20 test areas for NMS, 12 out of 20 test areas for upper two bands and 10 out of 20 test areas for mean scale score. The highest area of achievement in NMS for both Indigenous and non-Indigenous students was Year 5 Reading (87.7 per cent and 96.9 per cent, respectively).

The gap between Indigenous and non-Indigenous students in 2013 is smaller in Queensland than in Australia as a whole. This applies to all strands in all year levels, across the three measures – NMS, upper two bands and meal scale scores.

From 2012, Queensland Indigenous state school students experienced improvement in 13 of the 20 test areas for NMS, and for nine of these the improvement was greater than five percentage points. Improvement of Indigenous state school students was greater than for non-Indigenous state school students for 12 of these 13 test areas. The greatest improvement was in Year 5 Reading (26.4 percentage points).

From 2012, Queensland Indigenous state school students experienced improvement in 17 of the 20 test areas for mean scale score and, for 13 of these, the improvement was greater than five scale score points. Improvement of Indigenous state school students was greater than for non-Indigenous state school students for 13 of these 17 test areas. The greatest improvement was in Year 5 Reading (33.0 scale score points).

Figures 13-15 show the percentage of Queensland Indigenous students in all schools, compared with all Queensland students at or above the NMS in reading, writing and numeracy `KPI`.

Queensland Indigenous 2008	Queensland 2008
Queensland Indigenous 2009	Queensland 2009
Queensland Indigenous 2010	Queensland 2010
Queensland Indigenous 2011	Queensland 2011
Queensland Indigenous 2012	Queensland 2012
Queensland Indigenous 2013	Queensland 2013

Figure 13: NAPLAN 2008–2013 Reading comparative data: Queensland students and Queensland Indigenous students `KPI`

Figure 14: NAPLAN 2008–2013 Writing comparative data: Queensland students and Queensland Indigenous students `KPI`

Figure 15: NAPLAN 2008–2013 Numeracy comparative data: Queensland students and Queensland Indigenous students `KPI`

Source: Data is drawn from NAPLAN – National Assessment Program – Literacy and Numeracy National Report

Figures 16-18 show the percentage of Queensland Indigenous students from state schools compared with all Queensland students at or above the NMS in reading, writing and numeracy.

Queensland State School Indigenous 2008	Queensland 2008
Queensland State School Indigenous 2009	Queensland 2009
Queensland State School Indigenous 2010	Queensland 2010
Queensland State School Indigenous 2011	Queensland 2011
Queensland State School Indigenous 2012	Queensland 2012
Queensland State School Indigenous 2013	Queensland 2013

Figure 16: NAPLAN 2008–2013 Reading comparative data: Queensland students and Queensland state school Indigenous students

KPI
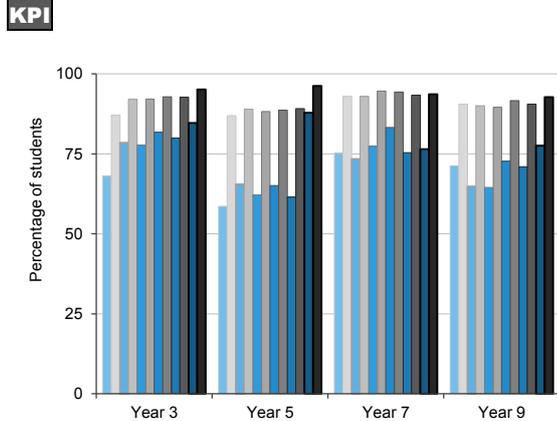
Figure 17: NAPLAN 2008–2013 Writing comparative data: Queensland students and Queensland state school Indigenous students

KPI
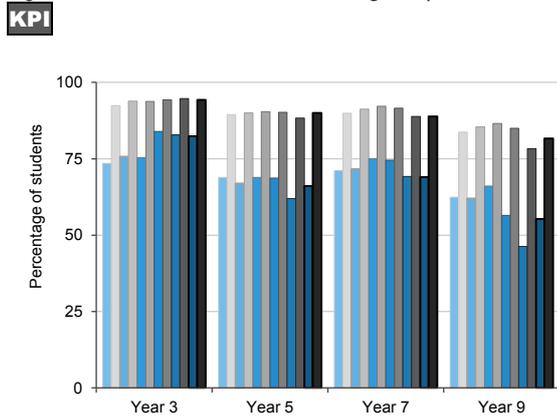
Figure 18: NAPLAN 2008–2013 Numeracy comparative data: Queensland students and Queensland state school Indigenous students

KPI
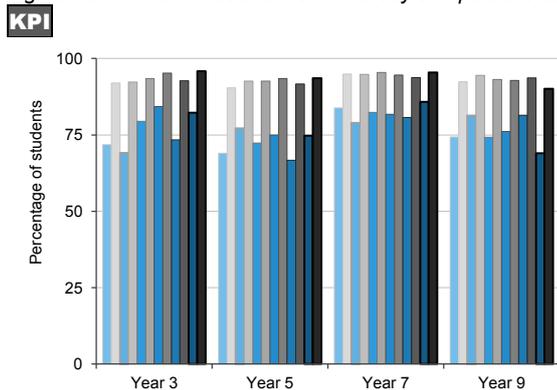
Source: Data is drawn from NAPLAN – National Assessment Program – Literacy and Numeracy National Report

Figures 19-21 show the percentage of Queensland Indigenous students from all schools compared with all Australian Indigenous students at or above the NMS in reading, writing and numeracy.

■ Queensland Indigenous 2008	■ Australian Indigenous 2008
■ Queensland Indigenous 2009	■ Australian Indigenous 2009
■ Queensland Indigenous 2010	■ Australian Indigenous 2010
■ Queensland Indigenous 2011	■ Australian Indigenous 2011
■ Queensland Indigenous 2012	■ Australian Indigenous 2012
■ Queensland Indigenous 2013	■ Australian Indigenous 2013

Figure 19: NAPLAN 2008–2013 Reading comparative data: Queensland Indigenous students and Australian Indigenous students **KPI**

Figure 20: NAPLAN 2008–2013 Writing comparative data: Queensland Indigenous students and Australian Indigenous students **KPI**
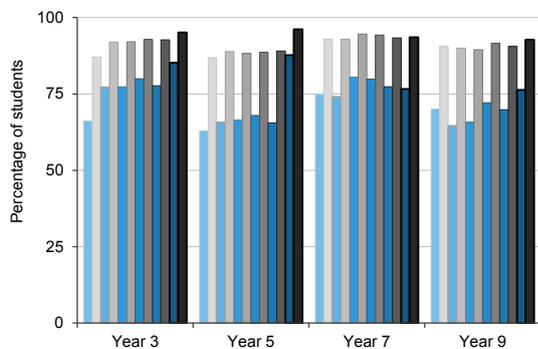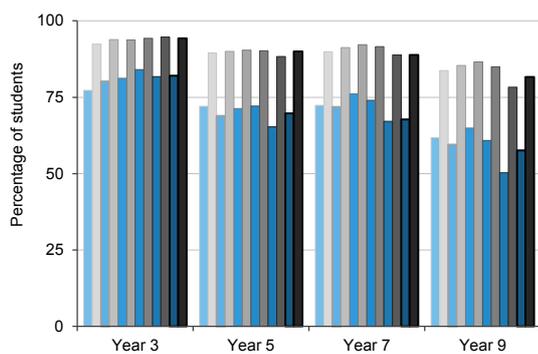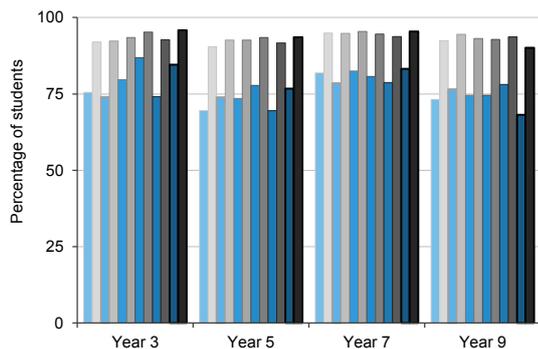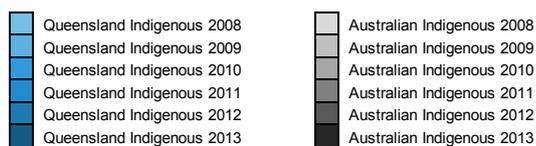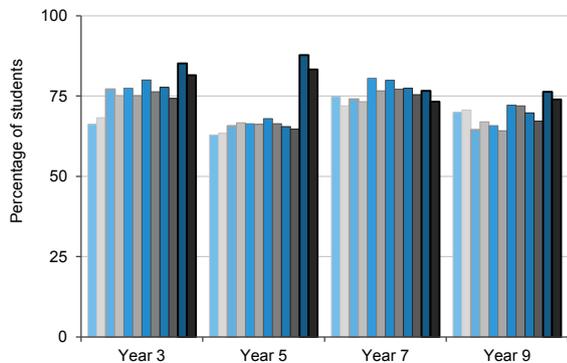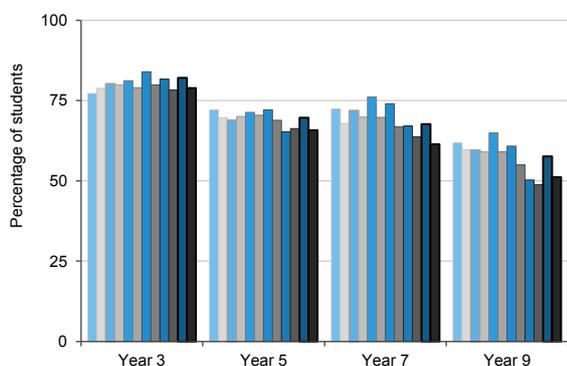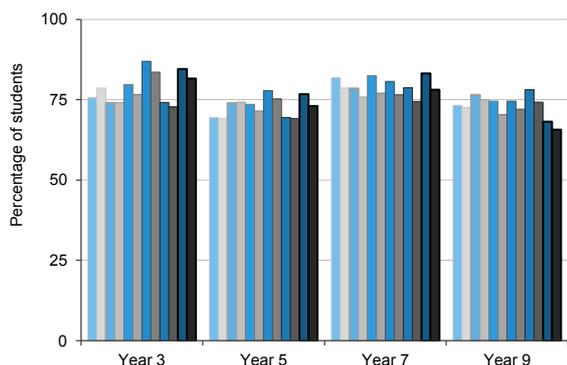

Figure 21: NAPLAN 2008–2013 Numeracy comparative data: Queensland Indigenous students and Australian Indigenous students **KPI**

Source: Data is drawn from NAPLAN – National Assessment Program – Literacy and Numeracy National Report

International assessment

The Programme for International Student Assessment (PISA), the Trends in International Mathematics and Science Study (TIMSS), the Progress in International Reading Literacy Study (PIRLS) and the International Computer and Information Literacy Study (ICILS) provide information about Queensland's relative performance against other Australian jurisdictions.

Every three years, PISA collects information on the achievement of a sample of students aged 15 years and contextual information about the students, teachers and schools, and derives educational indicators that can monitor differences (and similarities) over time. In 2012, the PISA cycle focused the majority of the assessment on mathematical literacy. Approximately 14 500 students from 775 schools, from all jurisdictions and all sectors of schooling across the nation, participated in the PISA 2012 Main Study. Queensland's rank among Australian jurisdictions using the average scores was fourth in Mathematical Literacy and Science Literacy and fifth in Reading Literacy. The proportion of Queensland students performing at or above proficiency level 5 was 15 per cent for Mathematical Literacy, 12 per cent for Scientific Literacy and 11 per cent for Reading Literacy.

TIMSS and PIRLS are designed to inform educational policy and practice by providing an international perspective on teaching and learning in reading, mathematics and science. TIMSS reports every four years on the achievement of a sample of Year 4 and Year 8 students. In TIMSS 2011, 65 per cent and 66 per cent of Year 4 students achieved the intermediate benchmark in mathematics and science respectively, while for Year 8 students the intermediate benchmark was achieved by 58 per cent of students in mathematics and 69 per cent in science. PIRLS reports every five years on the achievement of a sample of Year 4 students. In PIRLS 2011, 70 per cent of students achieved the intermediate benchmark in reading.

ICILS is the first international comparative study of student preparedness for study, work and life in the information age. Year 8 students from approximately 325 schools across Australia participated in the ICILS testing for the first time in November 2013. The ICILS report is expected to be released in December 2014.

Senior schooling

School education: Years 10–12

Queensland's compulsory schooling requirement means that all young people must remain in school until they finish Year 10 or turn 16 years of age, whichever comes first. The compulsory participation phase requires all young Queenslanders to be engaged in education or training for a further two years or until they have attained one of the following:
- the age of 17 years
- a QCE (or equivalent)
- a Certificate III vocational qualification (or higher).

Young people who are working at least 25 hours a week can leave education or training to enter the workforce during this period. Queensland's compulsory participation requirement meets the strengthened participation requirements mandated at a national level through the National Partnership Agreement on Youth Attainment and Transitions. To support the compulsory participation phase, the department provides young people with opportunities to set education and career goals, and to work towards those goals in a broad range of education settings, including school, TAFE and other training.

In Queensland, as part of the commitment to improving young people's attainment and transitions, 15 to 19 year olds not at school are entitled to a government-subsidised training place (subject to admission requirements and course availability). The department remains committed to improving young people's attainment and transitions to ensure that education and training entitlements, such as subsidised training places, are accessed by young people.

The number of students enrolled in Years 10 to 12 in state schools increased by 1.1 per cent between 2012 and 2013 with 101 427 full-time students. There have been steady increases in recent years, with students enrolled in Years 10 to 12 increasing by 3.3 per cent since 2009.

The apparent retention rate of students from Years 10 to 12 is demonstrated in Figure 22. The apparent retention rates are a broad but limited indicator of young people's participation in secondary school education or its equivalent. It is only one measure of positive engagement for young people, who may choose to participate in a range of school, training or work options. The 2013, Year 10 to 12 apparent retention rate for all Queensland schools (84.0 per cent) was higher than for Australia overall (80.7 per cent). In 2013, the

apparent retention rate for female students in Years 10 to 12 in all Queensland schools was higher, at 86.5 per cent, than male students, at 81.6 per cent. In Queensland, 60.7 per cent of Year 10 to 12 students attended a state school.

Figure 22: Apparent retention rates of Queensland and Australian students in Years 10–12, 2009–2013
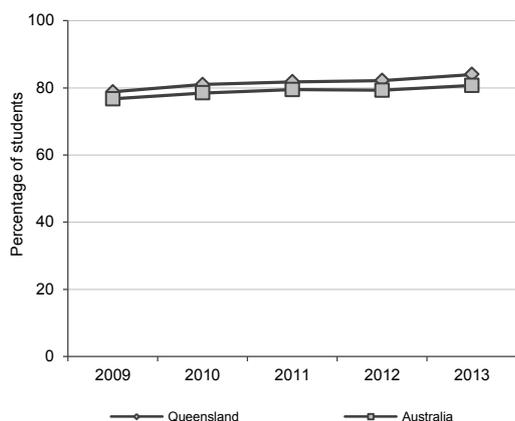
Source: ABS, Schools, Australia

Note:
- *Queensland state and non-state school students compared with Australian state and non-state school students.*

Indigenous participation at school

The department is committed to closing the gap in Year 12 or equivalent attainment, and has a range of strategies to retain Indigenous senior students at school. Figure 23 demonstrates that the Queensland Indigenous student Year 10 to 12 apparent retention rate of 67.0 per cent in 2013 was still above the national figure of 55.8 per cent. The number of Queensland Indigenous young people in Years 10 to 12 in 2013 remains relatively steady when compared to the previous year.

Figure 23: Apparent retention rates for Indigenous students in Years 10–12 in Queensland and Australia, 2009–2013
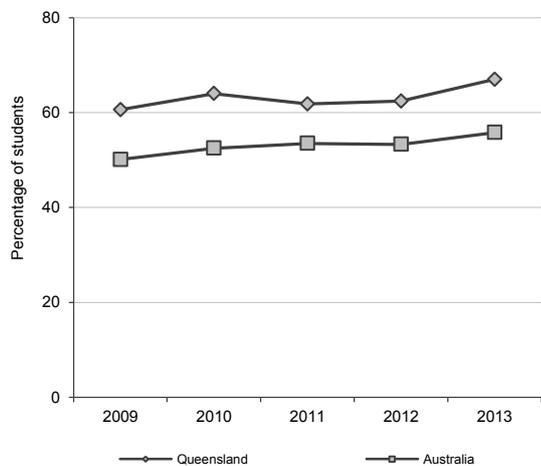
Source: ABS, Schools, Australia

Note:
- *Queensland state and non-state school Indigenous students compared with Australian state and non-state school Indigenous students.*

School-based apprenticeships and traineeships

School-based apprenticeships and traineeships (SATs) are designed to support student career choices and are available in a range of fields, including primary industries, retail, business, aged care, construction, engineering, health, hospitality, tourism, automotive and arts. SATs provide high school students, typically in Years 11 and 12, with:
- a pathway to transition from school to employment after school
- the opportunity to incorporate employment with training towards a recognised qualification
- credit towards their QCE.

Many students can complete a school-based traineeship while at school, depending on the vocational qualification and when they commence. A school-based apprenticeship allows students to achieve up to one-third of an apprenticeship while at school, providing a head start into a full-time or part-time apprenticeship and trade career. National Centre for Vocational Education Research (NCVER) figures reflect that Queensland continues to be a national leader in the uptake of SATs. Queensland consistently accounts for around half of all SAT commencements in Australia. The number of SAT commencements in Queensland is projected to be 8100 in 2013–14, which is at a slightly lower level when compared to 2009–10.

Figure 24: Number of school-based apprenticeship and traineeship commencements
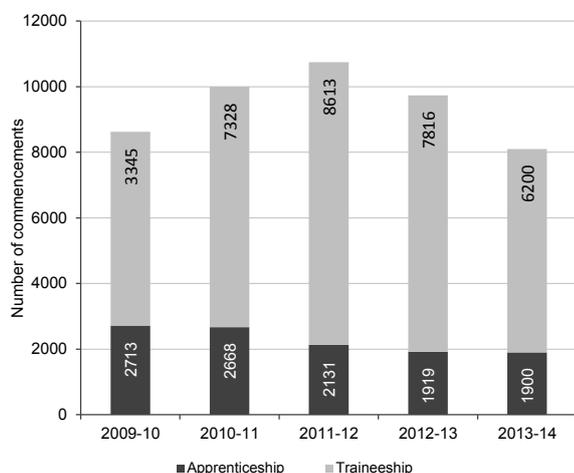
Source: Department of Education, Training and Employment – Contract of Training Database (DELTA)

Notes:
- *Includes new commencements and re-commencements.*
- *The 2013–14 data are projected results. The sum of apprentices and trainees does not equal total due to rounding.*
- *While lower than the previous year, the level of commencements in 2013–14 remains strong and reflects the impacts of changing economic conditions.*

In 2013, 11.4 per cent of students had completed or were completing a SAT at the end of Year 12. This represented a decrease on the 2012 figure of 15.4 per cent of Year 12 students. SAT completions have also increased by 14.2 per cent since 2009–10, from 4639 completions in 2009–10 to a projected 5300 in 2013–14. These figures include those who have transitioned from SATs to other arrangements and subsequently completed.

Figure 25: Number of school-based apprenticeship and traineeship completions **KPI**
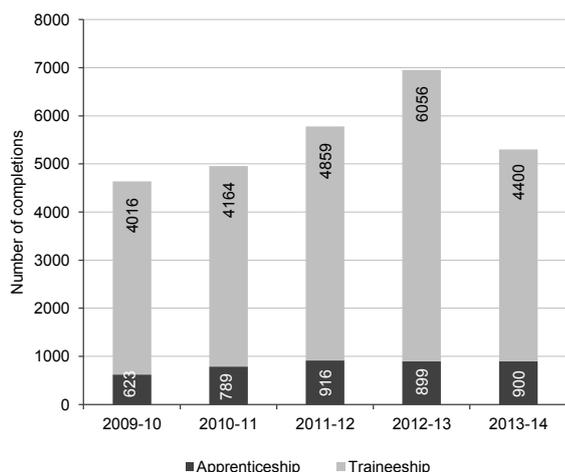
Source: Department of Education, Training and Employment – Contract of Training Database (DELTA)

Notes:
- *The 2013–14 data are projected results.*
- *Completions are for those who commenced training as a SAT.*

Figure 26 shows the percentage of Queensland students completing Year 12 with a VET qualification has increased markedly over the past five years, from 56.9 per cent in 2009 to 67.3 per cent in 2013.

Figure 26: Proportion of Year 12 Queensland students with a VET qualification
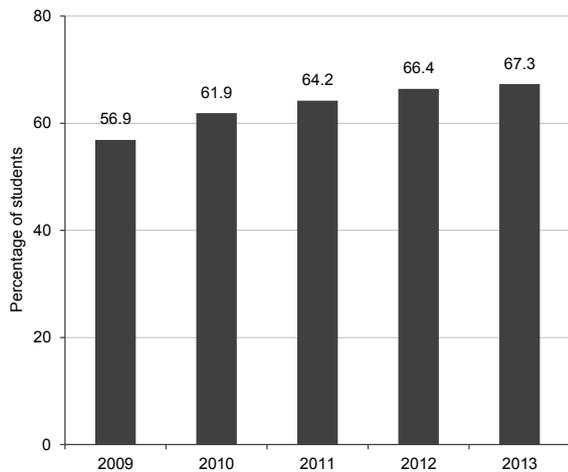
The proportion of Queensland 20 to 24 year olds who completed Year 12 (or equivalent) or attained a Certificate II or above increased from 85.8 per cent in 2012 to 86.7 per cent in 2013 (see Figure 27). These results are statistically similar to the Australian figures over the same period (85.9 per cent to 86.7 per cent).

Figure 27: Proportion of 20 to 24 year olds having attained Year 12 or equivalent or Certificate II or above (both state and non-state schools)
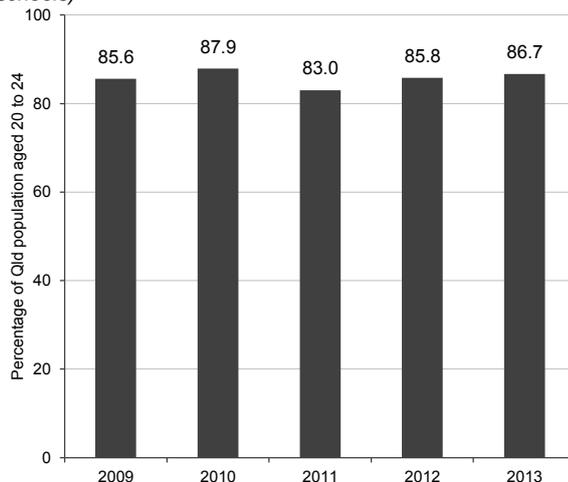
Indigenous school-based apprenticeships and traineeships

SATs continue to provide valuable learning opportunities for Indigenous students, supporting pathways to employment or further education and training. Figure 28 shows that 750 Indigenous students commenced a SAT in 2013–14, which is 19.6 per cent more than the 627 commencements in 2009–10. The number of SATs completed by Indigenous students in 2013–14 is displayed in Figure 29.

Figure 28: Number of Indigenous school-based apprenticeship and traineeship commencements
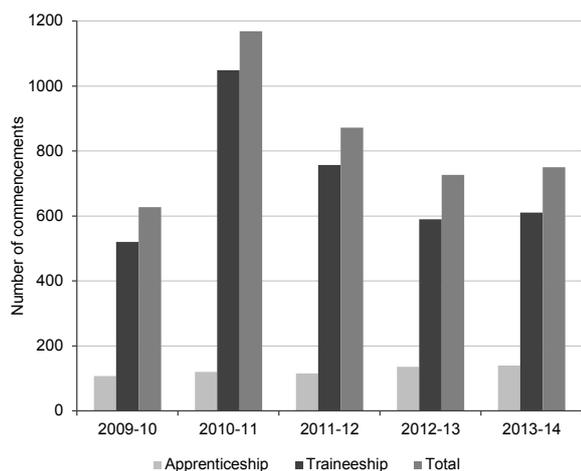
Source: Department of Education, Training and Employment – Contract of Training Database (DELTA)

Notes:
- *Includes new commencements and re-commencements.*
- *The 2013–14 data are projected results. The sum of apprentices and trainees may not equal total due to rounding.*
- *The level of commencements in 2013–14 remains strong and reflects the impacts of changing economic conditions.*

Figure 29: Number of Indigenous school-based apprenticeship and traineeship completions
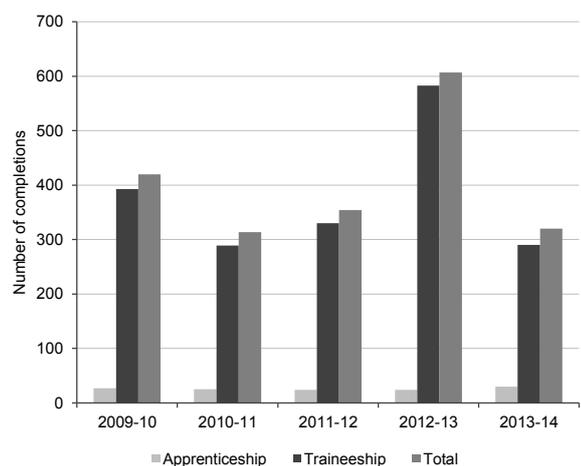
Source: Department of Education, Training and Employment – Contract of Training Database (DELTA)

Notes:
- *Completions are for those who commenced training as a SAT.*
- *The 2013–14 data are projected results.*

Queensland Certificate of Education

The QCE is Queensland's senior schooling qualification administered by the QCAA (former QSA). The QCE offers flexibility in students' learning options, including:
- senior school subjects
- VET
- SATs
- recognised workplace and community learning
- university subjects undertaken while at school.

The QCE provides young people with a valuable passport to further education, training and employment. The QCE indicates to employers that an individual has achieved a significant amount of learning at a set standard and a pattern which meets literacy and numeracy requirements. In December 2013, 88.6 per cent of all Year 12 students graduated with a QCE (see Table 9) KPI. Students who did not meet the QCE requirements at the end of Year 12 can continue to work towards their certificate for up to nine years after leaving school.

Table 9: Proportion of all Queensland students awarded a Queensland Certificate of Education (QCE) by the end of Year 12 **KPI**

Measure	2009	2010	2011	2012	2013
Students awarded a QCE by the end of Year 12	78.2%	81.0%	84.0%	86.1%	88.6%

Source: Queensland Studies Authority (as at 5 May 2014)

Queensland Certificate of Individual Achievement

The Queensland Certificate of Individual Achievement (QCIA) recognises and reports the learning achievements of students who have completed at least 12 years of education. To be eligible for a certificate, students need to have impairments or difficulties in learning. The certificate provides these students with a summary of their skills and knowledge, which they can present to employers and training providers. In 2013, 597 state school students received a QCIA **KPI** and 1398 state school students with disabilities completed 12 years of schooling.

Year 12 outcomes

Queensland students have shown a broad pattern of improved outcomes, leaving schools with a variety of qualifications and ready to continue learning or enter the workforce. Year 12 outcomes reports are released by the QCAA (former QSA). The 2013 Year 12 outcomes report shows that Queensland's Year 12 students are graduating from high school with the skills and qualifications to follow a range of rewarding work, further education and training pathways. In 2013, 95.1 per cent of Year 12 students in state schools are completing or completed a SAT or were awarded QCE, IBD or VET qualifications, compared with 95.4 per cent for all schools **KPI**.

Overall achievement of Year 12 completion has improved as students have the opportunity to move between learning outcomes, with study pathways suited to learning styles. Overall Positions (OPs) provide a statewide rank order of students from 1 (highest) to 25 (lowest). OPs show how well students have performed in their senior studies when compared with the performances of all other OP-eligible students in Queensland. The International Baccalaureate Diploma (IBD) is an internationally recognised pre-university level qualification that allows subjects to be accelerated and graduating students to study at Australian tertiary institutes, as well as overseas universities.

OPs and IBDs are used in the selection of students for tertiary education courses. An OP 1 to 15 is the range generally used to indicate those students most likely to succeed at tertiary level. In 2013, of all OP and IBD students, 20 824 students achieved an OP of 1 to 15 or an IBD, an increased percentage on previous years as shown in Figure 30 **KPI**.

Figure 30: Proportion of Year 12 Queensland OP-eligible or International Baccalaureate students with an OP 1 to 15 or an International Baccalaureate Diploma (state and non-state schools) **KPI**
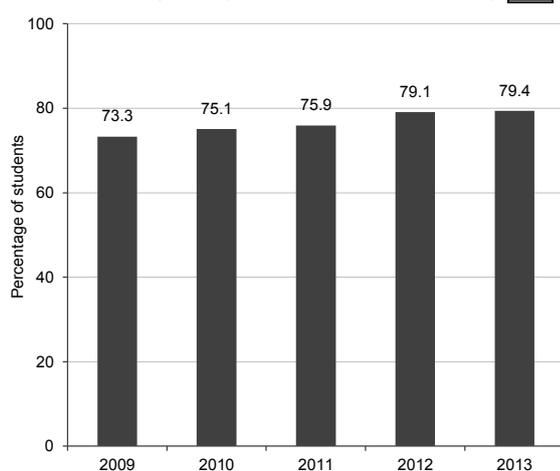
Source: Queensland Studies Authority (as at 5 May 2014)

Note:
- *IBD award has only been included in this data since 2008.*

Using Year 12 state school student outcomes as a measure, in 2012, the gap between Indigenous and non-Indigenous Year 12 students who received an OP, QCE, QCIA, IBD or VET qualification or who undertook a

SAT was 4.0 per cent. In 2013, the equivalent gap was 5.4 per cent indicating that this gap has widened recently **KPI**.

In June 2013, the department engaged the Australian Council of Educational Research (ACER) to conduct a major independent review of Queensland senior assessment and reporting and OP tertiary entrance processes. The commencement of the review formed part of the Government's *Six month action plan (January – June 2013)*. As part of the review, ACER has conducted a range of consultation processes during 2013-14 including an on-line public survey, a written submission process and stakeholder forums. ACER will shortly provide a final review report to the Minister, after which the Government will provide its own response to ACER's findings and recommendations.

Queensland Year 12 destinations

The department undertakes the *Next Step* survey of students who completed Year 12 during the previous year from state, Catholic and independent schools. Results identify the future employment, study and life choices that these students are making. The results of the survey also give an insight into how well schools are preparing students for adult life, and help to formulate policy and develop services. The survey showed 87.5 per cent of young Queenslanders were engaged in education, training or employment six months after completing Year 12 in 2012 **KPI**.

Due to the legislative requirement to table agency annual reports in September 2014, the 2014 *Next Step* survey data was not available at the time of printing. When the data becomes available, it will be uploaded to the DETE online annual report at www.dete.qld.gov.au/publications/annual-reports/13-14/index.html.

Indigenous student destinations

Results of the *Next Step* survey provide information about post-school destinations of Indigenous students who completed Year 12. In 2013, an increasing number of Indigenous students who completed Year 12 and participated in the *Next Step* survey were engaged in Bachelor Degree study six months after completing school.

Due to the legislative requirement to table agency annual reports in September 2014, the 2014 *Next Step* survey data was not available at the time of printing. When the data becomes available, it will be uploaded to the DETE online annual report at www.dete.qld.gov.au/publications/annual-reports/13-14/index.html.

Student support

Inclusive education

Inclusive education ensures that schools are supportive and engaging places for all school community members. It builds communities that value, celebrate and respond to diversity. It is underpinned by respectful relationships between learners and school community members. It is supported by collaborative relationships with parents and communities through communication, learning partnerships, participation and consultative decision-making.

Inclusive education means that every day in every classroom, every state school student is learning and achieving in a safe, supportive, inclusive and disciplined learning environment. The department:
- provides high-quality education for all students
- responds constructively to the needs of educationally disadvantaged/marginalised students
- views difference as a resource to support learning
- ensures that all school community members feel safe and free from discrimination, bias and harassment
- promoted locally negotiated responses to student, family and community needs through effective community engagement processes and cross-agency collaboration
- ensures that inclusive education practices are embedded in all departmental policies and initiatives.

Students with disability

The department is committed to providing high-quality education across primary, secondary and special schools for students with disability and educational support needs. A broad range of educational programs and support services, including specialist teachers and teacher aides, therapy, nursing and guidance services are available in primary, secondary and special schools.

Targeted funding is allocated to schools not directly to students, and principals are responsible for the resources provided to support educational programs of all students in their school.

To support schools to identify and address barriers to student access to educational outcomes, the More Support for Students with Disabilities National Partnership, has developed the Quality Schools, Inclusive Leaders (QSIL) program to deliver capability development for principals and school leadership teams that focuses on whole school inclusive practices including:

- school-wide consistency of curriculum and pedagogical practices that best cater for students with a disability
- capability of school leaders to instructionally lead all processes of adjusted learning for all students
- understanding and application of Disability Standards for Education, 2005 (DSE)
- provision of meaningful and continuous learning engagement for all students as a key strategy to enhance school-wide standards of behaviour.

As Table 10 demonstrates, the department supports a growing number of students with a disability each year.

Table 10: Summary data – students with disability

Students with disabilities	2009	2010	2011	2012	2013
Number of students with disabilities[1] identified as needing specialist support enrolled in state primary and secondary schools	20 256	21 334	22 568	23 423	24 097
Number of students in special schools[2]	3 375	3 521	3 677	3 796	3 951

Source: Department of Education, Training and Employment

Notes:
1. *Full-time enrolments as at November of each year.*
2. *Includes Prep students attending a special school.*

Table 11: Summary data – schools supporting students with disability

Students with disabilities	2010	2011	2012	2013	2014[2]
Number of state schools providing special education programs (SEP)[1]	558	567	600	609	617
Number of state special schools[3]	43	43	43	43	43

Source: Department of Education, Training and Employment

Notes:
1. *Schools with multiple SEPs will be counted only once. Prior to 2008, programs were identified by centre types — SEU, SEU (SEC), SEDU and SEDC, and also included schools with an associated service of SEC. Schools with multiple programs (of any type above) will be counted only once. Special schools that also provide a SEP are not included in the "Number of state schools providing SEP" figure (in 2014 there are 12 such special schools).*
2. *Official school counts are reported in August of each year. The 2014 count is a preliminary figure as at 16 May 2014.*
3. *During 2010, the Mater Hospital School, the Royal Brisbane Hospital School, the Barrett Adolescent Centre and the Tennyson Special School, previously classified as special schools, were reclassified as special purpose schools. This reduced the special school count by four. The 43 special schools include Innisfail State College – Diverse Learning Centre, a special campus of Innisfail State College.*

The 2013 School Opinion Survey showed that 97.8 per cent of parents/caregivers of students in special schools agreed that their child's school is a good school. These opinions might have been influenced by the specialised nature of the programs that special schools offer for students with disability.

Speech and language pathologists initiative

The Government has committed to deliver more speech and language pathologists for students who have learning difficulties. These services will be delivered through Queensland's state school network and will be additional to those already employed.

For the state school system, this represents approximately 30 additional speech language pathology positions from 2013 to support students who face learning challenges, for example, autism spectrum disorder (ASD), hearing impairment, intellectual disability or learning disability, including dyslexia.

Low SES communities

During 2013–14, the department continued to implement strategies to improve student learning outcomes in disadvantaged communities through the Low SES School Communities National Partnership Agreement. These strategies included:

- incentives to attract high-quality teachers and principals to participating schools
- greater flexibility for principals in staffing, management arrangements and school budgets
- more flexible school operational arrangements
- innovative and tailored learning opportunities
- strengthened school accountability
- improved external partnerships with parents, other schools, businesses and communities
- access to a range of extended services.

Youth Support Coordinator Initiative

The Queensland Government is committed to supporting all young people to complete their education in order to enhance opportunities for further education and sustainable employment. The Youth Support Coordinator Initiative supports at-risk secondary school students to stay at school or make a successful transition to further education, training or employment. In 2013, the Youth Support Coordinator Initiative supported 8155 young people.

Young carers

The department appreciates the challenges faced by young carers as they seek to continue their education while assuming significant family responsibilities. The department is committed to recognising and supporting young carers to help them maintain a balance between their family responsibilities and their education.

During 2013–14, the department continued to provide services and activities under the Carers Charter. These included:
- providing school communities with support and information on young carers via electronic networks
- embedding information around the roles and value of carers and their value to the community into all of their training across the Community Services, Aged Care and Disability Training packages
- providing a range of educational programs, support, strategies and alternative options in inclusive settings to support student attendance and engagement in education during the compulsory schooling and compulsory participation phases
- providing flexible training through the TAFE system to support young carers to continue their education
- including carers in policy and service delivery planning and development at the individual and system level, where carers' interests are affected.

Students in out-of-home care

The department makes a significant contribution to the wellbeing of students in out-of-home care, who can face additional challenges in their schooling. The Department of Communities, Child Safety and Disability Services provides some additional funding under the Education Support Funding Program to improve the educational outcomes of students in out-of-home care. Departmental staff work cooperatively with the student, child safety officers, foster carers, specialist support staff and others with an interest in the wellbeing of individual students to develop education support plans. The department has provided enhanced functionality in OneSchool for the recording and tracking of students in out-of-home care that require an education support plan and is working with the Department of Communities, Child Safety and Disability Services to improve the quality and timeliness of the information recorded.

Support for students from english as an additional language or dialect backgrounds

English as an additional language or dialect (EAL/D) students are those whose main language of proficiency is a language or dialect other than Standard Australian English (SAE), and who require additional support to assist them to develop proficiency in SAE. The department's *P–12 curriculum, assessment and reporting framework* specifies how schools provide for EAL/D students by:
- identifying and monitoring their development of English language proficiency using the Bandscales State Schools Queensland
- supporting their learning as specified in a whole-school approach to student learning.

In 2013–14, the department provided more than 223 full-time equivalent (FTE) teachers and almost 2973 teacher aide hours per week to support EAL/D students.

The department recognises that Aboriginal and Torres Strait Islander students are often learners of SAE as a second language. The Aboriginal and Torres Strait Islander Languages Statement supports schools in

understanding and valuing the language backgrounds of Indigenous students in our schools. The statement recognises that an increased awareness of Aboriginal and Torres Strait Islander students' languages will contribute towards greater learning outcomes for students.

The After Hours Ethnic Schooling (AHES) program is managed by the department and consists of community-based, not-for-profit organisations which provide classes in a number of community languages and cultures that make up Queensland's multicultural diversity. The AHES program is recognised as a complementary provider of language education. In 2013, there were 28 funded AHES establishments teaching 13 languages to 4198 students. In 2014, there are 29 funded AHES establishments teaching 14 languages to 4740 students.

Isolated students (distance education)

Half of Queensland's state schools are located in rural and remote areas. These schools cater for approximately one-quarter of all students in the public education system. The department supports students from regional and remote Queensland areas through innovative delivery models and options, such as:
- seven state schools of distance education (SDE)
- digitised workbooks that can be used in hardcopy, offline and online, including delivery through student courses available through 24/7 access to The Learning Place
- The Learning Place which provides all staff and students with 24/7 access to a range of innovative eSpaces, web tools and high-quality educational resources
- regional technology managers.

Australian Curriculum resources have been adapted by the SDE for use by distance education teachers and home tutors to use with their students. These independent learning materials are specifically designed to be self-contained to support online or offline usage by SDE students, parents and home tutors. These materials have been updated to include guide sheets to support home tutors with the 'new' language of the Australian Curriculum, step-by-step instructions and answer sheets to model appropriate student responses. They also identify core and non-core activities to enable delivery of the required content within a given timeframe.

Youth in detention centres

The department provides a range of education and training programs to students in youth detention centres. As well as general education programs, the department provides a range of VET courses and access to higher-level vocational qualifications, as required.

Home education

Home education is a recognised and lawful alternative for educating children in Queensland. At the 2012 August census, there were 1108 children registered for home education. Further information about home education in Queensland is available at www.education.qld.gov.au/parents/home-education/index.html.

Solid partners Solid futures – Phase 2

A number of actions are being implemented under Phase 2 of *Solid partners Solid futures*: Aboriginal and Torres Strait Islander students are enrolled, engaged and achieving in school and transitioning at the same rate as non-Indigenous students.

Solid Pathways

Solid Pathways is a pilot program which supports Queensland's high-achieving Aboriginal and Torres Strait Islander students through school with a pathway to tertiary study. The pilot project, being implemented in Metropolitan region, builds on reading and numeracy strengths of high-achieving Aboriginal and Torres Strait Islander students and students in out-of-home care through online weekly critical and creative thinking lessons, university experience days and university camps.

Online resource centre

DETE's online resource centre is currently being enhanced to link all Indigenous knowledge centres and libraries together to create a comprehensive network of Aboriginal and Torres Strait Islander resource centres.

Teaching Aboriginal and Torres Strait Islander EAL/D learners Cross-jurisdictional Project

Queensland continues to lead the Teaching Aboriginal and Torres Strait Islander EAL/D learners Cross-jurisdictional Project, a collaboration with New South Wales, the Northern Territory and Western Australia. The project aims to support jurisdictions to build the capacity of teachers to effectively teach Aboriginal and Torres Strait Islander students who have a first language other than SAE and who are in the process of developing proficiency in SAE (EAL/D learners). To date, Queensland has led the development of:

- the *Capability Framework – Teaching Aboriginal and Torres Strait Islander EAL/D learners* which explicitly outlines the knowledge and practice that teachers require to teach these learners and describes the practice across career stages – from graduate to lead and aligns with and supports implementation of the Australian Professional Standards for Teachers. The framework was launched at the buunji 2013 National Aboriginal and Torres Strait Islander Education Conference
- a national audit of programs and approaches for teaching Aboriginal and Torres Strait Islander EAL/D learners which is due to be published in mid-2014.

Queensland is also leading the preparation of the final deliverable under this project by the end of 2014 – a website that will provide information and resources to support teachers in using the Capability Framework.

Transition Support Service

The Transition Support Service assists Aboriginal and Torres Strait Islander students to make the transition from the primary phase of schooling in their remote home communities to secondary schooling in large metropolitan or urban areas. The department supported students from Cape York and Palm Island while they studied away from home at secondary boarding schools. Throughout 2013, a total of 552 students were case managed by the Transition Support Service. In 2013, 358 students gained placements and were supported to transition to 30 boarding schools and residential facilities throughout Queensland. Of these students 68 per cent were retained at boarding schools and 47 per cent of those returned to their community where they were supported to re-engage in state schooling. Transition support officers assist students and their families to select, apply to and enrol at secondary school and assist students to manage transition challenges while attending boarding school.

Strong futures for Aboriginal and Torres Strait Islander students

In 2013, close to 54 000 Aboriginal and Torres Strait Islander full-time students were enrolled in Queensland schools – which is nearly one-third (29.4 per cent) of Australia's Aboriginal and Torres Strait Islander student population. More than three-quarters (84.1 per cent) of Queensland's Aboriginal and Torres Strait Islander full-time students were enrolled in Queensland state schools in 2013 – making up 8.9 per cent of all Queensland state school students.

Aboriginal and Torres Strait Islander students enrolled in Queensland state schools continue to increase. Over the past five years (from 2009 to 2013) Aboriginal and Torres Strait Islander enrolments grew by 14.8 per cent, compared with 4.6 per cent for all students. In 2013, approximately 31 000 students (68.6 per cent) of state school Aboriginal and Torres Strait Islander students were enrolled in state primary year levels, and just over 14 000 students (31.4 per cent) were enrolled in state secondary year levels.

There were just over 300 Aboriginal and Torres Strait Islander students (0.7 per cent) enrolled in special schools. Queensland had the highest number of Aboriginal and Torres Strait Islander students enrolled in Year 12 state schools in Australia during 2013, with more than 1700 students.

Aboriginal and Torres Strait Islander Education Action Plan

The *Aboriginal and Torres Strait Islander Education Action Plan 2010–2014* commits all governments in Australia to a unified approach to closing the gap in education outcomes between Indigenous and non-Indigenous students. Under the action plan, each state and territory is to identify focus schools to ensure that those Aboriginal and Torres Strait Islander students most in need benefit from education reforms. There have been 207 state focus schools identified in Queensland.

In 2013–14, DETE continued to implement the *Investing in Focus Schools National Partnership Agreement* in 61 specially selected Queensland state focus schools to complement and accelerate implementation of local level actions in the engagement and connections, attendance, and literacy and numeracy domains of the action plan. $1.033 million of Commonwealth funds were allocated under the *Focus Schools Next Steps* initiative to a further 35 Queensland focus schools. The initiative assists the schools to implement strategies

to improve school attendance, classroom engagement and academic achievement of Aboriginal and Torres Strait Islander students.

The list of Queensland focus schools is available online at www.dete.qld.gov.au/indigenous/strategies/ed-action-plan.html.

Indigenous Education Grants

Indigenous Education Grants provide support to schools to implement the Closing the Gap Education Strategy. These grants are provided to support Indigenous school students to be enrolled, engaged and achieving in school and progressing at the same rate as non-Indigenous students.

Cape York Aboriginal Australian Academy

The Cape York Aboriginal Australian Academy is a unique partnership between Cape York Institute and the department to improve the educational outcomes of Aboriginal and Torres Strait Islander students in three Cape York communities. The program has been extended until the end of 2014.

International engagement

The Department of Education and Training International has continued to mitigate external pressures affecting international education and training to remain competitive in the current global financial environment by delivering high-quality programs. During 2013–14, the department:
- supported EAL/D needs of international students through delivering approximately $1.97 million in funding to Queensland regions
- attained a 97 per cent satisfaction rate from full-fee-paying international students in state schools regarding overall study experience
- enrolled 1362 international FTE students holding a 571 Student Visa in Queensland state schools. These students participated in a variety of Education Queensland International (EQI) programs across the state
- enrolled 1104 FTE dependants of adult students studying in Queensland training and higher education institutions in Queensland state schools
- secured 50 Tokyo Board of Education Scholarship students and more than 20 Italian Government Scholarship students for 2014 by working closely with accredited agents
- continued to mitigate risk associated with increased international competition through the introduction of new programs. In 2014, the Queensland Academies joined the suite of programs and pathways offered to international students.

Professional visit programs

Professional visit programs provide a great opportunity for international delegates to obtain professional and educational knowledge, to increase career potential, as well as professional and personal growth. These visits provide an excellent opportunity for networking with Queensland professionals who demonstrate world's best practice. From 1 July 2013 to 31 March 2014, EQI hosted 89 groups incorporating 1630 international delegates from 12 different countries under EQI professional visit programs.

Great people

Priority actions

Support teachers to build their professional capacity, provide meaningful feedback on their performance and identify those performing at the highest level.

Ensure every school has consistent and effective teaching and learning practices that include a focus on enhancing students' digital capability.

Great teachers = Great results

Great teachers = Great results five-year action plan for Queensland schools builds on the strength of Queensland's existing school funding model and extends the Government's reform agenda to focus on the most important piece of the education system – our teachers. The plan focuses the next wave of education reform on two critical areas:

- professional excellence in teaching – elevating teaching standards across the board, rewarding high performance and positioning the highest performing teachers where they are needed most
- boosting school autonomy – empowering and enabling school leaders and teachers to drive outcomes for students, including stronger discipline.

The plan recognises that Queensland is a diverse state and that a one-size-fits-all approach will not unlock Queensland's full potential. It supports new teachers entering the profession by pairing them with experienced mentors; recognises high performing teachers with accelerated career pathways and bonuses; boosts the qualifications of teachers, principals and deputy principals; and deploys high-performing teachers to where they are most needed. *Great teachers = Great results* will improve the academic standing of Queensland schools when compared to other states and territories, and internationally.

During 2013−14:

- Teachers have commenced transitioning to the use of the Australian Professional Standards for Teachers in their annual performance process.
- An excess of 500 teachers have been registered to be trained as mentors for beginning teachers.
- 54 schools commenced as Independent Public Schools bringing the total to 80 schools.
- The *Strengthening Discipline in Queensland State Schools* strategy was introduced to provide principals with increased authority to implement solutions that best fit the unique needs of their own school community.

Engaged partners

Priority actions

Develop productive partnerships with parents, carers and the community to support improved student learning opportunities.

Welcome parents to be actively engaged in their child's learning.

Parent and community engagement

The *Parent and Community Engagement Framework* guide schools in setting, planning and monitoring their parent and community engagement. The framework supports schools at the local level in their activities to communicate and actively engage with their parents and community members. The fourth annual event celebrating successful and effective parent and community engagement and partnerships was held in Townsville, North Queensland in August 2013. During the Low SES National Partnership, these celebration events occurred annually.

Working with the non-state education sector

The non-state education sector is an essential part of Queensland's education system. It offers Queensland students and parents a diverse choice of educational philosophies and religious affiliations. The department maintains strong links and works collaboratively with the non-state sector in key schooling areas, such as:

- implementing the Australian Curriculum
- preparing for the transfer of Year 7 to secondary
- working together with the non-state sector and other Government departments on the Queensland Schools Planning Commission
- administering recurrent and capital funding to the non-state sector, which includes non-state schools and community-based organisations for students with special needs
- monitoring and developing policy and legislation that underpins the sector's sustainability
- providing secretariat support to the Non-State Schools Accreditation Board in accrediting and monitoring non-state schools
- providing secretariat support to the Non-State Schools Eligibility for Government Funding Committee to enable the committee to perform its statutory functions, including making recommendations to the Minister on non-state school eligibility for government funding.

Non-state education students

During 2013, the non-state school sector supported approximately one-third of Queensland's school students. See Table 12 for the number of students attending Queensland non-state schools. Through participation in the cyclical review program, usually once every five years, non-state schools are able to demonstrate their compliance with statutory requirements for accreditation. Further details about non-state schools, and the cyclical review process, are available through the independent Non-State Schools Accreditation Board annual report.

Table 12: Number of students in Queensland non-state schools

Students in Queensland non-state schools	2009	2010	2011	2012	2013
Primary (Prep–Year 7)	128 204	131 443	135 099	139 105	142 023
Secondary (Year 8–Year 12)	105 169	107 715	109 035	110 564	112 444
Total	**233 373**	**239 158**	**244 134**	**249 669**	**254 467**

Source: ABS, Schools, Australia

Note:
1. *Primary and secondary enrolments include ungraded students. Full-time enrolments as at August of each year.*

High standards

Priority actions

Improve learning outcomes through consistent curriculum and analysis of student data to inform whole-of-school and individual improvement strategies.

Conduct reviews to ensure processes, school supports and regulation are best practice.

Ensure every school offers a safe and disciplined environment, where students and their parents understand the expectations of their school and their responsibilities as members of the school community.

Focus on efficient and effective registration services to ensure consistency of standards across schooling options.

School curriculum

Australian Curriculum

The Australian Curriculum sets out the core knowledge, understanding, skills and general capabilities important for all Australian students. Throughout 2013–14, the department worked closely with the QCAA (former QSA) and all schooling sectors to plan, prepare and support the implementation of the Australian Curriculum in all Queensland schools – from Prep to Year 10.

In 2013–14, support for all Queensland schools to implement the Australian Curriculum was provided in the Curriculum into the Classroom curriculum planning and support package consisting of:
- whole school plans, year level plans, unit plans and lesson plans along with assessment tasks, marking guides and resources for teachers and students

- examples of multi-level planning materials
- examples of Prep to Year 2 curriculum planning and classroom practice materials to support students with disability.

In 2014–15, further support will be provided for schools to implement additional aspects of the Australian Curriculum.

Queensland curriculum

During the transition to the Australian Curriculum, Queensland teachers continue to teach, assess and report using the Queensland Curriculum for learning areas that have not yet been developed by the Australian Curriculum, Assessment and Reporting Authority (ACARA) (including the remaining strands of studies of society and environments – place and space, political and economic systems; the arts, technology, health and physical education and languages).

Daniel Morcombe Child Safety Curriculum

The department, in partnership with the Daniel Morcombe Foundation, developed the Daniel Morcombe Child Safety Curriculum. The curriculum is aligned with existing curriculum frameworks and was developed in collaboration with a wide range of stakeholders including Queensland Child Safety Ambassadors Bruce and Denise Morcombe. The curriculum consists of classroom lessons across three phases of learning: Prep to Year 2, Years 3 to 6 and Years 7 to 9. The curriculum is available to all Queensland schools and aims to teach children about personal safety and awareness, including cybersafety and phone safety, by focusing on three key safety messages: Recognise, React and Report.

Further information about the curriculum, including resources for parents, is available on the department's website at www.education.qld.gov.au/parents/school-life/child-safety-curriculum.html.

P–12 curriculum, assessment and reporting framework

The *P–12 curriculum, assessment and reporting framework* specifies the requirements for Queensland state schools in implementing both the Australian Curriculum and the Queensland curriculum from 2013. The framework establishes the expectations for Queensland state schools in delivering curriculum to optimise learning for all students from Prep to Year 12.

Teaching and Learning Audits

In 2013–14, the department conducted Teaching and Learning Audits in 325 Queensland state educational institutions. To ensure a consistent and evidence-based audit process, the Teaching and Learning Audit Instrument, developed by ACER, is used to provide high-quality feedback on key curriculum, teaching, learning and assessment practices in each school.

Discipline Audits

In 2013–14, the department introduced Discipline Audits in 638 Queensland state educational institutions. The Discipline Audit Instrument, developed in consultation with ACER as well as leading academics from across the world, is used to provide school leaders with high-quality feedback on the strength of the school in building discipline, and where there are opportunities for improvement.

Following either a Teaching and Learning Audit or a Discipline Audit, each school was provided with a detailed report relating to its progress against system expectations and accountabilities. The reports were designed to inform future developmental needs of each school and development needs of the system.

Positive schools and students

Strengthening discipline in schools

All students have a right to learn in classrooms free from disruption and poor behaviour and teachers a right to teach in a safe and supportive school environment. The department is committed to ensuring Queensland state schools provide positive, safe and supportive learning environments for all students and staff. The Queensland Government's *Great teachers = Great results* action plan has cut red tape and given greater flexibility and increased power to principals. The reforms include:

- introducing discipline improvement plans with students and their parents which outline clear and agreed behaviour expectations and consequences
- removing unnecessary red tape so that principals can develop localised and meaningful approaches to discipline, such as requiring a student to undertake beneficial tasks in the community or attending a Saturday detention as a consequence for inappropriate behaviour
- building relationships with Special Assistance Schools to provide alternative school environments and specialist support for students with complex behaviour needs
- auditing every state school between July 2013 and November 2014 to ensure they have a strong approach to discipline.

A key theme of these reforms is the goal to give state school principals more independence and flexibility to use disciplinary measures that meet the specific behavioural needs of the student, in consideration of the family and community context. A broad range of strategies and responses are used by state schools to address unacceptable student behaviour. These may include suspension, expulsion and cancellation of enrolment. Queensland state schools must record any unacceptable behaviour that results in a School Disciplinary Absence (SDA). Table 13 provides a summary of state SDA during 2013.

Table 13: School disciplinary absences by reason of absence, 2013

Reason	Short suspension		Long suspension		Exclusion		Cancellation	
	Total incidents	Avg. rate per 1000 students per term	Total incidents	Avg. rate per 1000 students per term	Total incidents	Avg. rate per 1000 students per term	Total incidents	Avg. rate per 1000 students per term
Absences	675	0.3	51	0.0	1	0.0	-	-
Other conduct prejudicial to the good order and management of the school (including serious conduct)	8 057	3.9	1 275	0.6	239	0.1	-	-
Persistently disruptive behaviour adversely affecting others	5 086	2.5	547	0.3	86	0.0	-	-
Physical misconduct	17 535	8.5	2 439	1.2	404	0.2	-	-
Property misconduct	3 106	1.5	494	0.2	79	0.0	-	-
Refusal to participate in the program of instruction	3 687	1.8	312	0.2	40	0.0	1 413	0.7
Substance misconduct involving an illicit substance	118	0.1	347	0.2	328	0.2	-	-
Substance misconduct involving tobacco and other legal substances	2 082	1.0	229	0.1	35	0.0	-	-
Verbal or non-verbal misconduct	12 143	5.9	1 170	0.6	105	0.1	-	-
All reasons	**52 489**	**25.6**	**6 864**	**3.3**	**1 317**	**0.6**	**1 413**	**0.7**

Source: Department of Education, Training and Employment

Notes:
- *School disciplinary absence (SDA) rates of less than 0.05 are rounded to 0.0.*
- *A dash (-) indicates that a reason is not applicable to the SDA type.*
- *The SDA data presented comprises the total of short suspensions (1–5 days), long suspensions (6–20 days), suspensions with recommendation for exclusion, and cancellations of enrolment.*
- *The enrolments used to calculate the SDA rates for 2013 were based on February, August and November 2013 enrolment data.*
- *The information is displayed in terms of aggregate incident counts and the average rate of SDAs per 1000 students per term. The data does not represent the outcomes of any related appeal decisions.*
- *Incidents: Count of incidents resulting in an SDA during 2013. This does not represent the number of students who received a disciplinary absence as a student can receive more than one during the year.*
- *Average rate per 1000 students per term: An effective average number of SDA incidents per 1000 students per term for the reporting period. Due to rounding, discrepancies may occur between sums of the component items and totals in the average rate per 1000 figures.*

Improving the educational environment and student wellbeing

During 2013–14, the department continued to improve the educational environment, and student wellbeing, through implementation of the *Learning and Wellbeing Framework* for all Queensland state schools. The framework is available online at www.dete.qld.gov.au/initiatives/learningandwellbeing/.

Table 14 provides a summary of directives issued under the *Education (General Provisions) Act 2006*.

Table 14: Summary of directions and orders – Queensland schools

Type of direction or order	Directions or orders given to personnel other than children 2013–14	Directions or orders given to children 2013–14
State and non-state schools		
Prohibition from entering premises of all state educational institutions and non-state schools for up to one year — section 352	0	0
State schools		
Direction about conduct or movement — section 337	135	0
Direction to leave and not re-enter — section 339	2	0
Prohibition from entering premises for up to 60 days — section 340	8	0
Prohibition from entering premises for more than 60 days but not more than one year — section 341	0	0
Review of direction — section 338:		
• the number of review applications made	12	0
• the number of directions confirmed	12	0
• the number of directions cancelled	0	0
Prohibition from entering premises of all state education institutions for up to one year — section 353	0	0
Non-state schools		
Direction about conduct or movement — section 346	12	0
Direction to leave and not re-enter — section 348	4	0
Prohibition from entering premises for up to 60 days — section 349	2	0
Prohibition from entering premises for more than 60 days but not more than one year — section 350	0	0
Review of direction — section 346–347:		
• the number of review applications made	0	0
• the number of directions confirmed	0	0
• the number of directions cancelled	0	0

Source: Department of Education, Training and Employment

Note:
1. *Sections refer to the Education (General Provisions) Act 2006, Chapter 12, Parts 6–8.*

Training and employment

Outcome: Queenslanders skilled to successfully participate in the economy and broader community

Our focus | Priority actions

Empowerment

Enable providers to be responsive to local skilling needs and economic demands through enhanced contestability of government training funds.

Successful learners

Implement the Certificate 3 Guarantee providing Queenslanders with access to government subsidies for training up to and including their first Certificate III in priority skilling areas.

Improve student choice through better information about training and career options and providing flexible and relevant pathways to qualifications.

Great people

Enhance the capability of the VET workforce to deliver high-quality training and assessment.

Engaged partners

Develop a genuine partnership with industry through the Ministerial Industry Commission to identify skilling and funding priorities.

Work with employers to increase apprenticeship and traineeship commencements, streamline and simplify processes for employers and develop more flexible training pathways.

High standards

Deliver high quality training outcomes directly linked to employment through creating a fully contestable and diverse training market.

Performance indicators

- Outcomes for Indigenous Queenslanders
- Transitions to further education, training or employment
- Participation in further education and training
- Successful completions
- Graduate and employer satisfaction

Service standards

Table 15: Service standards – Training and employment

Service standards	Notes	2013–14	
		Target/est.	Actual
VET outcomes			
Proportion of all attempted competencies successfully completed KPI		89%	92.1%
Proportion of Queenslanders with higher qualifications KPI	1,2	57%	56.6%
Proportion of graduates in employment or further study KPI	1,3,4	87%	88.0%
Number of completions KPI:	5,6		
• Apprenticeships		11 000	11 600
• Traineeships		24 000	24 000
• School-based Apprenticeships and Traineeships (SATs)		5 000	5 300
Cost and satisfaction			
Proportion of graduates satisfied with the overall quality of their training KPI	1,4	89%	87.4%
Proportion of employers satisfied with graduates of KPI:	1,7		
• nationally-accredited training		85%	81.2%
• apprenticeships and traineeships		83%	77.8%
Average cost per competency successfully completed KPI	8	$706	$691

Source: Queensland State Budget 2013–14 Service Delivery Statements and State Training Agency Clearing House Database

Notes:
1. Confidence intervals for agreement estimates derived from sample survey responses need to be considered when interpreting relative performance.
2. Sourced from the ABS Survey of Education and Work, Australia — Additional data cubes, Table 1.11, Proportion of Persons with a Non-school qualification at Certificate III level or above, (persons aged 25–64 years) 2013.
3. Confidence intervals for estimates derived from sample survey responses need to be considered when interpreting relative performance. The 2013–14 Estimated Actual is statistically similar to the 2013–14 Target Estimate.
4. Sourced from the annual National Centre for Vocational Education Research (NCVER) Student Outcomes Survey.
5. Apprenticeship and traineeship measures include school-based apprenticeships and traineeships (SATs).
6. Variance between the 2013–14 Target Estimate and 2013–14 Estimated Actual is due to a decrease in apprenticeship new commencements experienced 3-4 years ago.
7. Employer satisfaction estimates are obtained from the biennial national survey (Employers' Use and Views of the VET System), which was last conducted by NCVER in 2013. Confidence intervals for satisfaction estimates derived from sample survey responses need to be considered when interpreting relative performance. The 2013–14 Estimated Actual is statistically similar to the 2013–14 Target Estimate.
8. Variance between the 2013–14 Target Estimate and 2013–14 Estimated Actual is due to the impact of the National Partnership Productivity Places Program (PPP) being withdrawn. Competencies were efficient to deliver under the contestable PPP and its withdrawal had an impact on the overall efficiency of delivery as well as a larger than expected impact on the number of competencies completed.

Our Achievements

Priority action
Enable providers to be responsive to local skilling needs and economic demands through enhanced contestability of government training funds.

Great skills. Real opportunities.

The Queensland Government is committed to growing a four-pillar economy through focusing on resources, construction, agriculture and tourism, and by reducing unemployment to four per cent over the next six years.

The State's training sector plays a key role in enabling Queenslanders to develop the right skills for employment, and enabling individuals and industry to contribute to the growth of the State's economy. *Great skills. Real opportunities.* brings together reforms contained in key investigations into the Queensland training sector undertaken in 2012–13, including the Queensland Skills and Training Taskforce and the final report of the Commission of Audit. *Great skills. Real opportunities.* outlines the action the Government will take to create a new era for training, characterised by:

- transparent and contestable training funding
- targeted investment based on industry advice
- closer alignment between training subsidised/purchased by Government and the skills required for employment
- student choice and access
- certainty for training providers.

On 1 July 2013, landmark changes were made to the way the Government invests in training with the introduction of more contestable funding arrangements. Contestable funding will allow the Government to purchase training from a range of quality training providers to give students greater choice. From July 2014, all training funding in Queensland will be fully contestable.

The new approach to investment in training was applied to the new Certificate 3 Guarantee, which is providing eligible Queenslanders with access to a government-subsidised training place in priority skill areas, up to and including their first Certificate III level qualification. A new $42 million contestable funding pool was made available for the Certificate 3 Guarantee in 2013–14 as part of approximately $300 million in contestable funding. A new investment framework for training was also introduced to provide clear information on priority skills and funding arrangements. Tailored programs to support skills development for particular industries, locations or student cohorts will enable government to respond to emergent skilling needs while also encouraging co-investment by employers.

In 2013–14, the department implemented a new VET Investment Framework to establish a contestable VET funding model that increases funding available to the broader training market.

The Government accepted the recommendation within the independent Commission of Audit Final Report for asset ownership to be separated from TAFE and transferred to a specialist commercial entity. As at 30 June 2014, plans were in place to transfer the majority of ownership of public training assets to the QTAMA to free up public training infrastructure for use by public and private providers and improve asset utilisation.

TAFE Queensland reforms

As part of the reform program, the Government is working to support the State's public provider transition to Queensland's fully contestable training market. On 1 July 2013, TAFE Queensland was established as a statutory body and a machinery-of-government process was undertaken resulting in the transition of all TAFE businesses, assets and liabilities to the new TAFE Queensland statutory body.

TAFE Queensland is the largest provider of VET in Queensland. TAFE Queensland supports the development of a highly skilled and flexible workforce to ensure Queensland's continuing growth and prosperity.

In 2013–14, the TAFE Queensland network delivered training to over 165 000 students through a network of 13 institutes across Queensland. More than 800 nationally-accredited programs were offered by TAFE institutes, spanning over 70 locations across the State. Information about TAFE institutes is available online at www.tafe.qld.gov.au/courses-and-campuses/institutes/index.html.

Dual-sector university

In 2013-14, planning continued to establish Queensland's first dual-sector university through the planned merger of Central Queensland Institute of TAFE (CQIT) with Central Queensland University (CQU). As at 30 June 2014, plans were in place for CQU to commence operating as a dual-sector university on 1 July 2014. CQU will deliver both VET and university courses and programs to the people of Central Queensland.

Maintaining a quality VET system

An essential mechanism for ensuring the quality of VET delivery and assessment is the national standards against which Registered Training Organisations (RTOs) are measured and with which they must comply. The *VET Quality Framework* (VQF) is aimed at achieving greater national-consistency in the way providers are registered and monitored and in how standards in the VET sector are enforced. The VQF is critical in protecting the interests of all students undertaking VET in Australia. It includes a set of standards that assures nationally consistent, high-quality training and assessment services for clients of the VET system. The concept of continuous improvement underpins the VQF, ensuring that RTOs regularly review their operations and build on the quality of training and assessment and their clients' outcomes.

Satisfaction with VET services

Surveys conducted by the NCVER have revealed the majority of students and employers are satisfied with VET training services and products in Queensland. Results of the Student Outcome Survey show that VET graduates' satisfaction with their training remains high at 87.4 per cent KPI.

Table 16: Proportion of graduates satisfied with the overall quality of their training, 2009–2013 KPI

	2009	2010	2011	2012	2013
Queensland	87%	88%	89%	89%	87%
Australia	89%	88%	89%	89%	87%

Source: Student Outcome Survey – NCVER

Note:
1. *2009, 2010, 2011 and 2012 data were revised by NCVER.*

Results of the last Survey of Employers' Use and Views of the VET System, conducted in 2013, showed Queensland on par with national performance. An estimated 81.2 per cent of employers utilising nationally-accredited training were satisfied with their experience KPI.

Table 17: Level of employer satisfaction with nationally-accredited training KPI

	2005	2007	2009	2011	2013
Queensland	71%	88%	83%	91%	81%
Australia	80%	81%	86%	89%	83%

Source: Employers' Use and Views of the VET System – NCVER (biennial survey)

Quality accessible higher education

Higher education institutions in Queensland make a significant contribution to economic growth, developing social capital and helping to build community capacity within the state. The department's higher education goals are to:
- manage the administration of state-establishing legislation for Queensland universities and university and government relations
- influence appropriate policy responses to higher education issues.

The Tertiary Education Quality and Standards Agency is the national regulator of the higher education sector.

Priority actions
Implement the Certificate 3 Guarantee providing Queenslanders with access to government subsidies for training up to and including their first Certificate III in priority skilling areas.

Improve student choice through better information about training and career options and providing flexible and relevant pathways to qualifications.

Developing skills is fundamental to Queensland's economic prosperity. It is a key driver of productivity and economic growth, and is central to shaping our human capital and community capacity.

According to the Australian Bureau of Statistics (ABS) survey of education and work, the proportion of Queenslanders aged 25 to 64 years with Certificate III or higher qualifications was 56.6 per cent in 2013, an increase from 54.4 per cent in 2009.

Figure 31: Proportion of 25 to 64 year olds with Certificate III or higher qualifications
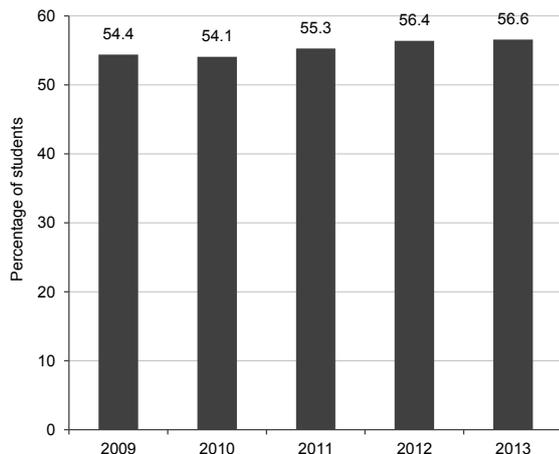
Source: ABS Education and Work, Australia, May 2013 (Catalogue No. 6227.0) Additional Datacube

The department supports a range of programs aimed at stimulating increased participation within the state's VET sector. The User Choice program supports apprenticeship and traineeship training, VET Revenue General supported targeted training through the Public Provider, and further training is supported through National Partnership Agreements with the Australian Government and in partnership with industry. In 2013–14, the department increased the skills of around 245 800 Queenslanders. VET participation in schools can count towards a student's QCE and encompasses a range of training options for school students in secondary school (Years 10 to 12), including:
- courses delivered at school
- SATs
- courses offered at a TAFE institute or by another training organisation.

In 2013–14, around 17 400 new apprenticeships are projected to have commenced in Queensland. While marginally higher than the previous year, the level of commencements remains stronger than at any time before 2005–06 and reflects the impacts of changing economic conditions.

Figure 32: Number of apprentice and trainee commencements
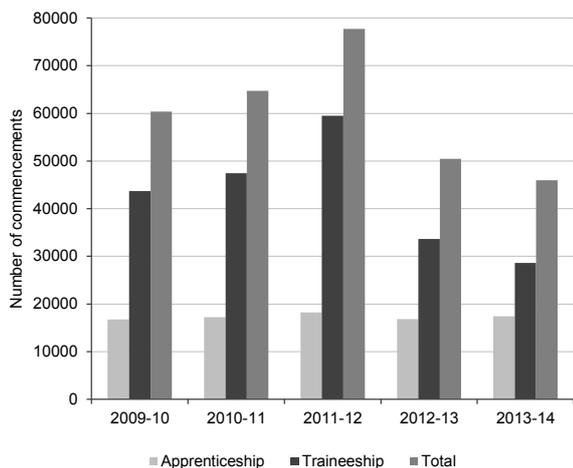
Source: Department of Education, Training and Employment – Contract of Training Database (DELTA)

Notes:
- *The 2013–14 data are projected results.*
- *Apprenticeships and traineeships include school-based apprenticeships and traineeships (SATs).*

In 2013–14, it is projected that 11 600 Queenslanders will have completed apprenticeships and 24 000 Queenslanders will have completed traineeships.

Figure 33: Number of apprentice and trainee completions **KPI**
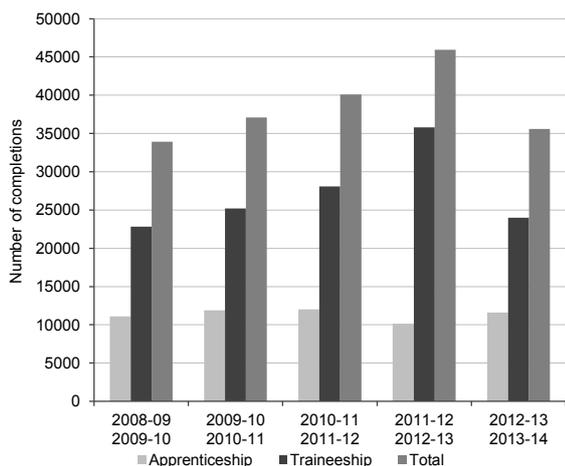
Source: Department of Education, Training and Employment – Contract of Training Database (DELTA)

Notes:
- *The 2013–14 data are projected results.*
- *Apprenticeships and traineeships include school-based apprenticeships and traineeships (SATs).*

Despite the impact of the rationalisation of Commonwealth incentives and the global financial crisis, Queensland's apprenticeship activity performance continues to compare favourably with the nation as a whole. Queensland's share of apprenticeship commencements is greater than its share of the working age population, and has been for over 10 years. Additionally, there is around one apprentice employed for every seven tradespeople in Queensland, a ratio that is consistent with the national average.

Community Learning

Community Learning, a new training program with a budget of $47 million over five years was implemented in July 2013 as part of *Great skills. Real opportunities.* The program provides a supported pathway for Queensland's disadvantaged learners to participate in and complete vocational qualifications up to and including Certificate III. Community Learning fills a gap in the skills and training market by assisting disadvantaged learners who do not already hold a Certificate III or higher qualification and are not on income support or are not eligible for Australian Government employment services.

The program has a responsible funding model that supports partnerships between RTOs and community-based organisations. There are two fully-contestable funding rounds each year.

For 2013–14, 49 projects worth $12.2 million have been approved to deliver supported training places to 3937 disadvantaged learners. These projects will use community-based training to deliver nationally-recognised qualifications and competencies across Queensland in a diverse range of industries including:
- community services
- construction
- primary industries
- transport and distribution
- hospitality
- retail and business.

Supporting Women Scholarships

The Supporting Women Scholarships program provides opportunities for women of all ages and backgrounds to gain qualifications in high priority and skills shortage areas that have been traditionally male-dominated. The scholarships are available for VET and university study from the Certificate IV level through to postgraduate qualifications in the following fields:
- agriculture and environmental studies
- architecture and building
- earth sciences
- engineering
- information technology.

Under the Government's four-year $10 million commitment, $1.9 million was invested in 2013-14 to support 120 successful scholarship recipients. Further information regarding the Supporting Women Scholarships program is available online at www.supportingwomen.qld.gov.au/

VET graduate results

Queensland's VET sector continues to strive to address the needs of Queensland's economy, achieving strong results in producing job-ready graduates. The VET system continued to deliver vocational programs that lead to successful student outcomes, particularly the gaining of qualifications.

Figure 34: Publicly-funded Australian Qualifications Framework Certificate I or above qualifications awarded
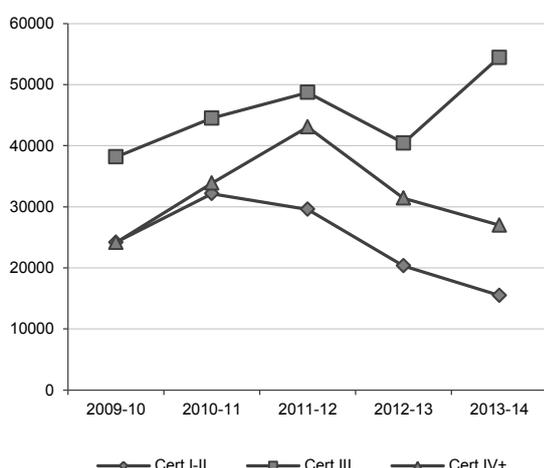
Source: Department of Education, Training and Employment – Training System Information

Note:
- *The increase in awarded Certificate III qualifications in 2013–14 was predominantly driven by partial implementation of the Certificate III Guarantee.*

Table 18: Total number of VET qualifications awarded – Certificate I or above qualification levels

2009–10	2010–11	2011–12	2012–13	2013–14
86 441	110 488	121 338	92 116	96 903

Source: Department of Education, Training and Employment – Training System Information

Note:
- *For consistency of reporting with other jurisdictions, the total number of VET qualifications awarded only includes Certificate I or above qualification levels. In annual reports prior to 2012-13 all qualification levels were reported.*

In 2013–14, 81 420 Certificate III and above qualifications were completed, an increase of nearly 30.7 per cent compared to the 62 273 completions reported in 2009–10 `KPI`.

User Choice program

The User Choice program provides public funding for the delivery of accredited, entry-level training to apprentices and trainees. The program works in conjunction with the Commonwealth Australian Apprenticeships System, under which apprentices and trainees (also known in some jurisdictions as 'Australian Apprentices') enter into legally binding training contracts with their employers and receive structured training to achieve a nationally-recognised qualification. The Queensland User Choice program enables apprentices, trainees and their employers to select a preferred RTO from a list of pre-qualified suppliers for the delivery of accredited training to meet their specific needs.

Recognition of prior learning

Recognising an individual's skills and experience using Recognition of Prior Learning (RPL) assessment is one of the department's strategies to efficiently and effectively address Queensland's future skills needs. RPL and the credit transfer process are a process of qualifying individuals effectively, saving time and resources by negating the need for people to retrain in skills and knowledge they already possess. In 2013, 11.8 per cent of all full-year training equivalents in Queensland were assessed through RPL, up from 8.8 per cent in 2009. The Queensland proportion of RPL is 3.6 percentage points above the national average.

In July 2013, an online skills identification tool was also implemented in line with the *Great skills. Real opportunities.* initiative to provide Queenslanders with a self-guided tool that assists individuals to recognise and formalise their existing skills. In 2013, 14 111 individuals accessed the new site and a total 2444 of these individuals completed the online process and downloaded a report that assists them to engage in a formal RPL process and move into further education and training.

Figure 35: Full-year training equivalents in Recognition of Prior Learning (share of total training activity) — Queensland's position relative to Australia, 2009–2013
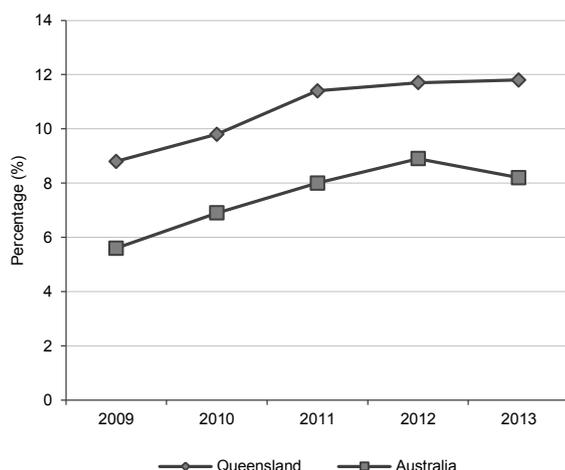
Source: Australian vocational education and training statistics: Students and courses 2013, NCVER

Note:
- *Full-year training equivalents measure the training activity undertaken by a student on a full-time basis for one year. Calculations are based on hours of delivery (720 hours = 1 FYTE).*

Apprentice retention and completion

The department operates a proactive visit service to employers, apprentices and trainees. Regional officers visit workplaces to assess the progression of apprentices and trainees, and identify any issues which may prevent the completion of the training contract. Follow-up activities are conducted to resolve the issues at a local and systemic level as required. Visits are mostly aimed at apprentices in areas identified as requiring additional support.

Indigenous participation in vocational education and training

In 2013–14, Indigenous students represented 5.9 per cent of total publicly-funded VET students, compared to 5.5 per cent representation in 2009–10.

Figure 36: Number of Indigenous students in the publicly-funded VET system
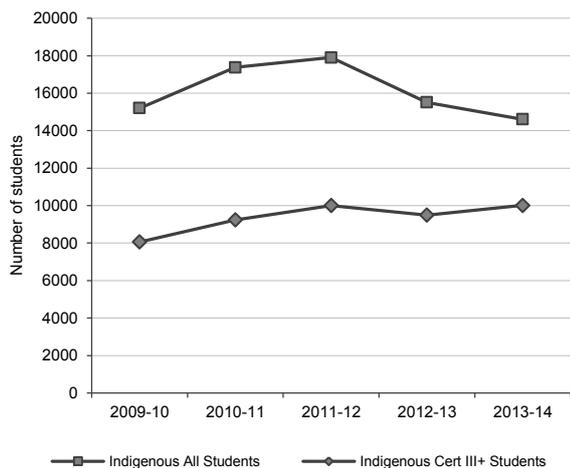
Source: Department of Education, Training and Employment

The declining number of Indigenous students in the publicly-funded VET system is reflective of what is happening in the overall VET system in Queensland. The trends in qualifications awarded to Indigenous persons reflect the department's commitment to higher-level qualifications. Figure 37 demonstrates how completion of Certificate III or above qualifications increased 53.6 per cent from 2273 in 2009–10, to 3492 in 2013–14.

Figure 37: Number of Certificate I+ VET qualifications awarded to Indigenous students in Queensland
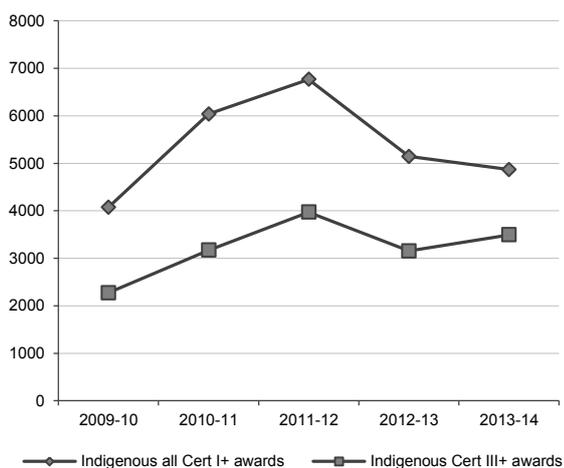
Source: Department of Education, Training and Employment

Note:
- *For consistency of reporting with other jurisdictions, the total number of VET qualifications awarded only include Certificate I or above qualification levels. In annual reports prior to 2012–13 all qualification levels were reported.*

Indigenous participation in apprenticeships and traineeships

The department continues to encourage Indigenous Queenslanders to engage in all training pathways, including apprenticeships and traineeships. In 2013–14, some 2740 Indigenous people are anticipated to have commenced apprenticeship and traineeship training.

Figure 38: Number of Indigenous apprentice and trainee commencements
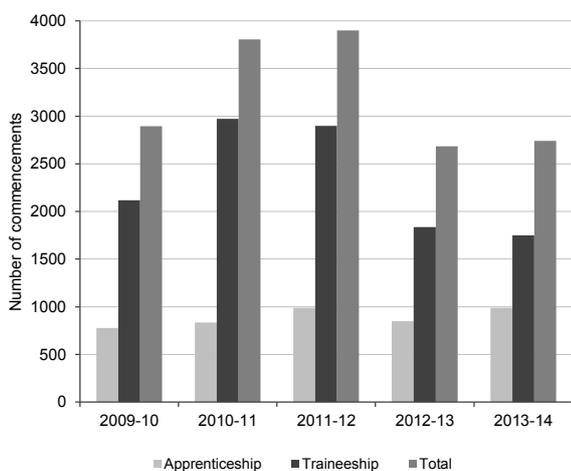
Source: Department of Education, Training and Employment – Contract of Training Database (DELTA)

Notes:
- *The 2013–14 data are projected results.*
- *Apprenticeships and traineeships include school-based apprenticeships and traineeships (SATs).*

Figure 39: Number of Indigenous apprentice and trainee completions
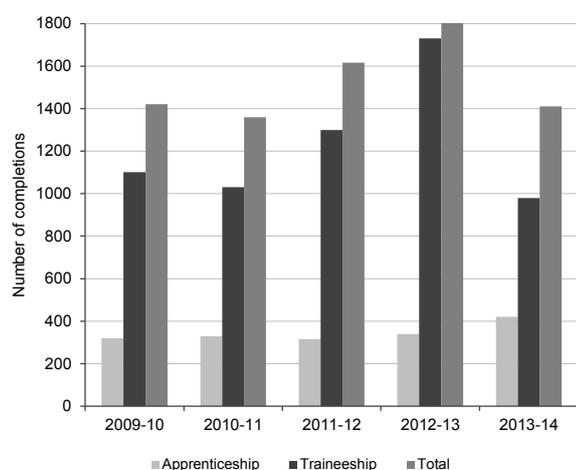
Source: Department of Education, Training and Employment – Contract of Training Database (DELTA)

Notes:
- *The 2013–14 data are projected results.*
- *Apprenticeships and traineeships include school-based apprenticeships and traineeships (SATs).*

During 2013, 91.8 per cent of Indigenous apprentices and trainees successfully completed all competencies attempted. This is slightly lower than the rate of 95.1 per cent for all apprentices and trainees.

Table 19: Proportion of Indigenous apprentices and trainees completing all modules/competencies

	2009	2010	2011	2012	2013
Successful completion of all modules/competencies	92.9%	91.4%	92.4%	91.5%	91.8%

Source: Department of Education, Training and Employment – Training System Information from VOCSTATS

VET professional learning

Queensland recognises that the skills and knowledge of our VET educators are fundamental to the success of the sector in contributing to the achievement of the Government's economic and social priorities. In support of the *Queensland VET Continuous Professional Learning Strategy: 2012–2015*, the Queensland VET Development Centre delivered the 2013–14 Professional Learning Program. The Professional Learning Program was designed to provide both public and private RTOs in Queensland, opportunities for continuous development of their professional learning. It considers the workforce capability development requirements of RTOs in responding to the changing VET policy environment. As at 30 June 2014, over 2800 public and private RTOs registered to participate in the face-to-face and virtual activities and were afforded access to digitally archived resources on offer.

Ministerial Industry Commission

The Ministerial Industry Commission (the Commission) was established in November 2013 as an independent body to provide advice directly to the Minister for Education, Training and Employment on Queensland's current and future skill needs, to more closely match public investment in VET with the needs of industry and employers at all levels across Queensland. The Commission works in genuine partnership with industry and employers to identify Queensland's skills and workforce priorities.

The Commission released its first Annual Skills Priority Report in March 2014 after undertaking consultation with the sector. The Commission continues to engage and consult with industry and employers at all levels through a series of regional industry forums.

Indigenous training and skilling

The department is committed to providing accessible and relevant Indigenous education and training pathways that lead to skills acquisition and employment outcomes. A number of department partnerships for Indigenous VET Initiatives operate through the COAG agenda of closing the gap in Indigenous disadvantage.

Black Business Finder

In March 2013, the Minister for Education, Training and Employment launched an online Aboriginal and Torres Strait Islander business database — known as the Black Business Finder (BBF). BBF is part of a national database hosted by the Industry Capability Network (ICN).The ICN Gateway database contains more than 66 000 businesses or suppliers nationally and has access to project opportunities worth $447 billion. The BBF section of this database currently lists over 234 Indigenous businesses operating in Queensland, employing over 3732 workers of which more than 1885 are Indigenous.

The BBF maximises participation by indigenous businesses in major projects. The online database provides opportunity for these businesses to participate in private and government supply chains and will enable private and public sector procurement personnel to identify Indigenous business capabilities across Queensland for potential tendering and contracting opportunities. This in turn will encourage the growth of

the Indigenous business sector and increase Indigenous employment. The BBF database is available online at www.bbf.org.au/.

Influencing Australian Government employment services

The department is continuing to influence the Australian Government's delivery of employment services through the provision of appropriate advice on Queensland labour market conditions and working to improve the interface between training and employment services for all Queensland jobseekers.

The Interagency Group on Employment and Training continues to meet and work in partnership to achieve Queensland and Australian Government policy objectives around workforce participation and improving educational, training and productivity outcomes with a particular focus on those who are disadvantaged in the labour market.

> **High standards**
>
> ***Priority action***
> *Deliver high quality training outcomes directly linked to employment through creating a fully contestable and diverse training market.*

International Engagement Plan 2014–19

In 2013–14, TAFE Queensland International (TQI) developed an International Engagement Plan 2014–19, with the aim to strengthen TAFE Queensland's international engagement and business activities. Through coordinated and strategic liaison with TAFE Queensland, the department:

- supported TAFE Queensland to develop a strong position internationally
- coordinated and managed joint projects, actively built relationships with international government agencies, industry and educational sector representatives, and supported a cohesive and informed sector
- undertook a strong advocacy role, actively participating in industry peak bodies' activities to safeguard TAFE Queensland's interests in the international education and training industry
- supported the development of TAFE Queensland's capacity through the provision of seminars and professional development events
- project managed the Papua New Guinea Technical and Vocation Education and Training Skill Scholarships program that seeks to up-skill 2000 Papua New Guineans, in line with the Papua New Guinea Vision 2050. TAFE Queensland, through the Barrier Reef Institute of TAFE and Tropical North Queensland Institute of TAFE is responsible for the direct delivery of this five-year program.

According to Australian Education International student enrolment data, as at May 2014, 2305 international student enrolments were recorded in VET programs offered by public VET providers in Queensland. This represents a 29.1 per cent growth in international VET enrolments over the previous 12 months.

Solid partners Solid futures – Phases 3 and 4

In the first half of 2014, three consultation meetings were held with employers, industry bodies and key government agencies. The meetings are a means of turning ideas into action – ensuring employer views are heard in the implementation of *Solid partners Solid futures* and building strong relationships between business and government to improve outcomes for Aboriginal and Torres Strait Islander students.

Under the guidance of *Solid partners Solid futures* and the *Queensland Aboriginal and Torres Strait Islander Economic Participation Plan*, the Queensland Government is investing $1 million each year for four years to fund training projects that will help Aboriginal and Torres Strait Islander people undertake and complete training that leads to jobs.

Cape York Employment and Training Strategy

During 2013–14, the *Cape York Employment and Training Strategy* provided community-driven, targeted training to assist in improving training and employment outcomes for Indigenous people in the Cape York communities, through delivery of programs aligned to identified skills needs and job opportunities. As at

30 June 2014, $663 281 was approved under this initiative, resulting in 111 participants enrolled in competencies and qualifications in the construction, primary industry and utilities industries.

Indigenous Funding Pool

The Indigenous Funding Pool (IFP) program provided funding for demand-driven training, assessment and related services linked to employment outcomes for Indigenous people in Queensland in 2013–14. The department provided IFP funds to TAFE Queensland and private RTOs to support the department's aim of increasing Indigenous participation and achievement of higher-level qualifications in VET. Activities funded in 2013–14 included training, assessment and related services, and participant support.

In 2013–14, 219 Indigenous people across the state participated in and undertook accredited training under the IFP across 23 projects with funding totalling $2.4 million.

Indigenous Remote Area Strategy

The *Indigenous Remote Area Strategy* supported quality outcomes for children through a skilled ECEC workforce. The Tropical North Queensland Institute of TAFE delivered the strategy through targeted and culturally appropriate Certificate III, Diploma and Advanced Diploma of Children's Services training to existing and new-entrant early childhood educators in the Cape, Gulf and Torres Strait Islands. During 2013–14, 130 participants received training through this initiative.

Overseas Qualification Unit

The Queensland Overseas Qualification Unit (QOQU) assesses formal qualifications gained overseas by comparing these qualifications to Australian Education Awards. The QOQU forms part of a national network of overseas qualifications units, with one in each state and territory. During 2013–14, the QOQU assessed and assisted 825 overseas-qualified Queenslanders and facilitated their pathway to employment and further study. Additionally, the QOQU publishes pathway information for professional and paraprofessional registration in Queensland which was accessed by over 24 856 customers.

Training and employment research

The department undertakes a broad range of high-level statistical analysis research services that focus on effective transitions from school, training and higher education to employment. Disadvantaged learners (including young people, early school leavers and Indigenous Queenslanders) may find these transitions difficult because they lack the necessary human capital — that is, that combination of education, training and skills formation that enables them to participate fully in the labour market. Higher participation rates in work provides significant benefits to the Queensland economy in improving wellbeing, providing higher incomes and increased labour productivity. The department's research provides an evidence base for policy development and enhancing service delivery.

Resourcing and capability

Outcome: Resources targeted to improve learning and skilling outcomes

Our focus | Priority actions

Workforce

Promote a performance culture to attract, retain and develop a high quality, agile, skilled and professional workforce.

Empower leaders to be customer focused, high performing, innovative and accountable.

Promote safe, healthy and inclusive work environments.

Information technologies

Support business solutions and better educational outcomes through improved delivery of high quality, cost efficient, contemporary Information and Communications Technology (ICT).

Infrastructure

Deliver high-quality, fit-for-purpose and future-focused infrastructure through innovative delivery models.

Governance and performance

Drive improved corporate service provision through a focus on business improvement, contestability and innovation.

Strengthen evidence-informed decision- making using performance data, research, review and evaluation.

Promote accountability through good governance and ethical decision-making.

Our Achievements

Performance indicators

- Efficiency and effectiveness of services
- Staff satisfaction

Workforce	***Priority actions*** *Promote a performance culture to attract, retain and develop a high quality, agile, skilled and professional workforce.* *Empower leaders to be customer focused, high performing, innovative and accountable.* *Promote safe, healthy and inclusive work environments*

Our people

The department employs approximately one third of the Queensland Government workforce and rates among the largest organisations in Australia. Our diverse profile includes school and TAFE teachers and specialist staff, as well as professionals engaged in the education and training sectors.

Figure 40: Location of the department's workforce, 2013–14
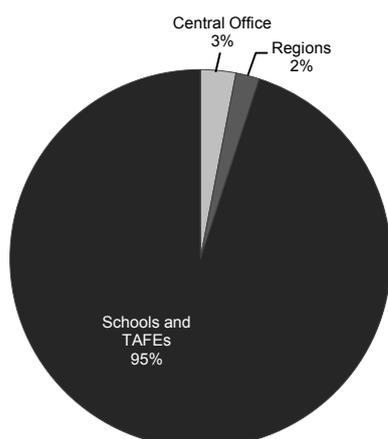
Source: Department of Education, Training and Employment

As at 30 June 2014, the department had a combined workforce of 86 411 people, which equates to 67 952 FTE staff across the state in various full-time and part-time roles. The department's staff numbers are based on Quarter 2 Minimum Obligatory Human Resource Information (MOHRI) point-in-time data.

Support staff in schools, TAFE institutes and regional offices include cleaners, grounds staff and employees supporting regulation of early childhood education and care, and the apprenticeship and traineeship system. Corporate staff provide functions to the department's service areas such as human resources, infrastructure, information technology, procurement and finance, including payroll and accounts receivable/accounts payable. In other agencies these may be delivered through a Shared Service Provider.

The average age of departmental employees is 45 years, compared to 44 years across the Queensland Public Sector (see Figure 41). Queensland's average state school teaching age is 43 years.
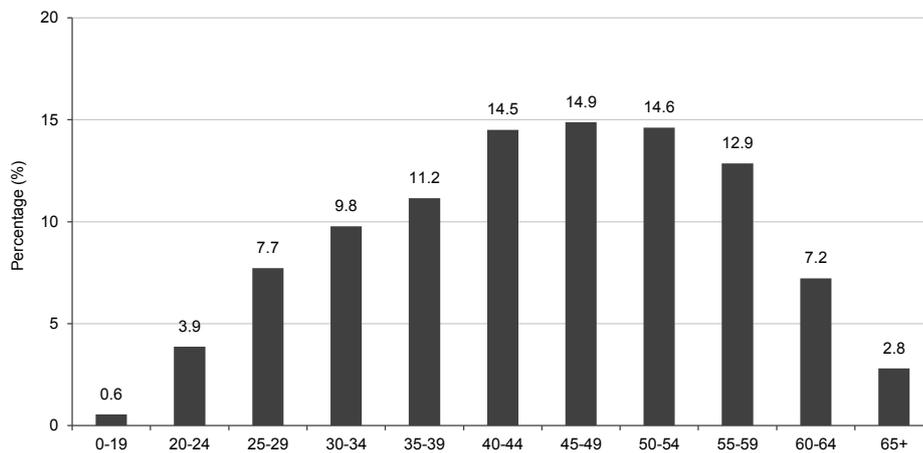
Source: Department of Education, Training and Employment

The staff retention rate for 2013–14 was 93.2 per cent, and the annual separation rate was 6.8 per cent.

In the 2013 School Opinion Survey, 95.1 per cent of school staff, including principals, agreed that their school was a good school. The Working for Queensland Employee Opinion Survey conducted in June 2013 showed a high score of 83 per cent for job satisfaction and engagement across all employees of the department **KPI**. The 2013 Working for Queensland Employee Opinion Survey Report is available online at www.psc.qld.gov.au/publications/workforce-statistics/workforce-statistics.aspx#wfqeos2013report.

Strategic Workforce Planning

In *A Plan – Better Services for Queenslanders*, the Queensland Government Response to the Independent Commission of Audit Final Report published in April 2013 – the Government accepted a recommendation that all public sector agencies develop and publish a five-year strategic workforce plan. The Department of Education, Training and Employment Strategic Workforce Plan 2014–18 is available at http://deta.qld.gov.au/publications/strategic/other/workforce09-11.html

This plan supersedes the *Workforce Strategic Plan 2011–14* which terminates in 2014. This document was established to provide a clear vision for the department, and to strengthen our workplace practices, allowing us to keep pace with government and community expectations, while delivering world-class education and training opportunities for all Queenslanders.

Workforce strategies

During 2013–14, the department continued to improve the management of DETE's large and diverse workforce through a range of initiatives, including:
- introducing an online Teacher Application which enables teacher applicants to submit their applications and supporting documentation directly online
- implementing a revised Principal Recruitment process that enables the involvement of school community representatives in the selection of school principals
- upgrading the department's TSS and Aurion Payroll systems to ensure ongoing vendor support for both systems
- rolling out the Teacher Relief and Contract Employment Register (TRACER) system to all schools to support school autonomy and local decision-making in the process of selecting teachers
- implementing a range of red tape reduction initiatives including the development of an online Payroll Verification Report and an online Senior Teacher process
- implementing the *Great teachers = Great results* direct action plan for Queensland schools that focuses reform on elevating teaching standards across the board, rewarding high performance and positioning the highest performing teachers where they are needed most.

Human resource management

The department's *Developing Performance Framework* provides a process for employees to clarify what is expected of them in their role, identify their performance and development goals and career aspirations, and access support and relevant professional development. The framework is supported by:

- *DETE Induction Strategy* and resources
- *Executive Performance and Development Framework*
- Public Service Commission's *Capability and Leadership Framework*
- *Valuing Performance* policy statement
- *Principals' Capability and Leadership Framework*
- *Deputy Principals' Capability and Leadership Framework*
- *Head of Programs' Capability and Leadership Framework*
- Australian Professional Standards for Teachers
- mentoring and coaching initiatives.

Developing performance plans align with Executive Performance and Development agreements.

Attracting new employees

The department acknowledges the need to attract and retain a high-quality workforce in schools, TAFEs and the corporate sector to deliver world-class education and training services for Queensland. In 2013–14, the department employed more than 1217 graduates to permanent teaching positions, and created an additional 768 teachers and teacher aide positions to meet enrolment growth in Queensland state schools and support students with disabilities.

A range of strategies were implemented during 2013–14 to attract and retain frontline staff, build capability, and value people in the early childhood, education and training workforce, including:
- continuing four Teacher Education Centres of Excellence to better prepare high-calibre pre-service teachers
- continuing the expanded Remote Area Teacher Education Program – the Community-based Aboriginal and Torres Strait Islander Teacher Education Program – which supports Aboriginal people and Torres Strait Islander people in remote communities in gaining professional qualifications
- continuing the Beyond the Range Professional Experience Grants initiative, providing pre-service teachers with support to undertake field studies in rural and remote schools
- continuing a professional development scholarship focussed on behavioural management of students with ASDs
- continuing the ACER Institute Graduate Program to support the development of the teaching workforce to gain postgraduate qualifications in identified priority areas, including assessment of student learning
- implementing the Science, Technology, Engineering and Mathematics (STEM) teaching scholarship for final year undergraduate teachers to assist regions in meeting workforce demand for specialist teachers in high-demand curriculum areas and locations across Queensland
- continuing the *Step into Teaching* scholarship, supporting talented professionals to undertake postgraduate teaching studies complementing their existing undergraduate degree in high-demand areas such as mathematics, physics and chemistry
- continuing grant programs to assist high-achieving Year 12 school leavers to undertake an approved initial teacher education program
- continuing the Pearl Duncan teaching scholarships to assist aspiring teachers who identify as Aboriginal and/or Torres Strait Islander to complete an initial teacher education program
- continuing support of scholarship programs that support and increase the presence of qualified and registered teachers in the ECEC sector
- continuing to provide targeted incentives to teachers to work in rural and remote school locations through the Remote Area Incentive Scheme
- implementing an incentives scheme to attract and retain early childhood teachers in hard-to-staff services offering an approved Kindergarten program
- implementing grants aimed at supporting diversity in both kindergarten and family day care across the state
- redeveloping the Make a Difference. Teach marketing campaign promoting teaching as a career of choice and employment opportunities across the state and across all sectors
- launching the Teach. Rural and Teaching in Junior Secondary marketing and communication campaigns
- progressing the implementation of the *Fresh Start* strategy which focuses on:
  - attracting the highest quality applicants into the teaching profession
  - ensuring that they have the essential skills, knowledge and experience
  - supporting their transition from pre-service to beginning teacher.

During 2013–14, the department further supported service delivery in state schools by:

- providing the equivalent of an additional 12.5 FTEs for teachers to provide relief across one-teacher schools from the start of the 2014 school year
- allocating 768 teachers and teacher aides to meet enrolment growth and to support students with special needs in Queensland state schools. An additional 4360 teacher aide hours per week were also provided to primary schools to increase teacher aide support in their Prep classes.

Employee induction

Induction is an essential element of professional development, assisting employees to develop their performance and provide high-quality service. The *DETE Induction Strategy* outlines our model for best-practice employee induction, which is provided locally and supported by regional offices and a range of online resources. These resources include:

- DETE induction website
- online mandatory induction program
- induction guidelines for Education Queensland state schools, TAFE institutes, central and regional offices
- induction planners for a wide range of employee groups
- principals' induction website and resources.

Additional online resources to support the induction of beginning teachers are under development.

By engaging all new employees in consistent, contextualised induction programs, the department ensures they receive the information needed to develop their performance and provide high-quality service.

Developing our leaders

The department maintained its commitment to coordinate, support and strengthen the continuing professional and leadership development of all DETE employees during 2013–14. Principals and leadership aspirants developed their leadership capabilities through various regional programs and initiatives. Initiatives that fostered executive, school, TAFE and public sector leadership included:

- continuing the *Take the Lead Program* to strengthen small school leadership across Queensland, including Leadership Professional Development workshops and a structured induction program for leadership aspirants
- supporting implementation of capability and leadership frameworks through the Developing Performance process
- building developing performance team leader capability through online courses and practical performance conversations workshops
- continuing the implementation of a differentiated supervision and capability framework for principals
- delivering the Inspiring Leadership Program for AO6 to AO8 employees
- delivering the Working SMARTer Program for AO2 to AO5 employees
- maintaining a Workplace Coaching Register, comprising 47 trained internal workplace coaches.
- 56 Executives engaged in the Executive Capability and Development Initiative
- 98 PSC Executive Professional Development offerings attended by DETE Executives

Improving teacher quality

The department has continued to work with Queensland higher education providers to boost the standard of teaching graduates and ensure beginning teachers are well prepared for their important role in schools. In addition, the department has continued to work with other Australian state and territory educational authorities to drive systemic reforms to improve the quality of teaching and leadership in Australian schools. Key reforms include:

- new Australian Professional Standards for Teachers, which provide a reference point for teacher professionalism
- nationally consistent teacher registration
- nationally consistent processes for accrediting initial teacher education programs.

Great teachers = Great results: *A direct action plan for Queensland schools* is the Queensland Government's commitment to investing $537 million over five years. The Plan features actions aimed at lifting standards of teaching and giving schools more flexibility to get on with the job including:

- supporting beginning teachers with mentoring, training and resources
- rewarding outstanding performers with career opportunities, scholarships and bonuses

- allowing each school to have more say in how they are run
- fast-tracking the careers of high-performing teachers
- creating new Master Teacher positions to ensure quality teachers are working where they are needed most
- strengthening state school discipline.

Prep teacher aide initiative

The Prep teacher aide four-year initiative gives Queensland's Prep children the best start to their education and supports frontline teachers in doing what they do best. The program commenced in 2013 and targets Prep classes in areas of greatest need, including low socio-economic and rural and remote communities.

In 2013, the first year of this initiative, 107 schools with 154 preparatory classes were preselected to benefit from the first allocation of 2250 additional teacher aide hours every week. In 2014, the second year of this initiative, a further 69 schools with 384 preparatory classes were preselected to benefit from the second allocation of 2250 additional teacher aide hours every week. The schools allocated additional Prep teacher aide hours in 2014 are listed on the department's website at www.education.qld.gov.au/staff/development/employee/teacheraide/prep-teacher-aide.html.

Restart Teaching

Restart Teaching is a QCT accredited 30-hour professional development program. The program is designed for teachers who do not meet recency of practice (have completed less than 100 days of teaching in the five-year period of registration). Restart Teaching helps returning teachers to understand the current curriculum frameworks, teaching and learning practices, and legislative and legal responsibilities that are central to their work with students in contemporary school settings. In 2013–14, the Restart Teaching program was completed by 90 participants.

Workforce diversity

The department is committed to the inclusion of diversity and equity principles and practices across our workforce. Programs are also implemented to support the recruitment of potential staff from the Equal Employment Opportunity Groups, and the career development of current departmental staff from diverse backgrounds. The department's Diversity Online Training Program boosts understanding about anti-discrimination, disability awareness, Aboriginal and Torres Strait Islander cultural awareness, multicultural awareness and gender equity.

Recognising our staff and students

The department recognises and celebrates the achievements, talents, creativity and enthusiasm of our students, teachers and staff at various events, awards and competitions. Further information about the achievements of our students and staff may be found on the department's website at www.dete.qld.gov.au.

Organisational health

The department is committed to the health, safety and wellbeing of our staff, students and visitors to our workplaces. Creating a culture that supports and fosters safe and healthy working and learning environments is a key priority. During 2013–14, the department:
- delivered key workplace health, safety and wellbeing risk-based strategies including the development of an online chemical training course and undertook occupational noise monitoring in school workshop environments
- delivered training for Industrial Technology and Design (ITD) teachers through two-day workshops incorporating theory and practical components. Courses were delivered in Cairns, Townsville, Gold Coast and Ipswich
- developed ITD online courses to support staff skills and knowledge
- reviewed and updated resources for over 85 pieces of plant and equipment, including fixed and portable machinery and equipment for schools
- conducted audiometric assessments in line with the department's hearing conservation program including service delivery to schools in Central Queensland and North Queensland regions and delivered individual healthy hearing education and strategies for risk management
- developed and published five online training modules for the Prevention of Workplace Bullying

- finalised a review of DETE's internal and external models of Employee Assistance services with a view to enhancing responsiveness and efficiency of service
- held the second DETE Health, Safety and Wellbeing Awards to recognise commendable health, safety and wellbeing practices and programs within DETE workplaces. In 2013, a category to recognise innovation was introduced
- published a suite of online resources to assist DETE workplaces in developing local staff wellness programs
- successfully applied for a *Zero Harm at Work Leadership Program* matched funding grant to implement the *Working Towards Wellness* pilot with a small number of identified schools. This pilot seeks to encourage the development of evidence-based staff wellness programs aimed at increasing physical activity and healthy food choices
- received a 'B' rating in the Department of Justice and Attorney-General (DJAG) Queensland Public Service Workplace Health and Wellbeing Improvement Survey in recognition that DETE is embedding health and wellbeing into workplace policies, programs and practices
- applied to DJAG for the Queensland Public Service Improvement Funding as part of the *Workplaces for Wellness Funding Program*, with a view to addressing recommendations presented in the DJAG Workplace Health and Wellbeing Improvement Survey
- facilitated workplace rehabilitation, return-to-work and early intervention programs for injured/ill employees
- achieved a 98.59 per cent final return-to-work rate for injured/ill employees on WorkCover claims, under the general employee policy.

The department's WorkCover claims during 2013–14 totalled 3250 claims.

Figure 42: The rate of WorkCover claims – per 100 FTE
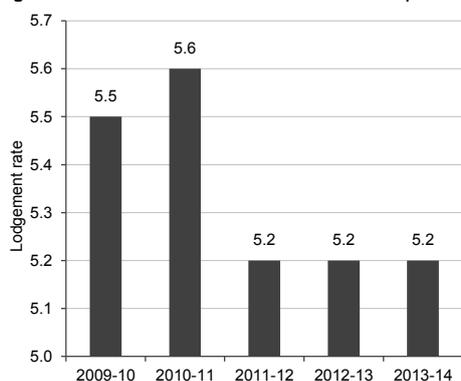
Source: Department of Education, Training and Employment

Further information is available on the department's Creating Healthier Workplaces website at www.education.qld.gov.au/health.

Improving attendance

The department continues to monitor and implement strategies to improve the rate of employees' attendance. The department's overall attendance rate for 2013–14 was 96.0 per cent. This compares to the Queensland Public Sector's attendance rate for 2013–14 of 95.8 per cent.

Figure 43: Attendance rate for Queensland state school teachers – by age group, 2013–14
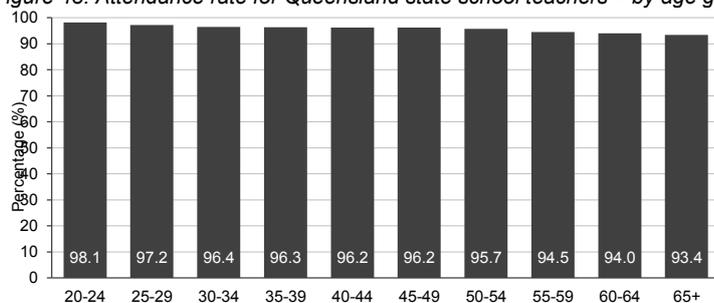
Source: Department of Education, Training and Employment

Note:
- *The rate is based on total absent hours divided by available working hours using MOHRI methodology to allow for comparison to the QPS absenteeism rate.*

Better workplace relations

The department has continued its commitment to open communication and consultation with staff, stakeholders and the unions that represent its workforce. The department is committed to resolving issues locally to ensure ongoing successful delivery of services across Queensland. The department participates in the *State Government Departments Certified Agreement 2009*, and is currently responsible for the following enterprise bargaining agreements:

- *Department of Education, Training and Employment State School Teachers' Certified Agreement 2012*
- *Department of Education and Training Teacher Aides' Certified Agreement 2011*
- *Department of Education and Training (Education) Cleaners' Certified Agreement 2011*
- *Department of Education, Training and Employment TAFE Educational Employees Certified Agreement 2012.*

Early retirement, redundancy, retrenchment and voluntary separation

A program of redundancies was implemented during 2013–14. Employees who did not accept an offer of a redundancy were offered case management for a set period of time, where reasonable attempts were made to find alternative employment placements. At the conclusion of this period, and where it is deemed that continued attempts of ongoing placement were no longer appropriate, employees yet to be placed were terminated and paid a retrenchment package. During 2013–14, 879 employees received voluntary early retirement, redundancy and retrenchment packages at a cost of $51.25 million, excluding accrued leave payments. During 2013–14, the department did not offer any voluntary separation packages to employees.

Information technologies	***Priority action*** *Support business solutions and better educational outcomes through improved delivery of high quality, cost efficient, contemporary Information and Communications Technology (ICT).*

Information and Knowledge Strategic Plan 2012–16

The *Information and Knowledge Strategic Plan 2012–16* focuses on engaging the digital generation, improving individual learning opportunities and getting the best from our ICT investment. The department is using an eBusiness strategy to transform its business processes to feature consistent and integrated end-to-end work processes and efficient end-to-end work flows. This technology-enabled business transformation facilitates a stronger focus on the learning needs of Queenslanders and positions the organisation to:

- streamline the way education and training is delivered
- embrace eLearning
- enable secure access to information when and where appropriate
- provide data integrity, availability and certainty through a single-point-of-truth
- automate business processes and work flows to assist education and training service delivery.

The *Information and Knowledge Strategic Plan 2012–16* can be found online at www.dete.qld.gov.au/ publications/strategic/other/information10-14.html.

The Learning Place

The Learning Place is the department's comprehensive eLearning environment. It provides secure access to an innovative range of digital tools, resources and eSpaces for teaching and learning, collaboration and networking. During 2013–14, 174 500 unique students and 58 300 unique staff used The Learning Place staff and student spaces.

Staff access professional development and training via OneChannel and online courses. As at 30 June 2014, 21 200 Virtual Classrooms were created to support professional development and student learning. The Learning Place has 255 quality-assured online courses and more than 58 000 quality-assured digital resources. In addition, there have been more than 206 000 staff registrations for 5950 live web-conferencing professional development programs through OneChannel.

In 2013–14, students participated in a range of online events and projects, including:

- Literature Festival where more than 8009 students and their teachers interacted with 21 Australian authors across a total of 32 web conferencing sessions
- Anzac Day event where more than 1500 students interacted with World War II veterans, current defence force personnel and a war historian to commemorate and deepen understandings of ANZAC day and war.

Computers for Teachers

The Computers for Teachers program enables teachers to better connect with a generation of students who use ICT to play, live and study. In addition, the initiative helps teachers plan lessons, communicate about events and issues, and work together on curriculum and assessment. Under the program, all permanent teachers in Queensland state schools and TAFE institutes who work two or more days a week are allocated a computer to support their teaching. In 2013–14, the department maintained a fleet of 42 040 laptops and provided the fourth round of 10 338 replacement and additional laptops to school and TAFE teachers.

OneSchool

OneSchool is a Smart Classrooms' flagship business-transformational initiative. OneSchool supports schools in:

- student management
- curriculum and learning management
- finance and asset management
- resource management
- performance, reporting and analysis.

Further information about OneSchool is available online at www.education.qld.gov.au/smartclassrooms/working-digitally/oneschool.html.

Websites for Schools

The Websites for Schools initiative offers state schools a solution for creating and managing a public website – providing useful information for current and prospective parents and community. The department's new websites are based on input from teachers, principals and technical staff across the state. The new websites bring consistency and ensure compliance with accessibility and usability requirements. The school website platform offers schools improved flexibility and choice about features (look and feel) and functionality and will allow integration with other departmental information systems. During 2013–14, the Websites for Schools initiative launched approximately 550 websites bringing the current total to more than 1100. The QSchools smartphone application integrates with the Websites for Schools solution. The application provides an additional tool for schools to keep the school community engaged through the promotion of news, events and newsletters.

Online safety

During 2013–14, the department's cyber-safety team has continued to receive steady requests from schools for advice and support in investigating and managing school and staff reputation management issues, online safety concerns and incidents involving inappropriate online behaviours. The team responded to 322 incidents in 2013–14, which is a slight decrease to the 2012 figure. Requests from schools for support and assistance in the use and misuse of social media have broadened from predominately involving students to issues affecting the online reputations of schools and individual staff.

Approximately 70 per cent of the assistance provided to schools related to the misuse of social media such as Facebook and Instagram. The department has developed cyber-safety resources to assist schools in involving their school communities in promoting the safe and responsible use of online technologies. These resources can be found online at www.qld.gov.au/education/schools/health/cybersafety.

During 2013–14, the team has provided significant support to schools through the delivery of online and face-to-face sessions on online safety awareness and maintaining a positive digital footprint and has delivered a total of 163 sessions to an audience of 22 000 students, staff and parents.

Service Centre Online

During 2013, Service Centre Online was launched enabling departmental staff to search self-help articles, view common ICT requests, request IT services, log a job, check existing job statuses and see outage information without having to call the Service Centre. Service Centre Online is available 24 hours a day, seven days a week from any computer with an internet connection.

Rapid Response Unit

The department's Rapid Response Unit provides mobile phone and data communications in areas that do not have any other means of communication, due to remoteness or because of a disaster. The unit provides both electricity and communications to help schools reconnect to the department's network. During 2013−14 the Rapid Response Unit was deployed to the Cairns region in readiness for Cyclone Ita.

Upgrading TAFE ICT capabilities

During 2013–14, TAFE ICT infrastructure and systems for central training functions and institutes were upgraded.

Enhancements to the TAFE student management system to improve its student, information management and core system capabilities include:
- upgrading the AVETMISS module to be compliant with the AVETMIS Standard version 7 for national reporting
- re-introducing an Address Validation service to validate student addresses and meet address reporting needs for AVETMISS version 7
- implementing a new process to credit student FEE-HELP fees when student fee liability transferred to the Commonwealth Government for an income contingent loan
- modification to record the Unique Student Identifier that will be required for national reporting in 2015
- modification to award certifications to meet updated Australian Qualification Framework requirements
- implementing an upgraded password authentication service to enhance security protection
- implementing functionality to electronically distribute student results and student invoices
- upgrading My.TAFE storage SAN for improved stability and accessibility
- selecting a replacement Learning Management System
- commencing a market engagement process to source a replacement Student Management System
- commencing a market engagement process to source an alternate hosting arrangement for TAFE's HR solution
- upgrading and rebranding the TAFE Queensland and TAFE Institute internet sites.

Stakeholder satisfaction with ICT resources

Results from the 2013 School Opinion Survey showed that 94.8 per cent of students agreed that they used computers and other technologies at their school for learning, while 96.2 per cent agreed that they can access computers and other technologies at their school for learning. Additionally, 92.2 per cent of students agreed that they were encouraged to use computers and other technologies at their school for learning, and 94.4 per cent agreed that they enjoyed using computers and other technologies at their school for learning.

Of the school staff who responded to the survey, 92.2 per cent agreed that they can access necessary information and communication technologies to do their job at their school and 90.2 per cent agreed that information and communication equipment is well maintained in their school. Additionally, 95.6 per cent of teaching staff agreed that they have the required skills to use the necessary information and communication technologies to do their job in their school.

Infrastructure	***Priority action*** *Deliver high-quality, fit-for-purpose and future-focused infrastructure through innovative delivery models.*

Our infrastructure

Progressive infrastructure and modern equipment form the basic foundation for the delivery of world-class education services. The department's infrastructure program funds new facilities to deliver additional services and upgrades to existing facilities essential to keep pace with technological change and new teaching and training practices. The department's current infrastructure across the state includes:

- 1233 state schools, 26 Environmental and Outdoor Education Centres and one Sports Education Centre
- 13 TAFE institutes
- 168 early childhood facilities.

Major investment in education infrastructure during 2013–14 included:

- $160.8 million to continue the implementation of Year 7 as the first year of secondary schools from 2015, as part of the *Flying Start* reform
- $14 million of the $28.8 million total infrastructure component, to continue the implementation of the Building our Future Schools Fund to invest $115 million over four years to provide improved infrastructure and planning for government and non-government schools
- $4.9 million to commence the new secondary school at Highfields
- $82.9 million to replace and enhance facilities at existing schools
- $4.7 million to acquire new employee housing and refurbish existing housing assets
- $24.1 million of Australian Government funding to upgrade or build new training facilities for schools under the Trade Training Centres in Schools Program in Queensland
- $3.4 million to complete construction of a new two-storey teaching block to replace existing relocatable buildings at Ashgrove State School
- $5.0 million to complete the construction of a new sports hall at The Gap State High School
- $12.2 million to complete construction of new kindergartens on state school sites at Blackwater North, Brightwater, Calen, Collingwood Park, Fernvale, Glenden, Jinibara, Mango Hill, Marian, Waraburra and one new pre-Prep facility at Aurukun Campus of Cape York Aboriginal Australian Academy
- $4.8 million to complete construction of the children and family centre in Mackay
- $4.8 million to commence Stage 2 at new Mackay Northern Beaches State High School
- $2.6 million to commence Stage 2 of Pimpama State Secondary College
- $1.2 million to commence redevelopment of the Southport Campus at Gold Coast Institute of TAFE
- $1.5 million to commence initial refurbishment as part of the Pimlico Campus of the Barrier Reef Institute of TAFE redevelopment.

Statewide planning for Queensland schools

The Queensland Schools Planning Commission was established by the Minister for Education, Training and Employment as a Ministerial Advisory Committee in 2012. The Commission fulfils a government election commitment and helps streamline and coordinate the processes for the planning, establishment and expansion of government and non-government schools across Queensland.

The department continues to work with the Queensland Schools Planning Commission to strategically plan for school infrastructure throughout Queensland. The Commission has analysed projections for school-aged populations and released findings for where future schools could be needed across Queensland over the next two decades. The findings are presented via demand maps which are available at www.education.qld.gov.au/schools/schools-planning-commission/.

Queensland Schools Public Private Partnership Project

The Acting Minister for Education, Training and Employment signed the Queensland Schools Private Public Partnerships Project Deed (Queensland Schools Project) with the Plenary Schools Consortium (Plenary) on 17 December 2013. Plenary Schools will design, construct, commission, partly finance, maintain and provide facilities management services for 10 new schools (eight primary and two secondary schools) in rapidly

developing areas of South East Queensland (i.e. Brisbane, Gold Coast, Ipswich and the Moreton local government areas) until 2043.

The 10 new schools will cater for 10 800 students during peak periods of enrolment and employ up to 540 teachers and 130 non-teaching staff. The project is also expected to generate 1700 jobs a year during the construction phase.

Construction of Stage 1 of the first two schools: a high school at Burpengary (Years 7-12) and a primary school at Pimpama (P-6) commenced in February 2014 and is scheduled to be completed for the start of the 2015 academic year.

South East Queensland Schools Public Private Partnership Project

New schools are being built through the South East Queensland (SEQ) Schools Public Private Partnership Project, to meet the needs of an increasing SEQ population. In April 2009, the department entered into a contract with the Aspire Schools consortium, to design, build and maintain seven new schools in the high-growth areas of the Sunshine Coast, Western Corridor, Gold Coast and Redlands. As at 30 June 2014:
- Stage 2 at Murrumba State Secondary College and Brightwater State School were completed for the commencement of school in 2014
- all six SEQ public private partnership project primary schools received approval for the delivery of a school hall; commencement of construction started in October 2013 with practical completion on all the halls achieved by the end of May 2014.

Asset maintenance

Well maintained facilities support student learning outcomes and the quality of the education and training experience offered in schools and TAFE institutes. Refurbishing and maintaining departmental assets is critical to ensure that those assets support contemporary service delivery. The department delivers both general and special maintenance programs to ensure that early childhood, school, TAFE and housing facilities are repaired and maintained to meet the requirements of the asset base.

The AoSM initiative has invested an additional $200 million ($100 million each for the 2012–13 and 2013–14 financial years) to reduce the pre-existing maintenance liability of approximately $300 million in Queensland state schools. The Fixing our Schools Fund will continue the momentum of addressing outstanding maintenance items by injecting a further $100 million into school maintenance in 2014–15.

As a part of the AoSM initiative, schools are now provided the choice to engage contractors directly to deliver planned and routine breakdown maintenance works, allowing for greater savings to be achieved to complete further maintenance in schools. Building and Asset Services continues to deliver high-risk maintenance services including service maintenance, asbestos removal, management of asbestos incidents and emergency and disaster response maintenance to all schools.

Early childhood education centres and school facilities

During 2013–14, the department's total net expenditure for early childhood education centre and school maintenance was $221.2 million. This comprised:
- $2 million for Early Childhood Education Centres
- $93 million for the School Annual Maintenance Program
- $120.5 million for the Advancing Our Schools Maintenance initiative
- $5.7 million for targeted maintenance.

TAFE assets

The department allocated $11.4 million in 2013–14 for the maintenance of TAFE facilities. The statewide funding program funded service maintenance, building repairs and assessments, as well as the upkeep of critical infrastructure, such as electrical and sewerage services.

As at 30 June 2014, plans were in place to transfer the ownership of the majority of TAFE assets (such as property) to QTAMA.

Managing asbestos-containing material in DETE facilities

The department's *Asbestos Management Plan* provides the operational context for schools and TAFE institutes, and provides clarity regarding the roles and responsibilities in the management of asbestos and any incidents that may arise. The department also continued asbestos management and awareness training to all staff responsible for the management of sites where facilities have assumed or confirmed asbestos-containing materials. The training covers the department's policy for the management of asbestos in the department's facilities, asbestos management procedures and information about the Built Environment Materials Information Register. This training will be ongoing and delivered through regional/TAFE institute inductions. Further information about asbestos management can be found online at www.education.qld.gov.au/asbestos.

Staff accommodation

The department maintains 1872 facilities for accommodation, 157 of which are located in remote indigenous communities. These facilities provide a total of 1953 units of accommodation. The provision of suitable and safe employee accommodation is a very high priority for the department. In 2013–14, initiatives included allocating:
* $5.7 million for capital works for new housing and upgrades
* $8.76 million for housing maintenance.

In April 2012, the Government announced that the management of Government Employee Housing was to be centralised and managed by the Department of Housing and Public Works (DHPW) by 1 July 2013. Following initial assessment by DHPW, the effective date was deferred to 1 July 2014.

The decision included the transfer of ownership of all employee housing assets, of all departments to DHPW with the exception of Operational Housing. Operational Housing was defined as "dwellings that are located on or attached to an operational facility of a nature that would restrict the ability of the accommodation to be readily used by a wider group of Government agencies".

In accordance with this decision, the department will transfer 1333 units of accommodation to DHPW on 1 July 2014, and retain ownership of 620 units of accommodation.

Governance and performance	***Priority actions***
	Drive improved corporate service provision through a focus on business improvement, contestability and innovation.
	Strengthen evidence-informed decision- making using performance data, research, review and evaluation.
	Promote accountability through good governance and ethical decision-making.

Risk management and business continuity

The department has a strong commitment to Enterprise Risk Management and Business Continuity. Risks are identified by applying the Australian/New Zealand and International Standard for Risk Management (AS/NZS ISO 31000:2009), which involves an understanding of the impact of uncertainty on the successful achievement of the department's objectives. The department's *Enterprise Risk Management Framework 2014–2018* is available on the department's website at www.dete.qld.gov.au/corporate/enterprise-risk-management.html.

The department's business continuity planning aligns with the Standard for Business Continuity – Managing Disruption-Related Risk (AS/NZS 5050:2010) and ensures the department is well prepared for major adverse events while continuing to deliver its critical services. The department's *Business Continuity Management Framework 2014–2018* and procedure are available on the department's website at www.dete.qld.gov.au/corporate/business-continuity.html.

Research and evaluation

The department works with universities and subject-matter specialists to undertake independent research in key areas of client service delivery and to evaluate the impact and effectiveness of major programs and initiatives.

The department's *Evaluation Strategy 2012–16* demonstrates the department's commitment to accountability and performance improvement to strengthen service delivery. The department undertakes evaluations through a phased process with formal governance throughout to provide assurance on the quality and credibility of the evaluation. Findings of evaluations are available online at www.dete.qld.gov.au/publications/strategic/evaluation/.

Code of Conduct and public sector ethics

All employees must observe the ethical principles and obligations arising from those principles defined in the *Public Sector Ethics Act 1994*. The department is committed to maintaining a positive ethical culture, and delivering the ethical message to ensure all its employees have access to, and become familiar with, their obligations under the Code of Conduct for the Queensland Public Sector and the department's Standard of Practice. The department is dedicated to the implementation and inclusion of the four ethics principles and associated values in the Code of Conduct and Standards of Practice in its administrative procedures and management practices. The Code of Conduct provides employees with a framework of ethical principles, obligations and standards to guide them in how to perform their work and professional standards as public service employees, and how to conduct their relationships with others. A copy of the Code of Conduct is available at www.psc.qld.gov.au/includes/assets/qps-code-conduct.pdf.

The department ensures that staff have access to appropriate education and training about public sector ethics through regular ethical decision-making training, including awareness of the Code of Conduct and Standard of Practice. Regional and institute training is facilitated locally utilising resources developed by the department's Ethical Standards Unit and enhanced through the recent development and pilot of a train-the-trainer package. Online training is also available for all employees through The Learning Place.

Internal Audit

Internal Audit has responsibility for assessment and evaluation of the effectiveness and efficiency of departmental financial and operational systems and activities, as well as provision of assistance, and identification of deficiencies in risk management. The Executive Director, Internal Audit, reports to the Director-General and also to the Audit and Risk Management Committee (ARMC) which meets on a quarterly basis, and operates with due regard to Queensland Treasury's best-practice *Audit Committee Guidelines*. Internal Audit operates in accordance with its charter, which was developed to comply with the *International Standards for the Professional Practice of Internal Auditing* and the *Financial Accountability Act 2009*.

Internal Audit works in accordance with a strategic and annual plan approved by the Director-General. During 2013–14, Internal Audit completed 433 audit reports, comprising 406 standard school audit reports, four TAFE audit reports, 19 general audit reports and four information systems audit reports. Internal Audit also assisted the Queensland Audit Office (QAO) with the audit of the department's financial statements, audited several financial acquittals, and provided ad hoc advice to managers on a wide range of issues including advice on information systems. An external quality assessment review of Internal Audit is carried out regularly by the Institute of Internal Auditors Australia in accordance with the above International Standards. Key achievements of Internal Audit during 2013–14 included:
- contributing to the Red Tape Reduction process by working with school principals and departmental policy owners to reduce the size of and time required for the school audit program
- delivering a Computer Assisted Audit Techniques data analytics centre of excellence within the branch to interrogate data in departmental systems for specific risks and to identify anomalies in an efficient manner with 80 reports rolled out to the organisation to date
- assisting schools with a Controls Self-Assessment online learning and development tool covering the audit program
- implementing a Fraud and Corruption Control Committee to ensure sound governance and accountability frameworks to mitigate the risk of fraud
- rolling out new audit software to improve the efficiency and effectiveness of the full audit process
- preparing a comprehensive risk-based Annual Audit Plan
- completing the Annual Audit Program in accordance with the approved Annual Audit Plan

- providing professional and timely advice to management and clients, including assurance over projects
- receiving positive feedback on the audit services provided through client satisfaction surveys
- formally obtaining acceptance of all audit recommendations reported, or confirmation that an alternate solution would be implemented
- following up all audit recommendations made to ensure they had been actioned by management
- implementing KPIs for the branch based on international professional benchmarking ensuring a high standard of service delivery and value for money.

External scrutiny

The Auditor-General is responsible for the annual audits of public sector clients, including DETE. The Auditor-General provides Parliament with independent assessment of activities in the public sector. Information about Auditor-General, and other significant external audits and reviews of the department during the 2013–14 financial year, is available in Appendix 4.

Public interest disclosure

The department supports the investigation of public interest disclosures in keeping with its culture of openness and transparency. The department also protects from reprisal any employee who genuinely makes a disclosure of wrongdoing. The Queensland Ombudsman is responsible for the oversight of public interest disclosures and preparing an annual report on the operation of the *Public Interest Disclosure Act 2010* (PID Act). Information regarding public interest disclosures under the PID Act is available at www.ombudsman. qld.gov.au/PublicationsandReports/PublicInterestDisclosures/tabid/339/Default.aspx

The department's procedure *Making and Managing a Public Interest Disclosure under the Public Interest Disclosure Act 2010 (Qld)* supports the PID Act. The procedure aims to provide protection for those staff members who speak out about wrongdoing (make a public interest disclosure). A copy of the procedure is available at www.ppr.det.qld.gov.au/corp/hr/management/Pages/Making-and-Managing-a-Public-Interest-Disclosure-under-the-Public-Interest-Disclosure-Act-2010-(Qld).aspx.

Information systems and recordkeeping

All DETE records are 'public records' as defined under the *Public Records Act 2002.* Physical and electronic records are necessary for business operations, accountability requirements, and to meet community expectations. The department applies whole-of-government information policies and standards to departmental records, and continues to progressively implement the requirements of *Information Standard 40: Recordkeeping.* Effective document and records management provides:
- reliable access to information assets
- informed decision-making
- cost-effective use of information resources
- business continuity
- compliance with legislation
- compliance with departmental policies and procedures.

The department uses an electronic Document and Records Management System (eDRMS) to manage its documents and records. The eDRMS assists departmental officers in corporate areas to effectively manage all types of corporate records. In 2013–14, the department:
- completed a review of the department's recordkeeping policies
- in collaboration with Queensland State Archives, reviewed the Retention and Disposal Schedules for early childhood education and care, education, and VET records
- commenced implementing the General Retention and Disposal Schedule for Administrative records version 7, released by Queensland State Archives in March 2014.

Recordkeeping training and awareness

The department conducts recordkeeping training programs regularly to provide an opportunity for all departmental employees to attend or read information to better manage documents and records within the department. Face-to-face recordkeeping awareness sessions are also provided to departmental employees to improve their knowledge and awareness of the *Recordkeeping Legislative Framework*, key elements of recordkeeping, and access and availability of support material. Online recordkeeping awareness training is available to improve the accessibility of training programs to departmental staff.

Engaged partners

Engagement across our service sectors, with the community, industry and all levels of government is at the core of our success. As we already provide services using a range of mix models, we will continue to work with our partners to ensure corporate services alignment across the state to strengthen quality, facilitate better coordination, consistency and effectiveness.

Corporate Procurement Plan 2012–16

The department's *Corporate Procurement Plan 2012–16* supports the principles of the Queensland Procurement Policy. The plan outlines a number of key initiatives aimed at strengthening governance arrangements, building the procurement function, and implementing business systems to improve process efficiency and enhance procurement analysis and reporting capabilities. The department's *Corporate Procurement Plan 2012–16* is available online at www.dete.qld.gov.au/procurement/.

Appendices

Appendix 1 – Executive Management Board

Appendix 2 – Governance committees

Appendix 3 – Statutory bodies and entities

Appendix 4 – External scrutiny

Glossary

Acronyms and abbreviations

Financial statements 2013 – 14

Appendix 1 – Executive Management Board

Due to departmental structural changes, the below EMB profiles reflect members as at 30 June 2014.

Dr Jim Watterston
Director-General, DETE (Chair)

As Director-General, Dr Jim Watterston is responsible for leading and managing one of the state's largest government departments, and for setting the direction of early childhood education and care, state schooling, training and employment for Queensland.

Jim was appointed as Director-General of Education, Training and Employment in April 2013. Jim has a wealth of education and leadership experience and achievement, including senior executive management roles with the Victorian, ACT and Western Australian education systems. Jim also has 14 years of experience as a principal in both primary and secondary schools and as the National President of the Australian Council of Educational Leaders, a Board Member of Education Services Australia and a Member of the Governing Council of the Victorian Institute of Teaching.

Adam Black
Assistant Director-General, Finance and Chief Finance Officer

As Assistant Director-General, Finance and Chief Finance Officer, Mr Adam Black provides strategic financial advice to the department's executive, overall leadership to the department's finance functions and has responsibilities under section 77 of the *Financial Accountability Act 2009* (QLD).

Adam has over 20 years' experience in the Queensland Public Sector and has been the department's Chief Finance Officer since 2009. Prior to Adam's appointment in DETE, he served as Chief Finance Officer in another Queensland government department. During his time with DETE, Adam has also worked in senior finance roles in both regional and central offices within DETE.

Adam is a Fellow Certified Practising Accountant and a Chartered Accountant.

Drew Ellem
Deputy Director-General, Training and Employment

Mr Drew Ellem joined the department as acting Deputy Director-General, Training and Employment in June 2013. During 2013-14, Drew had responsibility for leading implementation of the Government's VET reform agenda and overseeing DETE's existing training and employment functions, supported by the Assistant Director-General, Employment, Skills and Training Investment.

Prior to his appointment as Deputy Director-General, Training and Employment, Drew was Assistant Under Treasurer, Education Group, within Queensland Treasury and Trade, with responsibility for providing financial and policy advice on education, training and employment; police; justice; community safety; tourism, major events, small business and the Commonwealth Games; and agriculture, fisheries and forestry.

Jeff Hunt
Deputy Director-General, Corporate Services

As Deputy Director-General, Corporate Services, Mr Jeff Hunt is responsible for the department's corporate procurement, finance, human resources, information and technologies, and infrastructure services functions.

Prior to his current appointment, Jeff's roles included Assistant Director-General, Corporate Strategy and Performance; Executive Director, Performance Monitoring and Reporting; and Director, Workforce Modelling and Resourcing. Jeff is also a former Preschool and primary school teacher and primary principal, and has 26 years' of experience in the department.

Jeff currently chairs a number of departmental boards and represents the department on a range of external committees and working groups, including the Non-State Schools Eligibility for Government Funding Committee and Whole-of-Government Innovation Champions' Network.

As at 30 June 2014, David O'Hagan was acting as Deputy Director-General, Corporate Services.

Gabrielle Sinclair
Deputy Director-General, Early Childhood Education and Care

Ms Gabrielle Sinclair was appointed as the Deputy Director-General, Early Childhood Education and Care in May 2014. Gabrielle is responsible for providing strategic leadership in the development and implementation of the innovation policy, funding and regulatory frameworks that shape the vibrant early childhood education and care sector in Queensland.

Gabrielle commenced her career as an early years teacher and has held senior executive positions in a number of portfolios, including infrastructure, planning, local government and corrective services. Gabrielle returned to the department in January 2010 and brings with her extensive experience in strategic policy, corporate strategy, operations and program delivery.

Patrea Walton
Deputy Director-General, State Schools

Ms Patrea Walton leads the State Schools Division which caters for over 500 000 Queensland students in 1233 primary and secondary state schools. Patrea is responsible for the development of programs and frameworks for international education, school operations and school performance as well as supervising the work of seven regional directors.

Patrea was appointed as the Deputy Director-General responsible for State Schools, on 30 August 2013. Patrea has a strong background in the education sector as a principal, a supervisor of schools, an Assistant Director-General, a leader of the Flying Start reforms and, more recently, as the Chief Executive Officer of the former QSA.

Annette Whitehead
Deputy Director-General, Policy, Performance and Planning

Ms Annette Whitehead is responsible for driving a strategic approach to the portfolio's policy development across early childhood, schooling, tertiary education, training and employment, and Indigenous education, at a whole-of-government and national level.

She oversees the development of the portfolio's legislation, performance monitoring and reporting, governance and planning and the management of grants programs for non-state education. Her responsibilities also include regulating Home Education, the Non-State School Accreditation Board, the Australian Music Examination Board (AMEB) and registration of education providers to international students.

During 2013 and 2014, Annette led a project team to implement a new operating model and other system improvements as part of the department's renewal agenda.

Annette has extensive experience in a diverse range of portfolios including education, ageing, child care, disability, child safety and with the Department of the Premier and Cabinet.

As at 30 June 2014, Lesley Robinson was acting as Deputy Director-General, Policy, Performance and Planning.

Past members

The following executive officers served as members of the EMB during periods of 2013–14:

- Geoff Favell – Assistant Director-General, Employment, Skills and Training Investment
- Jodi Schmidt – Deputy Director-General, TAFE

Appendix 2 – Governance committees

Portfolio Budget Review Committee

Purpose	The Portfolio Budget Review Committee provides advice to the Cabinet Budget Review Committee regarding strategies to develop, review and monitor current and future budgets ensuring efficient and effective allocation of resources to achieve key government priorities.
Membership	• Minister for Education, Training and Employment (Chair) • Director-General, DETE • Deputy Director-General, Corporate Services • Assistant Director-General, Finance and Chief Finance Officer • Chief of Staff, Office of the Minister for Education, Training and Employment • Senior Policy Advisor, Office of the Minister for Education, Training and Employment
Significant achievements 2013–14	• Ensured a balanced 2013–14 and 2014–15 portfolio budget • Monitored the financial performance of divisions, regions and TAFE Institutes against allocations on a monthly basis • Considered department's Cabinet Budget Review Committee submissions in support of the Government's agenda • Supported and approved the department's 2014–15 budget submissions • Endorsed the 2014–15 contributions to the State Budget Papers including Service Delivery Statements (SDS), BP3 Capital Statement, BP4 Budget Measures, Regional Budget Statement etc.

Ministerial Portfolio Renewal Board

Purpose	The Ministerial Portfolio Renewal Board provides direction and oversight of renewal strategies to deliver improved educational and learning outcomes for Queenslanders.
Membership	• Minister for Education, Training and Employment (Chair) • Director-General, DETE • Deputy Director-General, Corporate Services • Deputy Director-General, Policy, Performance and Planning • Deputy Director-General, Early Childhood, Education and Care • Deputy Director-General, State Schools • Deputy Director-General, Training and Employment • Chief of Staff, Office of the Minister for Education, Training and Employment • Ms Teresa Harding, Director, Commission of Audit Implementation, Department of the Premier and Cabinet • Mr Kris Isles, External Member – paid $2520 per meeting
Significant achievements 2013–14	• Provided oversight on the delivery of DETE's renewal plan and initiatives which are focused on improving the outcomes for Queenslanders and aligned with the whole-of-government renewal agenda.

Executive Management Board (EMB) (former Executive Management Group)

Purpose	The EMB provides executive leadership to support the Director-General to positively position the portfolio for the future, including setting and reviewing the strategic direction, priorities, and performance objectives of the department to enable the efficient and effective achievement of outcomes for Queensland. The group also ensures departmental legislative, policy and management accountabilities are met. The EMB is supported by the Budget Committee; Investment Committee; Strategic Leadership and Implementation Committee; and Indigenous Governance Committee.
Membership	• Director-General, DETE (Chair) • Deputy Director-General, Corporate Services • Deputy Director-General, Policy, Performance and Planning • Deputy Director-General, Early Childhood, Education and Care • Deputy Director-General, State Schools • Deputy Director-General, Training and Employment • Assistant Director-General, Finance and Chief Finance Officer
Significant achievements 2013–14	• Led the department's renewal agenda and associated activities • Developed, reviewed and approved major strategy and policy • Delivered government election commitments and led the department's response to whole-of-government initiatives

Budget Committee

Purpose	The Budget Committee provides advice to the EMB regarding strategies to develop, review and monitor current and future internal budgets, ensuring efficient and effective allocation of resources to achieve key departmental and government priorities. From 2014–15, the Budget Committee will meet as part of the EMB.
Membership	• Deputy Director-General, Corporate Services (Chair) • Director-General, DETE • Assistant Director-General, Finance and Chief Finance Officer • Deputy Director-General, Policy, Performance and Planning (EMB member on a 12-month rotational basis)
Significant achievements 2013–14	• Ensured a balanced 2013–14 internal budget • Continued to monitor the five-year budget plan to ensure the five-year budget remained balanced • Conducted Mid-year Review to ensure emerging financial issues were appropriately addressed • Monitored the financial performance of divisions, regions and TAFE Institutes against allocations on a monthly basis • Supported the department's 2013–14 Mid-year Review response and the 2014-15 budget submission

Investment Committee	
Purpose	The Investment Committee drives strategic discussion on financial strategy and related long-term financial planning issues and provides advice to the EMB on investment strategies to positively position the department for the future and to enable the efficient achievement of outcomes. The Strategic Assets Planning Committee, Information Steering Committee, Data Analytics Committee, Workforce Management Committee, and DETE Evaluation Committee are sub-committees that report through the Investment Committee.
Membership	• Deputy Director-General, Corporate Services (Chair) • Deputy Director-General, State Schools • Deputy Director-General, Training and Employment • Deputy Director-General, Policy, Performance and Planning • Assistant Director-General, Human Resources • Assistant Director-General, Finance and Chief Finance Officer • Assistant Director-General, Information and Technologies and Chief Information Officer • Assistant Director-General, Infrastructure Services • Executive Director, Corporate Procurement • Executive Director, Performance Monitoring and Reporting • Executive Director, Governance Strategy and Planning

Significant achievements 2013–14	• Endorsed the Long-term Financial Plan 2014-18
	• Noted and discussed the initial draft Financial Sustainability Progress Report 2013–14
	• Presented quarterly progress toward financial sustainability, including:
	   o School funding and resourcing reforms (standing item)
	   o VET reforms (July 2013)
	   o School asset funding model (October 2013)
	   o Local Partnership Schools (October 2013)
	   o Broadband funding (October 2013)
	   o Queensland State School Resourcing Review (February 2014)
	   o Year 7 Infrastructure update (May 2014)
	• Provided progress updates on the development of a Student and School Resourcing Framework Guide for all Queensland state schools
	• Activities of the Investment Committee in relation to sub-committees include:
	   o Approval of DETE ICT Program of Works 2013–14
	   o Approval of DETE Asset Strategic Plan 2013–17
	   o Approval of DETE Evaluation Schedule 2013–17
	   o Regular verbal updates from the Strategic Assets Planning Committee, Information Steering Committee, DETE Evaluation Committee, Data Analytics Committee, and the Workforce Management Committee.

Strategic Assets Planning Committee (sub-committee)

Purpose	The Strategic Assets Planning Committee provides advice and determines and monitors the strategic direction and investment in facilities and asset maintenance. The committee reviews and endorses infrastructure policy and contributes to policy development.

Information Steering Committee (sub-committee)

Purpose	The Information Steering Committee oversees the strategic directions and proactively manages the investments in information management and information and communication technologies within the department. The committee provides advice in relation to directing the strategy, policy and optimal utilisation of investments in information and technology resources ensuring alignment with departmental and whole-of-government priorities.

DETE Evaluation Committee (sub-committee)

Purpose	The DETE Evaluation Committee provides whole-of-department oversight, advice and endorsement for evaluation. The committee is responsible for the four-year rolling evaluation schedule, supports continuous improvement in evaluation practice, and ensures that scheduled evaluations are rigorous, relevant to the department and support decision-making and performance improvement.

Data Analytics Committee (sub-committee)

Purpose	The Data Analytics Committee undertakes an information management governance function to promote the development of sustainable analytic and performance management practices across the department. The committee provides advice regarding policy development and the synergies and collective impact of major policy initiatives to the achievement of the portfolio's priorities.

Workforce Management Committee (sub-committee) (former DETE Health, Safety and Wellbeing Committee)

Purpose	The Workforce Management Committee acts as the peak body for health, safety and wellbeing and plays a strategic role in defining the direction for the department in managing workplace health, safety and wellbeing issues.

Strategic Leadership and Implementation Committee (former Integrated Service Delivery Board)

Purpose	The Strategic Leadership and Implementation Committee supports integrated and effective service delivery across the department.
Membership	• Director-General, DETE (Chair) • Deputy Director-General, Corporate Services • Deputy Director-General, Policy, Performance and Planning • Deputy Director-General, Early Childhood Education and Care • Deputy Director-General, State Schools • Deputy Director-General, Training and Employment • Assistant Director-General, Finance and Chief Finance Officer • Regional Director, Central Queensland • Regional Director, South East Region • Regional Director, Far North Queensland Region • Regional Director, Darling Downs South West Region • Regional Director, North Queensland Region • Regional Director, North Coast Region • Regional Director, Metropolitan Region
Significant achievements 2013–14	• Leadership of state-wide improvement processes around renewal activities and service delivery models in areas including education, early childhood education and care, training and corporate services • Assess understanding, effectiveness and implications of departmental policies, priorities and performance measurements across both local and overarching perspectives

Indigenous Governance Committee (established March 2014)

Purpose	The Indigenous Governance Committee identifies and drives innovative strategies to achieve early childhood, education and training goals for Aboriginal and Torres Strait Islander Queenslanders.
Membership	• Director-General, DETE (Chair) • Deputy Director-General, Policy , Performance and Planning (Deputy Chair) • Deputy Director-General, Early Childhood Education and Care • Deputy Director-General, State Schools • Deputy Director-General, Training and Employment • Assistant Director-General, Indigenous Education • Regional Director, Far North Queensland Region • School Principal, Glenala State High School
Significant achievements 2013–14	• The Indigenous Governance Committee was not required to complete an annual review as it was established in March 2014.

DETE Renewal Board

Purpose	The DETE Renewal Board provides leadership and strategic direction on proposals to improve, revitalise and reform services to better support frontline delivery to improve performance and outcomes.
Membership	• Director-General, DETE (Chair) • Deputy Director-General, Corporate Services • Deputy Director-General, Policy , Performance and Planning • Deputy Director-General, Early Childhood Education and Care • Deputy Director-General, State Schools • Deputy Director-General, Training and Employment • Assistant Director-General, Finance and Chief Finance Officer • Executive Director, Governance Strategy and Planning • Mr Kris Isles, External Member – paid $2520 per meeting

Significant achievements 2013–14	• Provided leadership, strategic direction and authority on:
	  o DETE Renewal Plan Roadmap and supporting tools (August 2013)
	  o DETE Renewal Strategy (presented to Public Service Renewal Board (PSRB) November 2013)
	  o Employee Assistance Scheme business case (December 2013)
	  o DETE Renewal Plan (submitted to DPC January 2014)
	  o DETE Skills Reform Strategy (presented to PSRB March 2014)
	  o DETE Strategic Assessment and Future Blueprint (submitted to Renewal Oversight Committee (ROC) June 2014)
	  o Contestability Scoping Study and Program plan project (May 2014)
	• Monitored delivery of proof-on-concept preliminary evaluation of eight corporate services across Queensland Government (November 2013)
	• Championed organisational changes and the development of innovative service delivery models.
	
	Interaction with other boards
	• PSRB (w-o-g)
	  o Renewal Reviews
	• ROC (w-o-g)
	  o Progress of State Commission of Audit recommendations 84 and 85
	  o Contestability lifecycle gate one and four
	• Ministerial Portfolio Renewal Board
	  o Update on DETE renewal progress and receive advice on opportunities to revitalise and reform DETE services

Audit and Risk Management Committee (ARMC)

Purpose	The ARMC provides independent audit and risk management advice to the Director-General to assist in the discharge of financial management responsibilities under the *Financial Accountability Act 2009* and the Financial and Performance Management Standard 2009. The Fraud and Corruption Control Committee reports through the ARMC as a sub-committee.
Membership	• Mr Robert Forbes, External Member (Chair) – paid $800 per meeting • Director-General, DETE • Deputy Director-General, Corporate Services • Deputy Director-General, Policy, Performance and Planning • Deputy Director-General, Early Childhood Education and Care • Deputy Director-General, State Schools • Deputy Director-General, Training and Employment • Karen Prentis, External Member – paid $665.50 per meeting
Significant achievements 2013–14	• Reviewed and endorsed the department's financial statements • Approved the 2013–14 audit plan • Completed committee performance self-assessment in July 2013 • Evaluated the quality, and facilitated the practical discharge, of the internal audit function, particularly in respect of planning, monitoring and reporting, including noting five yearly external review of Internal Audit functions carried out by IIA in June 2014 • Continued a stringent approach to the follow-up of audit recommendations • Considered audit recommendations by the QAO, including performance audit recommendations • Monitored a range of internal audit performance measures to ensure a robust accountability framework for the department • Noted the Enterprise Risk Management Framework 2014-18 • Noted the biannual Corporate Risk Reports for 2013-14

Fraud and Corruption Control Committee (sub-committee)

Purpose	The Fraud and Corruption Control Committee monitors and co-ordinates the various fraud and corruption mitigation mechanisms in effect in the department and reports through the ARMC.

Business Continuity Management Committee (sub-committee)

Purpose	The Business Continuity Management Committee ensures the department has a comprehensive and well-coordinated strategy to respond to disruptive events. The Business Continuity Management Committee was downgraded to a working group in June 2014.

Strategic Program Boards

Purpose	Strategic Program Boards are formed as required. The Strategic Program Boards in operation during 2013–14 were: • Flying Start • Great teachers = Great results • Queensland State Schooling Resourcing Review • Skills Reform

Appendix 3 – Statutory bodies and entities

Australian Music Examination Board (AMEB)

Objective/function	AMEB was constituted by agreement between the Ministers for Education of Queensland, New South Wales and Tasmania and the Universities of Melbourne, Adelaide and Western Australia.
Constituting Act	Not applicable.
Financial reporting arrangement	Included in the financial statements of this report.
Cost to DETE	Nil.
Achievements 2013–14	AMEB examined approximately 18 500 candidates in music and speech and drama in 98 centres across the state. Primary and secondary school children made up 95.6 per cent of candidates. At the Annual Presentation of Awards and Diploma Concert in March 2014, 137 candidates were awarded their diplomas in music, speech and drama. In February 2013, AMEB launched its online enrolment and shopping site. AMEB nationally released a new percussion syllabus in 2013.

Aviation Australia

Objective/function	In 2001, Aviation Australia Pty Ltd was established by DETE, and the former Department of State Development, Trade and Innovation to provide aviation training.
Constituting Act	Not applicable.
Financial reporting arrangement	Included as a note in the financial statements of this report.
Cost to DETE	Nil.
Achievements 2013–14	Aviation Australia provided DETE-funded training for students in a range of aviation industry qualifications including: • 37 Certificate IV in Aeroskills: Mechanical • 25 Certificate IV in Aeroskills: Structures • 45 Certificate IV in Aeroskills: Avionics. Aviation Australia has provided employment services for aviation companies and individuals, including apprenticeship placement services in the aviation industry. Aviation Australia also provided fee-for-service training to Australian and international students in non-technical qualifications such as Cabin Crew.

Grammar schools

Objective/function	A school that has been established in accordance with the *Grammar School Act 1975*, and has met the accreditation criteria prescribed by the *Education (Accreditation of Non-State Schools) Act 2001*.
Constituting Act	*Grammar Schools Act 1975.*
Financial reporting arrangement	The following boards table their own annual report: • Board of Trustees of the Brisbane Girls' Grammar School • Board of Trustees of the Brisbane Grammar School • Board of Trustees of the Ipswich Girls' Grammar School • Board of Trustees of the Ipswich Grammar School • Board of Trustees of the Rockhampton Girls' Grammar School • Board of Trustees of the Rockhampton Grammar School • Board of Trustees of the Toowoomba Grammar School • Board of Trustees of the Townsville Grammar School.
Cost to DETE	Costings are outlined in the individual annual reports.
Achievements 2013–14	Achievements are outlined in the individual annual reports.

Non-State Schools Accreditation Board

Objective/function	The functions of the Non-State Schools Accreditation Board include the accreditation of new non-state schools, and monitoring the ongoing compliance of non-state schools with the legislated requirements for accreditation.
Constituting Act	*Education (Accreditation of Non-State Schools) Act 2001.*
Financial reporting arrangement	The Non-State Schools Accreditation Board tables its own annual report.
Cost to DETE	Costings are outlined in the board's annual report.
Achievements 2013–14	Achievements are outlined in the board's annual report.

Non-State Schools Eligibility for Government Funding Committee

Objective/function	The Non-State Schools Eligibility for Government Funding Committee is an independent committee of the Non-State Schools Accreditation Board. The funding committee assesses applications for government funding eligibility for non-state schools, and makes recommendations to the Minister.
Constituting Act	*Education (Accreditation of Non-State Schools) Act 2001.*
Financial reporting arrangement	Expenditure related to the funding committee is included in the annual report tabled by the Non-State Schools Accreditation Board.
Cost to DETE	Costings are outlined in the board's annual report.
Achievements 2013–14	Achievements are outlined in the board's annual report.

Parents and Citizens' Associations (P&Cs)

Objective/function	P&Cs play an important role in education service delivery through their promotion of parent participation and encouragement of collaboration between parents, students, school communities and non-government entities to foster a commitment to achieving the best educational outcomes for children and young people. P&Cs Qld is the peak parent body which represents the interests of state school P&C associations throughout Queensland.
Constituting Act	P&Cs are regulated under the *Education (General Provisions) Act 2006.*
Financial reporting arrangement	P&Cs Qld audited financial statements, and reports from regional and state committees, are presented to the state annual general meeting in the President's report.
Cost to DETE	In 2013–14, DETE paid $292 961 (Goods and services tax (GST) inclusive) to P&Cs Qld under the terms of a partnership agreement. This increases each year in line with the Consumer Price Index. DETE provides a grant to new P&Cs in the amount of $4000 per new school. DETE also funds the P&Cs Qld Voluntary Workers insurance premium. In 2014, this amount was $37 509 (GST inclusive).
Achievements 2013–14	Achievements include: • the 2013 State Conference held in Brisbane • the 2013 Parent and Community Engagement Workshops facilitated by Dr George Otero • establishing the Parent Engagement Research project in partnership with DETE and the University of Queensland • a Webinar Series conducted for P&C executive members • networking, workshops and professional development events provided for principals and P&C members • developing a P&Cs Qld App which is available from the Apple App store or Google Play.

Queensland Indigenous Education Consultative Committee (QIECC)

Objective/function	The QIECC provides independent advice to the Queensland and Australian governments on issues relevant to Aboriginal and Torres Strait Islander education, training and employment. QIECC enables governments to consult with Aboriginal and Torres Strait Islander peoples and communities on education and training views and issues in Queensland. Advice includes views and concerns on the effectiveness of Commonwealth and State Government education programs and strategies.
Constituting Act	*Indigenous Education (Targeted Assistance) Act 2000* (Cth).
Financial reporting arrangement	Financial reporting provided to the Australian Government.
Cost to DETE	QIECC is funded by the Australian Government. DETE provides in-kind secretariat support.
Achievements 2013–14	In October 2013, the Minister for Education, Training and Employment appointed a new chair, Mr Leon Epong, three new members and re-appointed two members. The newly constituted QIECC developed and adopted new strategic priorities for the period 2014 to 2016. These are available on its website at www.qiecc.eq.edu.au. The QIECC is centrally positioned as a key partner in *Solid partners Solid futures*, Queensland's new partnership approach for excellence in Aboriginal and Torres Strait Islander early childhood, education, training and employment, launched in July 2013. The first of seven youth forums, committed to under *Solid partners Solid futures*, was held in Bamaga in July 2013. The QIECC held three business meetings during 2013–14. The meetings were held in: • Brisbane during December 2013 • Gold Coast during February 2014 • Thursday Island during May 2014. A community forum was held in association with the business meeting on Thursday Island in May 2014, and smaller focus groups were also held in Bamaga (July 2013), Eidsvold (September 2013) and Gayndah (September 2013).

Queensland College of Teachers (QCT)

Objective/function	The QCT regulates and promotes the teaching profession in Queensland.
Constituting Act	*Education (Queensland College of Teachers) Act 2005.*
Financial reporting arrangement	The QCT tables its own annual report. The QCT must develop a budget for each financial year and provide the budget to the Minister for approval.
Cost to DETE	Costings are outlined in the QCT annual report.
Achievements 2013–14	Achievements are outlined in the QCT annual report.

Queensland Education Leadership Institute (QELI)

Objective/function	QELI is a not-for-profit company limited by guarantee, jointly owned by the three school sectors, including the State Government, Independent Schools Queensland and the Queensland Catholic Education Commission. QELI provides a range of programs, training, courses and related services in school leadership development for current and aspiring school leaders across the state, as well as nationally and internationally.
Constituting Act	Not applicable.
Financial reporting arrangement	QELI reports to its members in accordance with its constitution and the *Corporations Act 2001*(Cth).
Cost to DETE	Costings are outlined in financial reporting to members.
Achievements 2013–14	Achievements are outlined in reporting to members and are released in its independently released annual report.

Queensland Curriculum and Assessment Authority (QCAA) (former Queensland Studies Authority)	
Objective/function	The functions of the QCAA (former Queensland Studies Authority) include: • the development and approval of syllabuses • testing and assessment • moderation • certification • accreditation • vocational education • tertiary entrance • research.
Constituting Act	*Education (Queensland Studies Authority) Act 2002.*
Financial reporting arrangement	The QCAA (former QSA) tables its own annual report. The QCAA must develop a budget for each financial year and provide the budget to the Minister for approval.
Cost to DETE	Costings are outlined in the QCAA annual report.
Achievements 2013–14	Achievements are outlined in the QCAA annual report.

TAFE Queensland	
Objective/function	TAFE Queensland was established as an independent statutory body on 1 July 2013.
Constituting Act	*TAFE Queensland Act 2013.*
Financial reporting arrangement	TAFE Queensland costs are contained within the department's financial statements.
Cost to DETE	Costings are outlined in the department's financial statements.
Achievements 2013–14	In 2013–14, TAFE Queensland's achievements include: • ensuring TAFE Queensland's readiness to manage the amalgamated regions and commence full operations from 1 July 2014 • deciding on an entity structure for the management of six regions across Queensland • managing the amalgamation and transfer of TAFE institutes from DETE to TAFE Queensland, resulting in the establishment of six regions • ensuring compliance with applicable laws and regulations • managing higher education provider registration status • working collaboratively with Government to implement the Minister's expectations • working with the Department of Housing and Public Works to assist in the establishment of QTAMA.

TAFE Queensland Institute Councils	

Objective/function	TAFE Queensland Institute Councils provide vision, strategic direction, guidance and support to TAFE Queensland institutes. TAFE Queensland Institute Councils also make a significant contribution to the maintenance of strategic industry partnerships.
	TAFE Queensland Institute Councils have the following functions:
	• to support VET through the institute
	• to advise and report on the activities of the institute to:
	  – the Minister
	  – the Institute Director.
	• to develop and approve institute directions.
	The Institute Council has power to do all things necessary or desirable to be done for the performance of its functions.

Constituting Act	*Vocational Education, Training and Employment Act 2000.*
Financial reporting arrangement	TAFE Queensland Institute Council costs are contained within the department's financial statements.
Cost to DETE	$28 174

Achievements 2013–14	In 2013–14, TAFE Queensland Institute Councils provided leadership as TAFE institutes undertook significant organisational reform in response to changing market conditions and in preparation for the introduction of more commercial governance arrangements, including the introduction of a fully-contestable VET market from 1 July 2014.

The Building and Construction Industry Training Fund (BCITF) (Qld) trading as Construction Skills Queensland

Objective/function	The BCITF was established on 1 January 1999 to assist in the acquisition and enhancement of the knowledge, skills, training and education of workers in the building and construction industry. On 1 September 2005, the company revised its constitution to establish the Minister as sole shareholder.
Constituting Act	Not applicable.
Financial reporting arrangement	BCITF financial statements are published on the Construction Skills Queensland website www.csq.org.au.
Cost to DETE	Nil.
Achievements 2013–14	A statement of activities undertaken by the BCITF is outlined in its Annual Training Plan which is published on the Construction Skills Queensland website www.csq.org.au.

Universities

Objective/function	Queensland's seven public universities that provide higher education across the state include: • Central Queensland University • Griffith University • James Cook University • Queensland University of Technology • University of Queensland • University of Southern Queensland • University of the Sunshine Coast.
Constituting Act	Each Queensland university has its own constituting Act. • *Central Queensland University Act 1998* • *Griffith University Act 1998* • *James Cook University Act 1997* • *Queensland University of Technology Act 1998* • *University of Queensland Act 1998* • *University of Southern Queensland Act 1998* • *University of the Sunshine Coast Act 1998.*
Financial reporting arrangement	Each public university tables its own annual report.
Cost to DETE	Costings are outlined in the individual annual reports.
Achievements 2013–14	Achievements are outlined in the individual annual reports.

Appendix 4 – External scrutiny

Queensland Audit Office (QAO) reports to Parliament

Reports to Parliament tabled in the 2013–14 financial year are available at www.qao.qld.gov.au/reports-tabled-in-2013---14-financial-year

Report to Parliament No. 2 for 2013–14: Supply of specialist subject teachers in secondary schools

The QAO tabled this report in Parliament on 15 October 2013. It includes recommendations made by the QAO following examination of the issue of supply and demand of teachers across specialist subject areas in secondary schools. The QAO identified that overall, the supply of secondary school teachers matches demand. However, when considered by specialisation, the Office found a shortage of secondary mathematics, science and industrial design and technology teachers, and an oversupply of primary school teachers and of secondary physical education and music, drama and dance teachers.

Report to Parliament No. 6 for 2013–14: Results of audit: Internal control systems

The QAO tabled this report in Parliament on 19 November 2013. This report summarises the results of initial control evaluations and selective testing of the financial reporting controls that operated within the 20 government departments during 2012–13. The report identified a range of significant control weaknesses across a number of departments relating to their control environment, information systems and control activities.

Report to Parliament No. 11 for 2013–14: Results of audit: State public sector entities for 2013–14

The QAO tabled this report in Parliament on 10 December 2013. The report summarises the results of all 2012–13 State public sector entity audits. The report includes favourable comments on the preparation of financial statements for all entities in the portfolio required to produce financial statements. Unmodified audit opinions were issued for all 11 entities. Chapter 8 discusses DETE's results of audits and includes topical issues and general challenges the QAO sees for the department, as well as significant transactions and events and future financial risk areas.

Report to Parliament No. 12 for 2013–14: Results of audit: Queensland state government financial statements 2012–13

The QAO tabled this report in Parliament on 10 December 2013. This report provides further information on the results of the Queensland State Government audit beyond the independent audit opinion. It contains insights into the Total State Sector's and General Government Sector's financial performance in 2012–13, its position at the end of the year, and factors impacting on the financial sustainability of the state.

External reviews

DETE Review of Service Delivery Final Report Executive Summary

KPMG was engaged by DETE to conduct a review of the central and regional operating model to support DETE service delivery into the future. The objective of the review was to identify the optimal operating model for DETE that supports increased autonomy and improved outcomes across all DETE services. The report is available at oneportal.deta.qld.gov.au/about/PrioritiesandInitiatives/DETE-Renewal/Documents/kpmg-executive-summary.pdf.

Glossary

A

Apprenticeship	A system of training, regulated by law or custom, which combines on-the-job training and work experience with formal off-the-job training, while in paid employment.
AS/NZS ISO 31000:2009	An International Standard which provides principles and generic guidelines on risk management.
AS/NZS 5050:2010	A Standard which describes the application of the principles, framework and process for risk management, as set out in AS/NZS ISO 31000:2009, to disruption-related risk.
Australian Curriculum, Assessment and Reporting Authority	National body responsible for the development of the Australian Curriculum from Kindergarten to Year 12, and for a national assessment program and national data collection and reporting.
Australian Curriculum	The national curriculum being developed for students in K(Prep)–Year 12 covering subject areas outlined in the Melbourne Declaration (2008).
Australian Music Examination Board (AMEB)	Provides a graded system of examinations in music, speech and drama, as well as syllabuses, educative services and other publications, to teachers, examiners and candidates.
Australian Qualifications Framework	A comprehensive nationally-consistent framework incorporating all qualifications recognised in post-compulsory education throughout Australia. The framework identifies six levels in the VET sector: Certificate I, Certificate II, Certificate III, Certificate IV, Diploma and Advanced Diploma.
Aviation Australia	The Centre of Excellence established by the Government in 2001 to provide skills development for the aviation and aerospace industries.

C

Centres of Excellence	A partnership between industry and government to provide a proactive coordinated response to skills shortages and to meet labour market needs. The current centres of excellence service the aviation, mining, building and construction, manufacturing and engineering and energy industries.
Council of Australian Governments (COAG)	The peak intergovernmental forum in Australia. COAG comprises the Prime Minister, state premiers, territory chief ministers and the President of the Australian Local Government Association. It initiates, develops and monitors the implementation of policy reforms that are of national significance and which require cooperative action by Australian governments.
Crèche and Kindergarten Association Limited	An association providing Kindergarten and Preschool services to three and four year olds.

E

Education Queensland International (EQI)	The trading name for the department's international activities. EQI operates within DETE International (DETEi), within the Tertiary and Non-State Education division of the department. DETEi is the key coordination point for international activity, both within Queensland and where the department exports its education and training expertise. DETE (trading as EQI) is a registered education provider on the Commonwealth Register of Institutions and Courses for Overseas Students (CRICOS).
English as a Second Language (ESL)	A program in Queensland state schools that provides English language support to students from language backgrounds other than English. The program aims to develop these students' English to enable them to participate fully in mainstream classrooms and to enhance their learning outcomes.
Essential learnings	Clear statements of what is important for all students to know and be able to do at the end of Years 3, 5, 7 and 9, outlined in the QCAR Framework.

	The statements describe the key concepts, facts, procedures and ways of working that students need for ongoing learning, social and personal competence and participation in a democratic society. They encompass knowledge, skills and attributes that are specific to content areas and required for complex, real-life challenges, and social and personal competence needed for good communication and ongoing learning.
Education Support Funding Program	Funds made available by the Department of Child Safety to DETE to assist students across the state, Catholic and independent schooling sectors. Assistance must be linked to goals identified through the education support planning process. *Education Support Plans* are the trigger for identifying appropriate strategies to address priority education needs for these students.

F

Full-time equivalents (FTEs)	A representative number that is calculated by assessing the hours worked over the financial year by all full-time and part-time employees, and converting this to a corresponding number of employees as if all staff were full-time.

I

Information and communication technologies (ICT)	An umbrella term that describes the use of all technologies in the manipulation and communication of information.
International Baccalaureate Diploma (IBD)	An internationally recognised, two-year curriculum that prepares 16 to 19 year old students for university. Students receive credit for subjects studied in the program at leading universities around the world, reducing the time required to complete a Bachelor degree.

K

Key performance indicator (KPI)	Tracking indicator used to measure the achievement of outputs against goals.
Kindergarten program	An education program planned and delivered by a qualified early childhood teacher for children in the year prior to Prep (i.e. children who are at least four years old by 30 June in the year they participate) for at least 15 hours per week, 40 weeks a year. Government-approved Kindergarten programs are available in a range of settings, including community Kindergarten services, Kindergarten services operated by non-state schools, long day care services, and selected schools in discrete Indigenous communities.

N

National Assessment Program - Literacy and Numeracy (NAPLAN)	Annual tests conducted nationally in Years 3, 5, 7 and 9 covering reading, writing, spelling, grammar and punctuation, and numeracy. The results provide information for teachers and schools on individual student performance on a national basis. This is used to identify areas of strength and where further assistance may be required. NAPLAN tests are part of a collaborative process between states and territories, the Australian Government and non-government schools sectors.
National Centre for Vocational Education Research (NCVER)	Australia's principal provider of VET research and statistics.
National Minimum Standard (NMS)	Nationally-set standards against which the results of NAPLAN tests are compared. For each year level, a minimum standard is defined and located on the common underlying scale. Band 2 is the minimum standard for Year 3; Band 4 is the minimum standard for Year 5; Band 5 is the minimum standard for Year 7; and Band 6 is the minimum standard for Year 9.
National Partnership Agreement	An agreement between the Commonwealth and the states and territories to facilitate coordination, monitoring and delivery of strategies to improve service delivery.

National Quality Framework (NQF)	A 2007 COAG partnership between Commonwealth, state and territory governments to pursue substantial reform in the areas of education, skills and early childhood development, and deliver significant improvements in human capital.
Non-English speaking backgrounds	An equity and diversity group identifying people who have migrated to Australia and whose first language is a language other than English.

O	
OneSchool	An automated system in all Queensland state schools which, when fully implemented, will provide teachers, administrators and principals with secure easy access to information about students, curriculum, assessment and progress reporting, school facilities and school finance.
Operational plan	Translates agency objectives into the services (outputs) that it will provide to its clients, and the standards for those services (performance measures).
Overall Position (OP)	A student's state-wide rank based on overall achievement in QCAA-approved subjects. It indicates how well the student has done in comparison to all other OP-eligible students in Queensland. Students who want an OP must study 20 semester units of QCAA subjects, including at least three subjects for four semesters each, and must sit the Queensland Core Skills test.

P	
Parents and Citizens' Association (P&C)	A group of community-minded parents and citizens who take on a more formal role to assist a school by providing feedback on school policies and activities, additional resources to be used to enhance student learning, and providing parents with extra opportunities to be involved in their child's education.
Portfolio	The department or group of departments for which a Minister is responsible.
Prep	A full-time, non-compulsory program that replaced Preschool. It runs five days a week and follows the established school times and routines. Taking a play and inquiry-based approach to learning, Prep is offered at every Queensland state school and selected independent and Catholic schools.
Pre-Prep	Refer to Kindergarten program.
Public-private partnership	A mutually beneficial partnership between the public and private sectors aimed at achieving value for money and the provision of services that would otherwise be wholly funded by the public sector.

Q	
Queensland Curriculum and Assessment Authority (QCAA) formerly Queensland Studies Authority (QSA)	The Queensland Curriculum and Assessment Authority (QCAA) replaced the Queensland Studies Authority (QSA) on 1 July 2014 as the statutory body responsible for providing kindergarten to Year 12 syllabuses and guidelines, and assessment, testing, reporting, certification and tertiary entrance services to Queensland schools.
Queensland Curriculum, Assessment and Reporting (QCAR) Framework	The Queensland Curriculum, Assessment and Reporting (QCAR) Framework informs the learning programs for all state school students in Years 1 to 9.

R	
Recognition of Prior Learning (RPL)	The recognition of competencies currently held, regardless of how, when or where the learning occurred. A person's skills and knowledge acquired through previous formal or informal education and training, work or life experience may be used to grant status or credit in a subject or module.
Registered training organisation (RTO)	An organisation registered to deliver and assess nationally recognised VET.

S	
School-based apprenticeships and traineeships (SATs)	Pathways for Year 10, 11 and 12 students combining senior studies, VET and employment.
Service Delivery Statement (SDS)	Budget papers prepared on a portfolio basis by agencies reporting to each minister and the Speaker. The document comprises a section for each departmental portfolio and one for the Legislative Assembly of Queensland. It is produced annually and provides budgeted financial and non-financial information for the budget year. The SDS sets out the priorities, plans and financial statements of agencies.
Smart Classrooms	A state government overarching strategy for digital initiatives, implemented in 2005 that is helping schools meet the requirements of 21st century students by embedding ICT into learning.
Special Education Programs (SEP)	A clustering of students with disabilities and specialist teachers, with experience or qualifications in dedicated areas of specialisation, to support the educational program of these students at selected schools within a local community.
Strategic plan	The document which provides the agency's purpose and direction. It outlines the department's overall objectives (including its contribution to whole-of-government objectives, ambitions and targets) and how it will know if it has achieved those agency objectives (performance indicators).

T	
Technical and further education (TAFE)	Provides a wide range of predominantly vocational tertiary education courses, mostly qualifying courses under the National Training System, Australian Qualifications Framework or Australian Quality Training Framework.
Trends in International Mathematics and Science Study (TIMSS)	A project of the International Association for the Evaluation of Educational Achievement to collect educational achievement data in mathematics and science at Year 4 and Year 8 in more than 60 countries, to provide information about trends in performance over time.
Traineeship	A system of training regulated by law or custom which combines on-the-job training and work experience with formal off-the-job training, while in paid employment.

V	
Vocational education and training (VET)	Post-compulsory education and training which provides people with occupational or work-related knowledge and skills.

Y	
Young Carers	An individual who provides, in a non-contractual and unpaid capacity, ongoing care or assistance to another person who, because of disability, frailty, chronic illness or pain, requires assistance with everyday tasks.

Acronyms and abbreviations

A	
ABS	Australian Bureau of Statistics
ACARA	Australian Curriculum, Assessment and Reporting Authority
ACER	Australian Council of Educational Research
AHES	After Hours Ethnic Schooling
AMEB	Australian Music Examination Board
AoSM	Advancing our Schools Maintenance
ARMC	Audit and Risk Management Committee
ASD	Autism Spectrum Disorder

B	
BBF	Black Business Finder
BCITF	Building and Construction Industry Training Fund

C	
C2C	Curriculum into the classroom
CALD	Culturally and linguistically diverse
CGB	Central Governing Body
COAG	Council of Australian Governments

D	
DELTA	Direct Entry Level Training Administration
DETE	Department of Education, Training and Employment

E	
EAL/D	English as an additional language or dialect
EATSIPS	Embedding Aboriginal and Torres Strait Islander Perspectives
ECEC	Early Childhood Education and Care
EDRMS	Electronic document and records management system
EMB	Executive Management Board
EQI	Education Queensland International
ESL	English as a second language
EYC	Early years centre

F	
FTE	Full-time Equivalent

G	
GCIT	Gold Coast Institute of TAFE
GST	Goods and services tax

I	
IBD	International Baccalaureate Diploma
ICILS	International Computer and Information Literacy Study
ICN	Industry capability network
ICT	Information and communications technology
IFP	Indigenous Funding Pool
ITD	Industrial technology and design

K	
KPI	Key performance indicator

M	
MOHRI	Minimum Obligatory Human Resource Information
MP	Member of Parliament

N	
NAPLAN	National Assessment Program - Literacy and Numeracy
NCVER	National Centre for Vocational Education Research
NMS	National Minimum Standard
NQF	National Quality Framework

O	
OP	Overall Position

P	
P&C	Parents and Citizens' Association
PID	Public Interest Disclosure
PIRLS	Progress in International Reading Literacy Study
PISA	Programme for International Student Assessment
PPP	Productivity Places Program

Q	
QAO	Queensland Audit Office
QCAA	Queensland Curriculum and Assessment Authority
QCAR	Queensland Curriculum, Assessment and Reporting
QCE	Queensland Certificate of Education
QCIA	Queensland Certificate of Individual Achievement
QCT	Queensland College of Teachers
QELI	Queensland Education Leadership Institute
QIECC	Queensland Indigenous Education Consultative Committee
QKLG	Queensland Kindergarten Learning Guideline
Qld	Queensland
QSA	Queensland Studies Authority

R	
RPL	Recognition of Prior Learning
RTO	Registered training organisation

S	
SAE	Standard Australian English
SAT	School-based apprenticeship and traineeship
SEDC	Special education development centres
SEDU	Special education development units
SEP	Special Education Programs
SEQ	South East Queensland
SES	Socioeconomic status
SEU	Special education units
SDA	School disciplinary absence
SDE	School of Distance Education
SQW	Skilling Queenslanders for Work

T	
TAFE	Technical and further education
TIMSS	Trends in International Mathematics and Science Study

V	
VET	Vocational education and training
VQF	VET Quality Framework

Financial statements 2013–14

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Department of Education, Training and Employment

Understanding our financial statements

The financial statements enable readers to assess the department's financial results and cash flows for the 2013-14 financial year and its financial position as at the end of the financial year.

This financial report covers the Department of Education, Training and Employment and its controlled entities.

The Department of Education, Training and Employment is a Queensland Government department established under the *Public Service Act 2008*.

The department is controlled by the State of Queensland which is the ultimate parent.

The financial statements are composed of a number of components, including:

- Statement 1 – Statement of Comprehensive Income

  This statement shows revenue and expenses and the results of operations for the financial year, as well as other comprehensive income including asset revaluation adjustments.

- Statement 2 – Statement of Financial Position

  This statement provides information concerning assets, liabilities and the department's equity at the end of the financial year. Assets shown as current are reasonably expected to be converted to cash, sold or consumed in the operations of the department in the next financial year. Similarly, current liabilities are expected to consume cash in the next financial year.

- Statement 3 – Statement of Changes in Equity

  This statement provides information on the movement of equity during the financial year.

- Statement 4 – Statement of Cash Flows

  This statement provides information concerning sources and uses of cash during the financial year and available cash at the end of the financial year.

- Statement 5 – Statement of Comprehensive Income by Major Departmental Services - Controlled

  This statement provides information on revenue and expenses for each departmental service.

- Statement 6 – Statement of Assets and Liabilities by Major Departmental Services - Controlled

  This statement provides information on assets and liabilities for each departmental service.

The financial statements for the department that appear in this annual report are signed by Dr Jim Watterson, Director-General for the Department of Education, Training and Employment and Adam Black FCPA CA, Assistant Director-General, Finance and Chief Finance Officer as at 30 June 2014.

General information

The principal address of the department is:

Education House
30 Mary Street
Brisbane QLD 4000

A description of the nature of the department's operations and its principal activities is included in the notes to the financial statements.

For information in relation to the department's financial report please contact Finance Branch on 07 3513 6623, email FinancialReporting.Finance@dete.qld.gov.au or visit the departmental website at: www.det.qld.gov.au

Department of Education, Training and Employment

Statement 1 – Statement of Comprehensive Income
for the year ended 30 June 2014

	Notes	2014 $'000	2013 $'000
Income from Continuing Operations			
Appropriation revenue for service	4	7 604 826	7 394 773
User charges	5	560 497	486 131
Grants and other contributions	6	145 258	156 645
Interest revenue	7	14 012	12 445
Other revenues	7	35 954	159 678
Total Income from Continuing Operations		8 360 547	8 209 672
Expenses from Continuing Operations			
Employee expenses	8 & 9	5 934 253	5 756 319
Supplies and services	10	1 549 959	1 473 468
Grants and subsidies	11	258 483	359 991
Depreciation and amortisation	12	506 716	492 804
Impairment losses	13	1 114	6 990
Finance/borrowing costs	14	43 631	43 124
Other expenses	15	66 288	76 434
Total Expenses from Continuing Operations		8 360 444	8 209 130
Operating Result from Continuing Operations		103	542
Other Comprehensive Income			
Items that will not be reclassified subsequently to Operating Result:			
Increase/(decrease) in asset revaluation surplus	28	(571 613)	(97 191)
Total items that will not be reclassified subsequently to Operating Result		(571 613)	(97 191)
Total Other Comprehensive Income		(571 613)	(97 191)
Total Comprehensive Income		(571 510)	(96 649)

The above statement should be read in conjunction with the accompanying notes, which appear on the pages after Statement 6.

Department of Education, Training and Employment

Statement 2 – Statement of Financial Position
as at 30 June 2014

	Notes	2014 $'000	2013 $'000
Current Assets			
Cash and cash equivalents	16	623 020	250 392
Receivables	17	187 165	182 798
Other financial assets	18	25 871	-
Inventories	19	3 679	4 222
Other current assets	20	44 093	51 447
		883 828	488 859
Non-current assets classified as held for sale	21	51 411	18 905
Total Current Assets		935 239	507 764
Non-Current Assets			
Intangible assets	22	86 217	82 907
Property, plant and equipment	23	17 428 844	17 891 272
Total Non-Current Assets		17 515 061	17 974 179
Total Assets		18 450 300	18 481 943
Current Liabilities			
Payables	24	367 870	323 919
Interest-bearing liabilities	25	10 692	9 906
Accrued employee benefits	26	122 735	91 379
Other current liabilities	27	75 530	38 517
Total Current Liabilities		576 827	463 721
Non-Current Liabilities			
Interest-bearing liabilities	25	501 512	486 284
Total Non-Current Liabilities		501 512	486 284
Total Liabilities		1 078 339	950 005
Net Assets		17 371 961	17 531 938
Equity			
Contributed equity		5 353 572	4 942 040
Accumulated surplus		44 987	44 883
Asset revaluation surplus	28	11 973 402	12 545 015
Total Equity		17 371 961	17 531 938

The above statement should be read in conjunction with the accompanying notes, which appear on the pages after Statement 6.

Department of Education, Training and Employment

Statement 3 – Statement of Changes in Equity
for the year ended 30 June 2014

	Notes	Accumulated Surplus	Asset Revaluation Surplus (Note 28)	Contributed Equity	Total
		$'000	$'000	$'000	$'000
Balance as at 1 July 2012		44 341	12 642 206	5 039 534	17 726 081
Operating result from continuing operations		542	-	-	542
Other Comprehensive Income					
Increase/(decrease) in asset revaluation surplus		-	(97 191)	-	(97 191)
Total Comprehensive Income for the Year		44 883	12 545 015	5 039 534	17 629 432
Transactions with Owners as Owners					
- MoG changes - transfer of other assets		-	-	26 125	26 125
- Appropriated equity injections	4	-	-	(66 768)	(66 768)
- Equity withdrawals	4	-	-	(57 136)	(57 136)
- Non-appropriated equity injections	36	-	-	285	285
Net Transactions with Owners as Owners		-	-	(97 494)	(97 494)
Balance as at 30 June 2013		44 883	12 545 015	4 942 040	17 531 938
Balance as at 1 July 2013		44 883	12 545 015	4 942 040	17 531 938
Operating result from continuing operations		103	-	-	103
Other Comprehensive Income					
Increase/(Decrease) in asset revaluation surplus		-	(571 613)	-	(571 613)
Total Comprehensive Income for the Year		44 987	11 973 402	4 942 040	16 960 429
Transactions with Owners as Owners					
- MoG changes - transfer of other assets	2(b)	-	-	168 477	168 477
- Appropriated equity injections	4	-	-	239 630	239 630
- Non-appropriated equity injections		-	-	3 425	3 425
Net Transactions with Owners as Owners		-	-	411 532	411 532
Balance as at 30 June 2014		44 987	11 973 402	5 353 572	17 371 961

The above statement should be read in conjunction with the accompanying notes, which appear on the pages after Statement 6.

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Statement 4 – Statement of Cash Flows
for the year ended 30 June 2014

	Notes	2014 $'000	2013 $'000
Cash Flows from Operating Activities			
Inflows:			
Service appropriation receipts		7 598 505	7 393 683
User charges		576 015	499 544
Grants and other contributions		141 607	65 087
Interest receipts		14 012	12 445
GST input tax credits from ATO		139 669	128 808
GST collected from customers		20 767	14 801
Other		36 210	159 582
Outflows:			
Employee expenses		(5 901 700)	(5 756 311)
Supplies and services		(1 534 961)	(1 448 048)
Grants and subsidies		(258 400)	(353 561)
Finance/borrowing costs		(43 631)	(43 124)
GST paid to suppliers		(144 716)	(129 399)
GST remitted to ATO		(20 764)	(11 895)
Other		(64 221)	(63 962)
Net Cash Provided by/(Used in) Operating Activities	29	558 392	467 650
Cash Flows from Investing Activities			
Inflows:			
Sales of property, plant and equipment		17 186	41 781
Outflows:			
Payments for property, plant and equipment		(462 019)	(370 146)
Net Cash Provided by/(Used in) Investing Activities		(444 833)	(328 365)
Cash Flows from Financing Activities			
Inflows:			
Borrowings and finance leases		6 347	14 796
Equity injections		243 055	(66 483)
Outflows:			
Equity withdrawals		-	(57 136)
Repayments of borrowings/finance lease payments		9 667	(8 816)
Net Cash Provided by/(Used in) Financing Activities		259 069	(117 639)
Net increase/(decrease) in cash and cash equivalents		372 628	21 646
Cash and cash equivalents at beginning of financial year		250 392	228 746
Cash and Cash Equivalents at End of Financial Year	16	623 020	250 392

The above statement should be read in conjunction with the accompanying notes, which appear on the pages after Statement 6.

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Department of Education, Training and Employment

Statement 5 – Statement of Comprehensive Income by Major Departmental Services - Controlled
for the year ended 30 June 2014

	Early Childhood Education and Care		School Education		Training, Tertiary Education and Employment		Total	
	2014 $'000	2013 $'000	2014 $'000	2013 $'000	2014 $'000	2013 $'000	2014 $'000	2013 $'000
Income from Continuing Operations*								
Appropriation revenue for services	233 997	219 331	6 530 002	6 363 437	840 827	812 005	7 604 826	7 394 773
User charges	1 094	1 672	316 341	323 890	243 062	160 569	560 497	486 131
Grants and other contributions	531	498	123 761	141 086	20 966	15 061	145 258	156 645
Interest	-	–	11 746	12 445	2 266	-	14 012	12 445
Other Revenues	581	449	24 471	16 016	10 902	143 213	35 954	159 678
Total Income from Continuing Operations	236 203	221 950	7 006 321	6 856 874	1 118 023	1 130 848	8 360 547	8 209 672
Expenses from Continuing Operations*								
Employee expenses	32 042	30 382	5 349 815	5 147 608	552 396	578 329	5 934 253	5 756 319
Supplies and services	17 132	14 866	1 093 592	1 115 090	439 235	343 512	1 549 959	1 473 468
Grants and subsidies	185 698	174 931	41 284	62 363	31 501	122 697	258 483	359 991
Depreciation and amortisation	1 615	1 201	438 242	433 231	66 859	58 372	506 716	492 804
Impairment losses	(8)	17	(260)	6 242	1 382	731	1 114	6 990
Finance/borrowing costs	-	–	19 609	18 929	24 022	24 195	43 631	43 124
Other expenses	526	535	63 126	72 890	2 636	3 009	66 288	76 434
Total Expenses from Continuing Operations	237 005	221 932	7 005 408	6 856 353	1 118 031	1 130 845	8 360 444	8 209 130
Operating Result from Continuing Operations	(802)	18	913	521	(8)	3	103	542
Operating Result from Discontinued Operations	-	–	-	–	-	-	-	–
Operating Result for the Year	(802)	18	913	521	(8)	3	103	542
Other Comprehensive Income								
Increase/(decrease) in asset revaluation surplus	(607)	(110)	90 527	(67 145)	(661 533)	(29 936)	(571 613)	(97 191)
Total Other Comprehensive Income	(607)	(110)	90 527	(67 145)	(661 533)	(29 936)	(571 613)	(97 191)
Total Comprehensive Income	(1 409)	(92)	91 440	(66 624)	(661 541)	(29 933)	(571 510)	(96 649)
* Allocation of revenues and expenses to corporate services (disclosure only):								
Income	-	–	-	–	-	-	-	–
Expenses	17 340	15 406	512 549	475 950	82 405	78 500	612 294	569 856

* All corporate overheads have been allocated across respective departmental services based on activity drivers.

Corporate services functions include: finance and administration, procurement, human resources, payroll, staff training, information technology, records management, legal services, property acquisition and management, policy development and executive service. The above statement should be read in conjunction with the accompanying notes, which appear on the pages after Statement 6.

Department of Education, Training and Employment

Statement 6 – Statement of Assets and Liabilities by Major Departmental Services - Controlled
as at 30 June 2014

	Early Childhood Education and Care		School Education		Training, Tertiary Education and Employment		General Not Attributed		Total	
	2014 $'000	2013 $'000	2014 $'000	2013 $'000	2014 $'000	2013 $'000	2014 $'000	2013 $'000	2014 $'000	2013 $'000
Current Assets										
Cash and cash equivalents	-	-	-	-	-	-	623 020	250 392	623 020	250 392
Receivables	2 042	1 467	105 745	113 866	79 378	67 465	-	-	187 165	182 798
Other financial assets		-		-	25 871	-		-	25 871	-
Inventories	-	-	2 674	2 634	1 005	1 588	-	-	3 679	4 222
Other current assets	-	-	39 008	45 359	5 085	6 088	-	-	44 093	51 447
	2 042	1 467	147 427	161 859	111 339	75 141	623 020	250 392	883 828	488 859
Non-current assets classified as held for sale	-	-	10 226	12 654	41 185	6 251	-	-	51 411	18 905
Total Current Assets	2 042	1 467	157 653	174 513	152 524	81 392	623 020	250 392	935 239	507 764
Non Current Assets										
Intangible assets	-	-	77 761	64 437	8 456	18 470	-	-	86 217	82 907
Property, plant and equipment	66 676	67 444	16 281 144	16 107 233	1 081 024	1 716 595	-	-	17 428 844	17 891 272
Total Non-Current Assets	66 676	67 444	16 358 905	16 171 670	1 089 480	1 735 065	-	-	17 515 061	17 974 179
Total Assets	68 718	68 911	16 516 558	16 346 183	1 242 004	1 816 457	623 020	250 392	18 450 300	18 481 943
Current Liabilities										
Payables	3 085	4 555	260 488	251 733	104 297	67 631	-	-	367 870	323 919
Interest-bearing liabilities and derivative	-	-	8 779	8 185	1 913	1 721	-	-	10 692	9 906
Accrued employee benefits	427	337	96 326	73 511	25 982	17 531	-	-	122 735	91 379
Other current liabilities	-	-	26 949	17 707	48 581	20 810	-	-	75 530	38 517
Total Current Liabilities	3 512	4 892	392 542	351 136	180 773	107 693	-	-	576 827	463 721
Non Current Liabilities										
Interest-bearing liabilities and derivative	-	-	278 605	261 463	222 907	224 821	-	-	501 512	486 284
Total Non Current Liabilities	-	-	278 605	261 463	222 907	224 821	-	-	501 512	486 284
Total Liabilities	3 512	4 892	671 147	612 599	403 680	332 514	-	-	1 078 339	950 005

Please note that the department has systems in place to allocate assets and liabilities by departmental services.

The above statement should be read in conjunction with the accompanying notes, which appear on the pages after this statement.
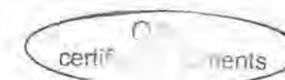
Department of Education, Training and Employment
Notes to and forming part of the financial statements 2013-14

1. Objectives and Principal Activities of the Department

The Department of Education, Training and Employment engages Queenslanders in lifelong learning across the entire continuum, from early childhood education and care, through school education, and into training, tertiary education and employment. The department is a diverse organisation, with one of the largest workforces in the state, providing services through three broad service delivery areas

- Early childhood educational care;
- School education;
- Training, tertiary education and employment.

The department is funded for the departmental services it delivers principally by parliamentary appropriations.

2. Summary of Significant Accounting Policies

(a) Statement of Compliance

The Department of Education, Training and Employment has prepared these financial statements in compliance with section 42 of the *Financial and Performance Management Standard 2009*.

These financial statements are general purpose financial statements, and have been prepared on an accrual basis in accordance with Australian Accounting Standards and Interpretations. In addition, the financial statements comply with Treasury and Trade's Minimum Reporting Requirements for the year ending 30 June 2014, and other authoritative pronouncements.

With respect to compliance with Australian Accounting Standards and Interpretations, the Department of Education, Training and Employment has applied those requirements applicable to not-for-profit entities, as the Department of Education, Training and Employment is a not-for-profit department. Except where stated, the historical cost convention is used.

(b) The Reporting Entity

The financial statements include the value of all revenue, expenses, assets, liabilities and equity of the department. In addition, the Department of Education, Training and Employment also controls the following entities:

- Aviation Australia Pty Ltd
- BCITF (Qld) Limited
- Queensland Education Leadership Institute

As the financial transactions and balances of the above entities are immaterial in the context of the department, they have not been consolidated into the departmental statements. Each of these entities is a reporting entity in its own right - their audited financial statements are included in their respective annual reports. Full details of these controlled entities are disclosed in Note 34.

Machinery of Government (MoG) changes reported in Statement 3 – Statement of Changes in Equity for 2013-14 relate to:

- $127.983 million from the Southbank Institute of TAFE and Gold Coast Institute of TAFE.
- $ 40.383 million from Department of Housing and Public Works for the transfer of 7 cyclone shelters.
- $ 0.111 million from Department of State Development for the finalisation of assets related to Employment.

The major departmental services undertaken by the department are disclosed in Note 3.

(c) School financial transactions

In the 2013-14 financial year, data has been sourced from the state-wide OneSchool finance module, covering the twelve (12) month period from July 2013 to June 2014. This aligns school financial reporting periods with the rest of the department, however the comparative for financial year 2012-13 includes thirteen (13) months of OneSchool data for the period June 2012 to June 2013 and there is no significant impact on the department's financial statement line items.

(d) Administered Transactions and Balances

The department administers, but does not control, certain resources on behalf of the Queensland State Government. It is accountable for the transactions involving administered resources, but does not have the discretion to deploy these resources for the achievement of the department's objectives. For these resources, the department acts only on behalf of the Queensland State Government.

Administered transactions and balances are disclosed in Note 36. These transactions and balances are not significant in comparison to the department's overall financial performance/ financial position.

(e) Departmental Services Revenue/Administered Revenue

Appropriations provided under the *Appropriation Act 2013* are recognised as revenue when received.

Amounts appropriated to the department for transfer to other entities in accordance with legislative or other requirements are reported as 'administered' item appropriation in Note 36.

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2. Summary of Significant Accounting Policies (cont'd)

(f)   User Charges

User charges, fees and sales revenue controlled by the department are recognised as revenues when the revenue has been earned and can be measured reliably with a sufficient degree of certainty. This involves either invoicing for related goods/services and/or the recognition of accrued revenue. Revenue from student fees is recognised as the service is provided. User charges, fees and sales revenue are controlled by the department where they can be deployed for the achievement of departmental objectives. Property income is recognised as revenue when received.

(g)   Grants and Contributions

Grants, contributions, donations and gifts that are non-reciprocal in nature are recognised as revenue in the year in which the department obtains control over them. Control is normally obtained upon their receipt.

Where grants are received that are reciprocal in nature, revenue is recognised over the term of the funding arrangements.

Contributed assets are recognised at their fair value. The accounting treatment for contributions of services is explained in Note 2 (aa).

(h)   Special Payments

Special payments include ex gratia expenditure and other expenditure that the department is not contractually or legally obligated to make to other parties. In compliance with the *Financial Performance Management Standard 2009*, the department maintains a register setting out details of all special payments greater than $5,000. The total of all special payments (including those of $5,000 or less) is disclosed separately within Other Expenses (Note 15). However, descriptions of the nature of special payments are only provided for special payments greater than $5,000.

(i)   Cash and Cash Equivalents

For the purposes of the Statement of Financial Position and the Statement of Cash Flows, cash and cash equivalents includes cash on hand, cheques receipted but not banked at 30 June and cash in school and central office bank accounts which are used in the day-to-day cash management function of the department.

(j)   Receivables

Receivables are recognised at the amounts due at the time of sale or service delivery i.e. the agreed purchase/contract price. Settlement on trade debtors is required within 30 days from invoice date. The collectability of receivables is assessed at balance date with adequate allowance made for impairment and all known bad debts written off. Increases in the allowance for impairment are based on loss events as disclosed in Note 39 (c). As all loans and advances are held with other government departments or departmental employees, no collateral is taken.

(k)   Inventories

Inventories are valued at the lower of cost and net realisable value.

Cost is assigned on a weighted average basis and includes expenditure incurred in acquiring the inventories and bringing them to their existing condition, except for training costs which are expensed as incurred.

Net realisable value is determined on the basis of the department's normal selling pattern.

(l)   Non-Current Assets Classified as Held for Sale

Non-current assets held for sale consists of those assets that management has determined are available for immediate sale in their present condition, for which their sale is highly probable within the next twelve months.

In accordance with AASB 5 *Non-current Assets Held for Sale and Discontinued Operations*, when an asset is classified as held for sale, its value is measured at the lower of the asset's carrying amount and fair value less costs to sell. Any restatement of the asset's value to fair value less costs to sell (in compliance with AASB 5) is a non-recurring valuation. Such assets are no longer amortised or depreciated upon being classified as held for sale.

(m) Acquisitions of Assets

Actual cost is used for the initial recording of all non-current physical and intangible asset acquisitions. Cost is determined as the value given as consideration plus costs incidental to the acquisition, including all other costs incurred in getting the assets ready for use, including architects' fees and engineering design fees. However, any training costs are expensed as incurred.

Where assets are received free of charge from another Queensland Government department (whether as a result of a machinery-of-Government change or other involuntary transfer), the acquisition cost is recognised as the gross carrying amount in the books of the transferor immediately prior to the transfer together with any accumulated depreciation.

Assets acquired at no cost or for nominal consideration, other than from an involuntary transfer from another Queensland Government entity, are recognised as assets and revenues at their fair value at the date of acquisition in accordance with AASB 116 *Property, Plant and Equipment*.

2. Summary of Significant Accounting Policies (cont'd)

(n) Property, Plant and Equipment

Items of property, plant and equipment with a cost or other value equal to or in excess of the following thresholds are recognised for financial reporting purposes in the year of acquisition:

Buildings and land improvements	$10 000
Heritage and cultural buildings	$10 000
Land	$1
Other (including heritage and cultural assets other than buildings)	$5 000

Items with a lesser value are expensed in the year of acquisition.

Items acquired during the financial year have been judged by management of the department to materially represent their fair value at the end of the reporting period. Land improvements undertaken by the department are included with buildings.

(o) Revaluations of Non-Current Physical and Intangible Assets

Land, buildings (including residential buildings and land improvements such as sports facilities), heritage and cultural assets, and buildings under a finance lease are measured at fair value in accordance with AASB 116 *Property, Plant and Equipment*, AASB 13 *Fair Value Measurement* and Queensland Treasury and Trade's *Non-Current Asset Policies for the Queensland Public Sector*. These assets are reported at their revalued amounts, being the fair value at the date of valuation, less any subsequent accumulated depreciation and impairment losses where applicable.

In respect of the abovementioned asset classes, the cost of items acquired during the financial year has been judged by management of the department to materially represent their fair value at the end of the reporting period.

Assets built privately (PPP assets) are tendered out and the fair value is calculated based on construction of the assets in a private market.

Assets under a finance lease that would otherwise have been included in the classes above are also revalued on the same basis as the assets in the class to which they would have belonged had they not been under a finance lease.

Plant and equipment, other than major plant and equipment, is measured at cost in accordance with Queensland Treasury and Trade's Non-Current Asset Policies. The carrying amounts for such plant and equipment at cost should not materially differ from their fair value.

Fair value for land is determined by establishing its market value by reference to observable prices in an active market or recent market transactions. The fair value for non-residential buildings and heritage and cultural assets is determined by calculating the depreciated replacement cost of the asset. The fair value of residences is determined by their market value or alternatively where there is no active and liquid market, fair value is the depreciated replacement cost. The fair value of assets under a finance lease is the depreciated replacement cost of these assets.

Where intangible assets have an active market, they are measured at fair value; otherwise they are measured at cost.

Land, buildings (including residential buildings and land improvements such as sports facilities), heritage and cultural assets are revalued by management each year to ensure that they are reported at fair value. Management valuations incorporate the results from the independent revaluation program, and the indexation of the assets not subject to independent revaluation each year.

For the purposes of revaluation, the department has divided the state into 25 districts and each year's selection is chosen to ensure that major urban, provincial and rural characteristics were included. Districts independently valued in each year are as follows:-

2013-14	**2014-15**
Townsville	Central West
Warwick	Toowoomba
Moreton East	Brisbane Central and West
Brisbane South	Gold Coast
Sunshine Coast North	Wide Bay West
Wide Bay North	
2015-16	**2016-17**
Torres Strait and Cape	Tablelands-Johnstone
Roma	Mount Isa
Mackay-Whitsunday	The Downs
Moreton West	Brisbane North
South East Brisbane	Logan-Albert Beaudesert
Sunshine Coast South	Cairns Coastal
	Central Queensland
	Wide Bay South

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2. Summary of Significant Accounting Policies (cont'd)

(o)   Revaluations of non-current physical and intangible assets (cont'd)

The fair values reported by the department are based on appropriate valuation techniques that maximise the use of available and relevant observable inputs and minimise the use of unobservable inputs.

Where assets have not been specifically appraised in the reporting period, their previous valuations are materially kept up-to-date via the application of relevant indices. The department ensures that the application of these indices results in a valid estimation of the asset's fair value at reporting date. The State Valuation Service (SVS) supplies the indices used for various types of assets. These indices are derived from market information available to SVS. SVS provides assurance of their robustness, validity and appropriateness for application to the relevant assets. The results of interim indexations are compared to the results of the independent revaluation performed in the year to ensure the results are reasonable. This annual process allows management to assess and confirm the relevance and suitability of indices provided by SVS based on the department's own particular circumstances.

The department reviewed all fair value methodologies in light of the new principles in AASB 13 and some minor adjustments were made to take into account the more exit-oriented approach to fair value under AASB 13. There has been no material impact on the values of the affected Property, Plant and Equipment classes.

Any revaluation increment arising on the revaluation of an asset is credited to the asset revaluation surplus of the appropriate class, except to the extent it reverses a revaluation decrement for the class previously recognised as an expense. A decrease in the carrying amount on revaluation is charged as an expense, to the extent it exceeds the balance, if any, in the revaluation surplus relating to that asset class.

On revaluation, accumulated depreciation is restated proportionately with the change in the carrying amount of the asset and any change in the estimate of remaining useful life.

Materiality concepts under AASB 1031 *Materiality* are considered in determining whether any difference between the carrying amount and the fair value of each asset class is material.

Separately identified components of assets are measure on the same basis as the assets to which they relate.

(p)   Fair Value Measure

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transactions between market participants at the measurement date under current market conditions (i.e. an exit price) regardless of whether that price is directly derived from observable inputs or estimated using another valuation technique.

Observable inputs are publicly available data that are relevant to the characteristics of the assets/liabilities being valued. Observable inputs used by the department are detailed for each class of asset under Note 23.

Unobservable inputs are data, assumptions and judgements that are not available publicly, but are relevant characteristics of the assets/liabilities being valued. Significant unobservable data to takes account of the characteristics of the department assets/liabilities, and includes internal records of recent construction costs (and/or estimated of such costs) for assets' characteristics/functionality, and assessments of physical condition and remaining useful life. Unobservable inputs are used to the extent that sufficient relevant and reliable observable inputs are not available for similar assets/liabilities.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

All assets and liabilities of the department for which fair value is measured or disclosed in the financial statements are categorised with the following fair value hierarchy, based on the data and assumptions used in the most recent specific appraisals:

- level 1 – represents fair value measurements that reflect unadjusted quoted market prices in active markets for identical assets and liabilities;

- level 2 – represents fair value measurements that are substantially derived from inputs (other than quoted prices included in level 1) that are observable, either directly or indirectly; and

- level 3 – represents fair value measurements that are substantially derived from unobservable inputs.

None of the department's valuations of assets or liabilities are eligible for categorisation into level 1 of the fair value hierarchy. As 2013-14 is the first year of application of AASB 13 by the department, there were no transfers of assets between fair value hierarchy levels during the period.

More specific fair value information about the department's Property, Plant and Equipment is outlined in Note 23.

2. Summary of Significant Accounting Policies (cont'd)

(q) Intangible assets

Intangible assets with a cost, or other value, greater than $100 000 are recognised in the financial statements; items with a lesser value are expensed.

It has been determined that there is not an active market for any of the department's intangible assets. As such, the assets are recognised and carried at cost less accumulated amortisation and accumulated impairment losses.

No intangible assets have been classified as held for sale or form part of a disposal group held for sale.

The major software developments held by the department are valued at cost of acquisition. These intangible assets are amortised over useful lives ranging from seven to ten years on creation.

Expenditure on research activities relating to internally-generated intangible assets is recognised as an expense in the period in which it is incurred.

Rent Free Agreements and Rights of Access held by the department are recognised at the cost of acquisition. These intangible assets are amortised over the life of the agreement.

The residual value for intangibles for the department is zero, as the department fully utilises any service potential provided by these assets.

(r) Amortisation and Depreciation of Property, Plant and Equipment and Intangibles

Land is not depreciated as it has an unlimited useful life.

All intangible assets of the department have finite useful lives and are amortised on a straight-line basis.

Property, plant and equipment are depreciated on a straight-line basis so as to allocate the net cost or revalued amount of each asset, less its estimated residual value, progressively over its estimated useful life to the department.

Assets under construction (capital work-in-progress) are not depreciated until they reach service delivery capability. Service delivery capability relates to when construction is complete and the asset is first put to use or is installed ready for use in accordance with its intended application. These assets are then reclassified to the relevant classes within property, plant and equipment.

Where assets have separately identifiable components that are subject to regular replacement, these components are assigned useful lives distinct from the asset to which they relate and are depreciated accordingly.

It has been determined that the department controls buildings that by their nature require componentisation and the assignment of separate useful lives to their component parts. The three components of these buildings are: a) Fabric; b) Fit-out; and c) Plant. The useful lives for these assets are disclosed in the table below.

Useful lives for the assets included in the revaluation will be amended progressively as the assets are inspected by the valuers.

Any expenditure that increases the originally assessed capacity or service potential of an asset is capitalised and the new depreciable amount is depreciated over the remaining useful life of the asset to the department.

The depreciable amount of improvements to or on leasehold land is allocated progressively over the estimated useful life of the improvements or the unexpired period of the lease, whichever is the shorter. The unexpired period of leases includes any option period where exercise of the option is probable.

Plant and equipment subject to a finance lease is amortised on a straight line basis over the term of the lease, or, where it is likely that the department will obtain ownership of the asset, the expected useful life of the asset to the department.

Items comprising the department's library collections are expensed on acquisition.

The estimated useful lives of the assets are reviewed annually and, where necessary, are adjusted to better reflect the pattern of consumption of the asset. In reviewing the useful life of each asset, factors such as asset usage and the rate of technical and commercial obsolescence are considered.

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2. Summary of Significant Accounting Policies (cont'd)

(r)   Amortisation and Depreciation of Property, Plant and Equipment and Intangibles (cont'd)

For each class of depreciable asset the depreciation and amortisation rates are based on the following useful lives:

Class	Current useful life (years)
Buildings - Fabric	80
Buildings - Fit Out	25
Buildings - Plant	25
Buildings - Demountable buildings, sheds and covered areas	40
Buildings - Land improvements (including sporting facilities)	15 - 80
Buildings - Residential	60
Heritage and Cultural Assets	80
Plant and equipment - Computer equipment	5
Plant and equipment - Office equipment	5 - 20
Plant and equipment - Artefacts and curios	50 - 100
Plant and equipment - Musical instruments and craft equipment	20
Plant and equipment - Plant and machinery	5 - 25
Plant and equipment - Sporting equipment	10
Plant and equipment - Major refurbishments to leasehold administrative buildings	2 - 12
Leased plant and equipment	5 - 10
Intangibles - Software purchased	7 - 10
Intangibles - Software internally generated	7 - 10
Intangibles - Other (based on contract life)	5 - 25

(s)   Impairment of Non-Current Assets

All non-current physical and intangible assets are assessed for indicators of impairment on an annual basis. If an indicator of possible impairment exists, the department determines the asset's recoverable amount. Any amount by which the asset's carrying amount exceeds the recoverable amount is recorded as an impairment loss.

The asset's recoverable amount is determined as the higher of the asset's fair value less costs to sell and depreciated replacement cost.

An impairment loss is recognised immediately in the Statement of Comprehensive Income, unless the asset is carried at a revalued amount. When the asset is measured at a revalued amount, the impairment loss is offset against the asset revaluation surplus of the relevant class to the extent available.

Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised as income, unless the asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase. Refer also Note 2(o).

(t)   Leases

A distinction is made in the financial statements between finance leases that effectively transfer from the lessor to the lessee substantially all risks and benefits incidental to ownership, and operating leases, under which the lessor retains substantially all risks and benefits.

Where a non-current physical asset is acquired by means of a finance lease, the asset is recognised at an amount equal to the present value of the minimum lease payments. The lease liability is recognised at the same amount.

Lease payments are allocated between the principal component of the lease liability and the interest expense.

Operating lease payments are representative of the pattern of benefits derived from the leased assets and are expensed in the periods in which they are incurred.

Incentives received on entering into operating leases are recognised as liabilities. Lease payments are allocated between rental expense and reduction of the liability.

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2. Summary of Significant Accounting Policies (cont'd)

(u) Payables

Trade creditors are recognised upon receipt of the goods or services ordered and are measured at the nominal amount i.e. agreed purchase/contract price, gross of applicable trade and other discounts. Amounts owing are unsecured and are generally settled on 30 day terms.

(v) Financial Instruments

Recognition

Financial assets and financial liabilities are recognised in the Statement of Financial Position when the department becomes party to the contractual provisions of the financial instrument.

Classification

Financial instruments are classified and measured as follows:

- Cash and cash equivalents - held at fair value through profit or loss
- Receivables - held at amortised cost
- Held to maturity investment (Fixed Term Deposits) - held at amortised cost
- Payables - held at amortised cost
- Borrowings - held at amortised cost

Borrowings are initially recognised at fair value, plus any transaction costs directly attributable to the borrowings, and then subsequently held at amortised cost using the effective interest method. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of a financial instrument (or, when appropriate, a shorter period) to the net carrying amount of that instrument.

Any borrowing costs are added to the carrying amount of the borrowing to the extent they are not settled in the period in which they arise. Borrowings are classified as non-current liabilities to the extent that the department has an unconditional right to defer settlement until at least 12 months after reporting date.

The department does not enter transactions for speculative purposes, nor for hedging. Apart from cash and cash equivalents, the department holds no financial assets classified at fair value through profit or loss.

All other disclosures relating to the measurement and financial risk management of financial instruments held by the department are included in Note 39.

(w) Employee Benefits

Employer superannuation contributions, annual leave levies and long service leave levies are regarded as employee benefits.

Payroll tax and workers' compensation insurance are a consequence of employing employees, but are not counted in an employees' total remuneration package. They are not employee benefits and are recognised separately as employee related expenses.

Wages, Salaries, and Sick Leave

Wages and salaries due but unpaid at reporting date are recognised in the Statement of Financial Position at the current salary rates.

As the department expects such liabilities to be wholly settled within 12 months of reporting date, the liabilities are recognised at undiscounted values.

Prior history indicates that on average, sick leave taken each reporting period is less than the entitlement accrued. This is expected to continue into future periods. Accordingly, it is unlikely that existing accumulated entitlements will be used by employees and no liability for unused sick leave entitlements is recognised.

As sick leave is non-vesting, an expense is recognised for this leave as it is taken.

Annual Leave

The entitlement for annual leave includes a component for accrued leave loading for teaching staff working at schools, but does not include recreation leave, which is not an entitlement under their award.

The Queensland Government's Annual Leave Central Scheme (ALCS) became operational on 30 June 2008 for departments, commercialised business units and shared service providers. Under this scheme, a levy is made on the department to cover the cost of employees' annual leave (including leave loading and on-costs). The levies are expensed in the period in which they are payable. Amounts paid to employees for annual leave are claimed back from the scheme quarterly in arrears.

No provision for annual leave is recognised in the department's financial statements as the liability is held on a whole-of-government basis and reported in those financial statements pursuant to AASB 1049 *Whole of Government and General Government Sector Financial Reporting.*

Long Service Leave

Under the Queensland Government's Long Service Leave Central Scheme (LSLCS), a levy is made on the department to cover the cost of employees' long service leave. Levies are expensed in the period in which they are paid or payable. Amounts paid to employees for long service leave are claimed from the scheme quarterly in arrears.

2. Summary of Significant Accounting Policies (cont'd)

(w) Employee Benefits (cont'd)

No provision for long service leave is recognised in the department's financial statements, the liability being held on a whole-of-Government basis and reported in those financial statements pursuant to AASB 1049 *Whole of Government and General Government Sector Financial Reporting.*

Superannuation

Employer superannuation contributions are paid to QSuper, the superannuation scheme for Queensland Government employees, at rates determined by the Treasurer on the advice of the State Actuary. Contributions are expensed in the period in which they are paid or payable. The department's obligation is limited to its contribution to QSuper.

The QSuper scheme has defined benefits and defined contribution categories. The liability for defined benefits is held on a whole-of-Government basis and reported in those financial statements pursuant to AASB 1049 *Whole of Government and General Government Sector Financial Reporting.*

Key Management Personnel and Remuneration

Key management personnel and remuneration disclosures are made in accordance with the section 5 to the *Financial Reporting Requirements for Queensland Government Agencies* issued by Queensland Treasury and Trade. Refer to Note 9 for the disclosures on key management personnel and remuneration.

(x) Financing/Borrowing Costs

Borrowing costs are recognised as expenses in the period in which they are incurred.

Borrowing costs include:

- Interest on bank overdrafts and short-term and long-term borrowings;
- Finance lease charges;
- Amortisation of discounts or premiums relating to borrowings; and
- Ancillary administration charges.

No borrowing costs are capitalised into qualifying assets.

(y) Allocation of Revenues and Expenses from Ordinary Activities to Corporate Services

The department discloses revenues and expenses attributable to corporate services in the Statement of Comprehensive Income by Major Departmental Services - Controlled.

(z) Insurance

The department's non-current physical assets and other risks are insured through the Queensland Government Insurance Fund (QGIF), premiums being paid on a risk assessment basis. In addition, the department pays premiums to WorkCover Queensland in respect of its obligations for employee compensation.

(aa) Services Received Free of Charge or for Nominal Value

Contributions of services are recognised only if the services would have been purchased if they had not been donated and their fair value can be measured reliably. Where this is the case, an equal amount is recognised as revenue and an expense.

(ab) Contributed Equity

Non-reciprocal transfers of assets and liabilities between wholly-owned Queensland State Public Sector entities as a result of machinery-of-Government changes are adjusted to 'Contributed Equity' in accordance with Interpretation 1038 *Contributions by Owners Made to Wholly Owned Public Sector Entities.* Appropriations for equity adjustments are similarly designated.

(ac) Taxation

The department is a State body as defined under *the Income Tax Assessment Act 1936* and is exempt from all forms of Commonwealth taxation with the exception of Fringe Benefits Tax (FBT), and Goods and Services Tax (GST). FBT and GST are the only taxes accounted for by the department. GST credits receivable from, and GST payable to the Australian Taxation Office are recognised and accrued (refer to Note 17).

(ad) Issuance of Financial Statements

The financial statements are authorised for issue by the department's Director-General and the Chief Finance Officer at the date of signing the Management Certificate.

2. Summary of Significant Accounting Policies (cont'd)

(ae) Accounting Estimates and Judgements

The preparation of financial statements necessarily requires the determination and use of certain critical accounting estimates, assumptions and management judgements that have the potential to cause a material adjustment to the carrying amount of assets and liabilities within the next financial year. Such estimates, judgements and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in future periods as relevant.

Estimates and assumptions that have a potential significant effect are outlined in the following financial statement notes:

Valuation of Property, Plant and Equipment – Note 2(o) – (p) and Note 23;
Contingencies – Note 33; and
Depreciation and Amortisation – Note 2(r) and Note 12.

The Australian government passed its Clean Energy Act in November 2011 which resulted in the introduction of a price on carbon emissions made by Australian businesses from 1 July 2012.

The Australian government has abolished the carbon tax, with effect from 1 July 2014. The withdrawal of the carbon pricing mechanism is not expected to have a significant impact on the department's critical accounting estimates, assumptions and management judgements.

(af) Rounding and Comparatives

Amounts included in the financial statements are in Australian dollars and have been rounded to the nearest $1,000 or, where that amount is $500 or less, to zero, unless disclosure of the full amount is specifically required. Sub-totals and totals may not add due to rounding, but the overall discrepancy is no greater than two.

Comparative information has been restated where necessary to be consistent with disclosures in the current reporting period.

(ag) New and Revised Accounting Standards

The department did not voluntarily change any of its accounting policies during 2013-14. The only Australian Accounting Standard changes applicable for the first time as from 2013-14 that have had a significant impact on the department's financial statements are those arising from AASB 13 *Fair Value Measurement*, as explained below.

AASB 13 *Fair Value Measurement* became effective from reporting periods beginning on or after 1 January 2013. AASB 13 sets out a new definition on 'fair value' as well as new principles to be applied when determining the fair value of assets and liabilities. The new requirements apply to all of the department's assets and liabilities (excluding leases) that are measured and or disclosed at fair value or another measurement based on fair value. The impacts of AASB 13 related to the fair value measurement methodologies used and financial statement disclosures made in respect of such assets and liabilities.

The department reviewed its fair value methodologies (including instructions to valuers, data used and assumptions made) for all items of property, plant and equipment measured at fair value to assess whether those methodologies comply with AASB 13. To the extent that the methodologies were not in compliance with AASB 13 valuation methodologies were revised accordingly to be in line with AASB 13. The revised valuation methodologies have not resulted in material differences from the previous methodologies.

AASB 13 has required an increased amount of information to be disclosed in relation to fair value measurements for both assets and liabilities. For those fair value measurements of assets or liabilities that substantially are based on data that is not 'observable' (i.e. accessible outside the department), the amount of information disclosed has significantly increased. Note 2(p) explains some of the principles underpinning the additional fair value information disclosed. Most of this additional information is set out in Note 23 Property, Plant and Equipment.

A revised version of AASB 119 *Employee Benefits* became effective for reporting periods beginning on or after 1 January 2013. The only implications for the department were the revised concept of 'termination benefits' and the recognition criteria for liabilities for termination benefits will be different. If termination benefits meet the timeframe criterion for 'short-term employee benefits', they will be measured according to the AASB 119 requirements for 'short-term employee benefits'. Otherwise, termination benefits will need to be measured according to the AASB 119 requirements for 'other long-term employee benefits'. Under the revised standard, the recognition and measurement of employer obligations for 'other long-term employee benefits' will need to be accounted for according to most of the requirements for defined benefit plans.

The revised AASB 119 includes changed criteria for accounting for employee benefits as 'short-term employee benefits'. However, as the department is a member of the Queensland Government central schemes for annual and long service leave, this change in criteria has no impact on the department's financial statements as the employer liability is held by the central scheme. The revised AASB 119 also includes change requirements for the measurement and presentation of changes in such liabilities/assets. The department makes employer superannuation contributions only to the QSuper defined benefit plan, and the corresponding QSuper employer benefit obligation is held by the State. Therefore, those changes to AASB 119 will have no impact on the department.

AASB 1053 *Application of Tiers of Australian Accounting Standards* applies as from reporting periods beginning on or after 1 July 2013. AASB 1053 establishes a differential reporting framework for those entities that prepare general purpose financial statements, consisting of two Tiers of reporting requirements – Australian Accounting Standards (commonly referred to as 'Tier 1') and Australian Accounting Standards – Reduced Disclosure Requirements (commonly referred to as 'Tier 2'). Tier 1 requirements comprise the full range of AASB recognition, measurement, presentation and disclosure requirements that are currently applicable to reporting entities in Australia. The only difference between the Tier 1 and Tier 2 requirements is that Tier 2 requires fewer disclosures than Tier 1.

Pursuant to AASB 1053, public sector entities like the department may adopt Tier 2 requirements for their general purpose financial statements. However, AASB 1053 acknowledges the power of a regulator to require application of the Tier 1 requirements. In the case of the department, Queensland Treasury and Trade is the regulator. Queensland Treasury and Trade has advised that its policy decision is to require adoption of Tier 1 reporting by all Queensland Government departments (including the Department of Education, Training and Employment) and statutory bodies that are consolidated into the whole-of-Government financial statements. Therefore, the release of AASB 1053 and associated amending standards will have no impact on the department.

2. Summary of Significant Accounting Policies (cont'd)

(ag) New and Revised Accounting Standards (cont'd)

The department is not permitted to early adopt a new or amended accounting standard ahead of the specified commencement date unless approval is obtained from the Queensland Treasury and Trade. Consequently, the department has not applied any Australian Accounting Standards and Interpretations that have been issued but are not yet effective. The department applies standards and interpretations in accordance with their respective commencement dates.

At the date of authorisation of the financial report, the expected impacts of new or amended Australian Accounting Standards with future commencement dates are as set out below:

AASB 1055 *Budgetary Reporting* applies from reporting periods beginning on or after 1 July 2014. The department will need to include in its 2014-15 financial statements the original budgeted figures from the Statement of Comprehensive Income, Statement of Financial Position, Statement of Changes in Equity, and Statement of Cash Flows as published in the 2014-15 Queensland Government's Service Delivery Statements. The budgeted figures will need to be presented consistently with the corresponding (actuals) financial statements, and will be accompanied by explanations of major variances between the actual amounts and the corresponding original budgeted figures.

In addition, the department will need to include the original budgeted information for major classes of administered income and expense, and major classes of administered assets and liabilities. This budgeted information will need to be presented consistently with the corresponding (actuals) administered information, and will be accompanied by explanations of major variances between the actual amounts and the corresponding budgeted financial information.

The following new and revised standards apply as from reporting periods beginning on or after 1 January 2014 –

• AASB 10 *Consolidated Financial Statements;*

• AASB 11 *Joint Arrangements;*

AASB 10 redefines and clarifies the concept of control of another entity, and is the basis for determining which entities should be consolidated into an entity's financial statements. AASB 2013-8 applies the various principles in AASB 10 for determining whether a not-for-profit entity controls another entity. On the basis of those accounting standards, the department has reviewed the nature of its relationship with entities that the department is connected with, including entities that are not currently consolidated, to determine the impact of AASB 2013-8. The department's conclusion is that it will not have any control over any additional entities nor will there be a loss of currently controlled entities.

AASB 11 deals with the concept of joint control and sets out new principles for determining the type of joint arrangement that exists, which in turn dictates the accounting treatment. The new categories of joint arrangements under AASB 11 are more aligned to the actual rights and obligations of the parties to the arrangement. The department has assessed its arrangements with other entities to determine whether a joint arrangement exists in terms of AASB 11. Currently the department has one (1) joint venture treated as a joint operation.

AASB 9 *Financial Instruments* (December 2010) and 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 & 1038 and Interpretations 2, 5, 10, 12, 19 & 127]* will become effective from reporting periods beginning on or after 1 January 2017. The main impacts of these standards on department are that they will change the requirements for the classification, measurement and disclosures associated with financial assets. Under the new requirements, financial assets will be more simply classified according to whether they are measured at either amortised cost or fair value. Pursuant to AASB 9, financial assets can only be measured at amortised cost if two conditions are met. One of these conditions is that the asset must be held within the business model whose objective is to hold assets in order to collect contractual cash flows. The other condition is that the contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

The department has commenced reviewing the measurement of its financial assets against the new AASB 9 classification and measurement requirements. However, as the classification of financial assets at the date of initial application of AASB 9 will depend on the facts and circumstances existing at the date, the department's conclusions will not be confirmed until closer to that time. At this stage, and assuming no change in the types of transactions the department enters into, it is not expected that any of the department's financial assets will meet the criteria in AASB 9 to be measured at amortised cost. Therefore, as from the 2017-18 financial statements, all of the department's financial assets are expected to be required to be measured at fair value, and classified accordingly (instead of the measurement classification presently used in Notes 2(v) and 39). The same classification will be used for net gains/losses recognised in the Statement of Comprehensive Income in respect of those financial assets. In the case of the department's current receivables, as they are short-term in nature, the carrying amount is expected to be a reasonable approximation of fair value.

The most significant impact of the new measurement requirements on the department is that the 'held to maturity' investment described in Notes 2(v), 18 and 39 will need to be measured at fair value. In addition, that investment will no longer be classified as 'held to maturity'. The department is not yet able to reliably estimate what the fair value of this investment will be at the date of initial application of AASB 9. The difference between the carrying amount of this investment and its initial fair value will be recognised as an adjustment to the balance of Accumulated Surplus on initial application of AASB 9. AASB 9 allows the entity to make an irrevocable election at the date of initial recognition to present in 'other comprehensive income' subsequent changes in the fair value of such an asset. Queensland Treasury and Trade is currently considering mandating this accounting treatment when AASB 9 becomes effective.

The department will not need to restate comparative figures for financial instruments on adopting AASB 9 as from 2017-18. However, changed disclosure requirements will apply from that time. A number of one-off disclosures will be required in the 2017-18 financial statements to explain the impact of adopting AASB 9. Assuming no change in the types of financial instruments that the department enters into, the most significant ongoing disclosure impacts are expected to relate to investments in equity instruments measured at fair value through other comprehensive income (eg. the 'held to maturity' investment described in Note 2(v)) and derecognition of these.

All other Australian Accounting Standards and interpretations with future commencement dates are either not applicable to the department's activities, or have no material impact on the department.

3. Major Departmental Services of the Department

The identity and purpose of the major departmental services undertaken by the department during the year are summarised below:

Early Childhood Education and Care

Providing children with access to quality early childhood education and care through establishing and funding kindergartens and integrated early years services as well as a range of parent and family support programs, and regulating, approving and quality assessing early childhood services.

School Education

Delivering Preparatory to Year 12 in Queensland state schools to prepare young people for successful transitions into further education, training and/or work and administering funding for Queensland non-state schools.

Training, Tertiary Education and Employment

Supporting the skilling needs of Queensland through the funding, delivery and quality assurance of vocational education, training, and providing information, advice and support to higher education providers, employers, apprentices and trainees to improve workforce participation.

	Notes	2014 $'000	2013 $'000

4. Reconciliation of Payments from Consolidated Fund to Appropriation Revenue for Services Recognised in Statement of Comprehensive Income

		2014 $'000	2013 $'000
Budgeted appropriation revenue for services		7 931 608	7 626 802
Transfers from/(to) other headings - Variation in Headings		(248 711)	(19 018)
Lapsed appropriation revenue for services		(84 392)	(249 801)
Total Appropriation Revenue for Services Receipts (Cash)		7 598 505	7 357 983
Less: Opening balance of appropriation revenue receivable		(1 090)	-
Plus: Closing balance of appropriation revenue receivable		7 411	1 090
Plus: Closing balance of appropriation revenue payable		-	35 700
Net Appropriation Revenue		7 604 826	7 394 773
Appropriation Revenue for Services recognised in Statement of Comprehensive Income		7 604 826	7 394 773
Reconciliation of Payments from Consolidated Fund to Equity Adjustment Recognised in Contributed Equity			
Budgeted equity adjustment appropriation		(9 081)	(107 222)
Transfers from/(to) other headings - Variation in Headings		248 711	19 018
Equity adjustment receipts(payments)		239 630	(88 204)
Less: Opening balance equity adjustment receivable		-	(35 700)
Equity adjustment recognised in Contributed Equity	*	239 630	(123 904)

* Equity adjustments recognised in the Contributed Equity vary from year to year depending on the size of the capital works program and depreciation expense.

5. User Charges

		2014 $'000	2013 $'000
Student fees		127 053	72 660
General fees		369 379	339 757
Refunds		(512)	(355)
Other fees and commissions		22	18
Property income		8 331	9 089
Sales revenue		56 224	64 962
Total		560 497	486 131

6. Grants and Other Contributions

		2014 $'000	2013 $'000
Commonwealth receipts			
Specific purpose		20 822	23 014
Contributions received from external parties		31 651	38 343
Grants from other State Government departments		25 792	16 528
Goods and services received below fair value		1 066	2 813
Donations - cash	*	48 551	53 154
Donations - other assets	^^	17 376	22 793
Total		145 258	156 645

* Donations – cash has been separated from donations – other assets to reflect a change in schools financial data reporting during financial year 2013-14.

^^ The department's policy is to only record assets with a value of $10 000 or more for buildings and $5 000 for plant and equipment. Plant and equipment contributed by Parents and Citizens' Associations were recorded on the department's Fixed Asset Register.

	Notes	2014 $'000	2013 $'000

7. Other Revenues

Interest revenue		14 012	12 445
Other expenditure recovered	*	35 954	159 678
Total		49 966	172 123

* Other expenditure recovered includes $9.093 million (2012-13 $5.045 million) for insurance compensation from the Queensland Government Insurance Fund.

8. Employee Expenses

Employee Benefits

	Notes	2014 $'000	2013 $'000
Teachers' salaries and allowances		3 351 750	3 227 743
Public servants' and other salaries and allowances		686 066	700 311
Teacher aides' salaries		370 293	337 956
Cleaners' salaries and allowances		167 921	159 426
Janitors'/groundstaff salaries and allowances		48 472	47 414
Employer superannuation contributions	2(w)	585 098	562 164
Annual leave expenses	2(w)	211 039	203 319
Long service leave levy	2(w)	101 692	97 894
Redundancy payments		51 251	71 193
Employee Related Expenses			
Payroll tax and fringe benefits tax	2(w)	260 212	250 795
Workers' compensation	2(w)	58 352	58 090
Staff transfer costs		11 920	11 214
Staff rental accommodation		4 140	4 119
Staff training		26 047	24 681
Total		5 934 253	5 756 319

The number of employees as at 30 June, including both full-time employees and part-time employees measured on a full-time equivalent basis (reflecting Minimum Obligatory Human Resource Information (MOHRI)) is:

Number of employees:		67 952	66 629

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9. Key Management Personnel and Remuneration Expenses

(a) Key Management Personnel

The following details for key executive management personnel include those positions that had authority and responsibility for planning, directing and controlling the activities of the agency during 2013-14. Further information on the Executive Management Group positions can be found in the body of the Annual Report under the section relating to Executive Management Group members.

Position	Responsibilities	Current Incumbents	
		Contract classification and appointment authority	Date appointed to position (Date resigned from position)
Director-General	The Director-General is responsible for leading and managing one of the state's largest government departments, and for setting the direction of early childhood education and care, state schooling, training and employment for Queensland.	CEO 2, Governor in Council	Appointed 15 April 2013
Deputy Director-General, Corporate Services ~	The Deputy Director-General, Corporate Services is responsible for the department's corporate procurement, finance, human resources, information and technologies, and infrastructure services functions.	SES 4, Public Service Act 2008	Appointed 5 August 2013
Deputy Director-General, Policy, Performance and Planning *	The Deputy Director-General, Policy, Performance and Planning is responsible for driving a strategic approach to the portfolio's policy development across early childhood, schooling, tertiary education, training and employment, and Indigenous education, at a whole of government and national level. The position also led a project team to implement a new operating model and other system improvements as part of the department's renewal agenda.	SES 4, Public Service Act 2008	Appointed 12 September 2011
Deputy Director-General, Early Childhood Education and Care #	The Deputy Director-General, Early Childhood Education and Care is responsible for providing strategic leadership in the development and implementation of the innovation policy, funding and regulatory frameworks that shape the vibrant early childhood education and care sector in Queensland.	SES 3, Public Service Act 2008	Acting from 21 May 2014
Deputy Director-General, Education Queensland +	The Deputy Director-General, Education Queensland provided leadership in the development and implementation of innovative and effective education models and policies in Queensland's state schooling sector. In addition, the position had supervisory responsibility for the seven regional directors of the department.	SES 4, Public Service Act 2008	Appointed 6 October 2009 (Separated 26 July 2013)
Deputy Director-General, State Schools ^	The Deputy Director-General, State Schools is responsible for the development of programs and frameworks for international education, school operations and school performance as well as supervising the work of seven regional directors.	SES 4, Public Service Act 2008	Appointed 30 August 2013
Deputy Director-General, TAFE Queensland **	The Deputy Director-General, TAFE Queensland is responsible for leading and providing strategic direction for TAFE Queensland as it transitions to a separate legal entity as a statutory body.	SES 4, s122 contract Public Service Act 2008	Appointed 10 June 2013

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9. Key Management Personnel and Remuneration Expenses (cont'd)

(a)   Key Management Personnel (cont'd)

Position	Responsibilities	Current Incumbents	
		Contract classification and appointment authority	Date appointed to position (Date resigned from position)
Deputy Director-General, Training and Employment ##	The Deputy Director-General, Training and Employment had responsibility for leading implementation of the Government's VET reform agenda and overseeing DETE's existing training and employment functions.	SES 3, Secondment	Seconded 10 June 2013
Assistant Director-General, Finance and Chief Finance Officer	The Assistant Director-General, Finance and Chief Finance Officer provides strategic financial advice to the department's executive, overall leadership to the department's finance functions and has responsibilities under section 77 of the *Financial Accountability Act 2009* (QLD).	SES 3, s122 contract Public Service Act 2008	Appointed 6 July 2009
Assistant Director-General, Employment, Skills and Training Investment ++	The Assistant Director-General, Employment, Skills and Training Investment is responsible for Skills Investment, Skills and Employment, DET International and apprenticeships and traineeships under the Queensland Apprenticeships and Traineeship Office.	SES 3, s122 contract Public Service Act 2008	Appointed 1 November 2007
Assistant Director-General, Information and Technologies and Chief Information Officer ^^	The Assistant Director-General, Information and Technologies and Chief Information Officer is responsible for executive leadership in the areas of strategic information, knowledge, educational and administrative technologies, management of ICT contracts and accountabilities as well as the development of strategic options for the department's future ICT requirements and capability.	SES 3, Public Service Act 2008	Appointed 11 January 2010

As a result of a realignment of responsibilities throughout 2013-14 financial year, the following position titles have changed:

* Deputy Director-General, Policy and Programs was renamed Deputy Director-General, Policy, Performance and Planning.

+ Deputy Director-General, Education Queensland was renamed Deputy Director-General, State Schools.

Deputy Director-General, Skills Reform, Training and Employment was renamed Deputy Director-General, Training and Employment.

~ Prior to being appointed to the position of Director-General, Corporate Services, the incumbent was acting in the role from 23 July 2012.

The position of Deputy Director-General, Early Childhood Education and Care was created during the 2013-14 financial year. Amounts include relieving in the position of Deputy Director-General, Policy and Programs from 16 October 2013 to 20 May 2014 whilst the substantive incumbent was involved in leading reforms for DETE's Renewal Plan.

^ Amounts for the position Deputy-Director General, State Schools relate to the period 9 September 2013 to 30 June 2014. From 1 July 2013 to 8 September 2013, the incumbent was being paid by Queensland Studies Authority (QSA).

** The position titled Deputy Director-General, TAFE Reform was renamed Deputy Director-General, TAFE Queensland. Prior to being appointed, the incumbent was acting in the positon from 3 July 2012.

++ The Assistant Director-General, Employment Skills and Training Investment ceased to be a member of the Executive Management Board effective 11 February 2014.

^^ The Assistant Director-General, Information and Technologies and Chief Information Officer is not a member of the Executive Management Board.

9. Key Management Personnel and Remuneration Expenses (cont'd)

(b)   Remuneration Expenses

Remuneration policy for the department's key management personnel is set by the Queensland Public Service Commission as provided for under the *Public Service Act 2008*. The remuneration and other terms of employment for the key management personnel are specified in employment contracts. The contracts may provide for other benefits including a motor vehicle allowance and, for chief executive officers (CEOs), may provide for the provision of At Risk Component payments.

For the 2013-14 year, remuneration packages of key management personnel increased by 2.2% in accordance with government policy.

The following disclosures focus on the expenses incurred by the department during the respective reporting periods, that is attributable to key management positions. Therefore, the amounts disclosed reflect expenses recognised in the Statement of Comprehensive Income.

Remuneration expenses for key management personnel comprise the following components:-

- Short term employee expenses which include:

  o   salaries, allowances and leave entitlements earned and expensed for the entire year or for that part of the year during which the employee occupied the specified position (including any higher duties or allowances earned during that time).

  o   Performance payments recognised as an expense during the year.

  o   Non-monetary benefits – consisting of provision of vehicle and car parking together with fringe benefits tax applicable to the benefit.

- Long term employee expenses include amounts expensed in respect of long service leave entitlements earned.

- Post-employment expenses include amounts expensed in respect of employer superannuation obligations.

- Termination benefits are not provided for within individual contracts of employment. Contracts of employment provide only for notice periods or payment in lieu of notice on termination, regardless of the reason for termination.

- Termination benefits may also include payments treated as lump sums for taxation purposes, such as cash equivalent for public holidays and is not wholly representative of severance or service entitlements under an executive contract.

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9. Key Management Personnel and Remuneration Expenses (cont'd)

(b)   Remuneration Expenses (cont'd)

1 July 2013 – 30 June 2014

Position (date resigned if applicable)	Short Term Employee Expenses		Long Term Employee Expenses	Post-Employment Expenses	Termination Benefits	Total Expenses
	Monetary Expenses $'000	Non-Monetary Benefits $'000	$'000	$'000	$'000	$'000
Director-General	438	7	9	51	-	505
Deputy Director-General, Corporate Services ~	234	3	5	24	-	266
Deputy Director-General, Policy, Performance and Planning *	213	4	5	26	-	248
Deputy Director-General, Early Childhood Education and Care #	197	29	4	24	-	254
Deputy Director-General, Education Queensland (Separated 26.07.2013) +	22	2	-	2	247	273
Deputy Director-General, State Schools ^	180	4	4	20	-	208
Deputy Director-General, TAFE Queensland **	246	3	5	26	-	280
Deputy Director-General, Training and Employment ##	195	20	4	20	-	239
Assistant Director-General, Finance and Chief Finance Officer	201	13	4	24	-	242
Assistant Director-General, Employment, Skills and Training Investment ++	191	14	4	23	-	232
Assistant Director-General, Information and Technologies and Chief Information Officer ^^	216	3	5	23	-	247

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9. Key Management Personnel and Remuneration Expenses (cont'd)

(b)   Remuneration Expenses (cont'd)

1 July 2012 – 30 June 2013

Position (date resigned if applicable)	Short Term Employee Expenses		Long Term Employee Expenses	Post-Employment Expenses	Termination Benefits	Total Expenses
	Monetary Expenses $'000	Non-Monetary Benefits $'000	$'000	$'000	$'000	$'000
Director-General	94	5	2	7	-	108
Director-General (Separated 09.11.2012)	155	12	19	18	10	214
Deputy Director-General, Corporate Services ~	227	3	7	24	-	261
Deputy Director-General Policy and Programs *	249	23	7	25	-	304
Deputy Director-General, Education Queensland +	202	29	5	26	-	262
Deputy Director-General, Training and Tertiary Education Queensland (Separated 02.07.2012)	2	-	-	-	260	262
Deputy Director-General, TAFE Reform **	236	2	5	25	-	268
Deputy Director-General, Skills Reform, Training and Employment ##	11	1	-	1	-	13
Assistant Director-General, Indigenous Education and Training Futures (Separated 16.10.2012)	74	1	4	7	172	258
Assistant Director-General, Finance and Chief Finance Officer	189	30	6	23	-	248
Assistant Director-General, Employment, Skills and Training Investment ++	175	28	11	21	-	235
Assistant Director-General, Information and Technologies and Chief Information Officer ^^	192	23	7	23	-	245

9. Key Management Personnel and Remuneration Expenses (cont'd)

(c)   Performance Payments

The remuneration package for the Director-General includes a potential performance payment.

Public service CEOs have part of their total remuneration package placed "at risk" and paid only if they meet or exceed the agreed performance standards. The chief executive performance evaluation process comprises:

- reporting on end of year achievement and self-assessment by each chief executive against their performance agreement/intended outcomes;
- analysis by the Commission Chief Executive (Public Service Commission), the Under Treasurer (Queensland Treasury and Trade) and the Director-General (Department of the Premier and Cabinet) of relevant performance data;
- a rigorous, independent and objective assessment of CEOs performance at the end of each financial year using, amongst other things, information provided from above two steps. This performance assessment is undertaken by a Chief Executive Performance Evaluation Committee (CEPEC);
- recommendations from the CEPEC to the Premier; and
- the Premier's ultimate discretion regarding whether the CEO will be paid an At Risk Component payment and, if so, how much.

As at the date of management certification of these financial statements, the eligibility to a performance payment for the Director-General in respect of the 2013-14 financial year had not yet been confirmed. With respect to the process to determine eligibility, for chief executive officers, recommendations are yet to be made by the Chief Executive Performance Evaluation Committee to the Premier. Therefore, any performance payment approved will be reported as an expense within 2014-15.

	Notes	2014 $'000	2013 $'000
10. Supplies and Services			
Building maintenance		293 500	246 597
Utilities		188 769	207 684
Equipment and building refurbishment		229 596	231 879
Consultants and contractors		113 148	106 172
Materials and running costs		542 789	487 317
Payments to shared service provider/inter-agency services		12 244	15 325
Computer costs		93 312	110 680
Travel		43 950	44 286
Operating lease rentals		32 651	23 528
Total		**1 549 959**	**1 473 468**
11. Grants and Subsidies			
Recurrent			
State Government			
Grants and allowances to external organisations		240 716	321 169
Capital			
State Government			
Tertiary organisations		17 767	38 822
Total		**258 483**	**359 991**

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	Notes	2014 $'000	2013 $'000

12. Depreciation and Amortisation

Depreciation and amortisation were incurred in respect of:

		2014 $'000	2013 $'000
Buildings		422 984	418 714
Heritage assets		873	924
Plant and equipment		48 628	54 513
Leased assets		4 522	4 516
Intangibles - computer software development		28 179	12 805
Intangibles - rights		1 530	1 332
Total		506 716	492 804

Increase in depreciation expense for intangibles by $15.374 million is due change in life for ISAS2 (Institutes' Student Administered System) which has an impact of $9.174 million.

13. Impairment Losses

		2014 $'000	2013 $'000
Physical and intangible assets		-	1
Impairment losses on trade receivables		1 114	6 989
Total		1 114	6 990

Refer to Note 23 for details of the recognised impairment loss.

14. Finance/Borrowing Costs

		2014 $'000	2013 $'000
Interest		3 364	3 635
Administration charges		60	65
Finance charges relating to finance leases		40 207	39 424
Total		43 631	43 124

15. Other Expenses

		2014 $'000	2013 $'000
Insurance - QGIF		23 789	22 508
External audit fees	*	788	817
Other certification fees		148	36
Losses - public monies and public property	**	14	8
Loss on disposal of property, plant and equipment and non-current assets held for sale		1 888	12 463
Special payments:	***		
Ex-gratia payments		339	413
Court awarded damages		9	24
Payments to other Govt Departments	^^	37 229	36 153
Other		2 084	4 012
Total		66 288	76 434

*The total external audit fees relating to the 2013-14 financial year are estimated to be $0.820 million (2012-13: $0.817 million). There are no non-audit services included in this amount. Currently paid and accrued audit fees for the department are $0.788 million.

** Certain losses of public property are insured by the Queensland Government Insurance Fund (QGIF). The claims made in respect of these losses have yet to be assessed by QGIF and the amount recoverable cannot be estimated reliably at reporting date. Upon notification by QGIF of the acceptance of the claims, revenue will be recognised for the agreed settlement amount and disclosed as 'Other Revenues - Other expenditure recovered' (refer Note 7).

*** Special Payments

- The department made one-off ex-gratia payments totalling $0.256million for Uniform Allowance to parents of students attending six schools which permanently closed at the end of the 2013 school year.

- Court awarded damages were paid by the department in settlement of five (5) personal injury claims.

^^ Payments to other Government Department is related to School Transport arrangements with Department of Transport and Main Roads.

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	Notes	2014 $'000	2013 $'000

16. Cash and Cash Equivalents

		2014 $'000	2013 $'000
Cash on hand		321	370
Cash at bank		622 699	250 022
Total		623 020	250 392

Departmental bank accounts (excluding school bank accounts) are grouped within the whole-of-Government set-off arrangement with the Queensland Treasury Corporation and do not earn interest on surplus funds. Interest earned on the aggregate set-off arrangement balance accrues to the Consolidated Fund.

On 14 January 2013, an overdraft facility with the Queensland Treasury Corporation was approved on the department's main bank account. This facility is limited to $250 million and remains in effect permanently. This facility remained fully undrawn at 30 June 2014, whereas the department's main bank account was overdrawn by $140.451 million at 30 June 2013.

Cash management arrangements provide access to cash for the department to meet its obligations in regard to financial liabilities, refer to Note 39(d) Financial Instruments (Liquidity Risk) for an analysis of risk for the department's financial liabilities.

17. Receivables

Current

	2014 $'000	2013 $'000
Debtors of an operational nature	162 824	158 917
Less: Allowance for impairment loss	(27 879)	(27 784)
	134 945	131 133
Loans and advances	35	116
GST input tax credits receivable	25 356	19 885
GST payable	43	46
Miscellaneous debtors	24 478	27 820
Employee claims receivable	2 308	3 798
Total	187 165	182 798

Refer to Note 39(c) Financial Instruments (Credit Risk Exposure) for an analysis of movements in the allowance for impairment loss.

18. Other Financial Assets

Current

	2014 $'000	2013 $'000
CBA Fixed Deposit	25 871	-
Total	25 871	-

CBA Fixed Deposit
A 30 day fixed term deposit with the Commonwealth Bank of Australia (CBA) of $25 million has been in place since 29 July 2013 and has been renewed continuously for the principal and interest amount. The maturity date of the current term deposit is 3 July 2014 with an interest rate of 3.26%. The fixed term deposit was undertaken to maximise the rate of return on surplus cash held by Southbank Institute of TAFE.

19. Inventories

	2014 $'000	2013 $'000
Goods for resale	3 679	4 222
Total	3 679	4 222

	Notes	2014 $'000	2013 $'000
20. Other Current Assets			
Current			
Prepayments		44 078	51 447
Security deposits		15	-
Total		44 093	51 447

21. Non-Current Assets classified as Held for Sale

Land		50 496	14 404
Buildings		915	4 501
Total		51 411	18 905

The department currently controls 32 properties that it is actively seeking to dispose of during the 2014-15 financial year. These properties have been identified as surplus to current operating requirements due to changes in enrolment demographics.

These sales are part of the department's ongoing review of its asset base and support reinvestment in capital works and maintenance priorities. Properties reported in this category have been independently valued using comparable market selling prices.

Losses on disposals from assets held for sale during 2013-14 are disclosed in Note 15.

Note 2(I) explains the accounting treatment of non-current assets held for sale.

22. Intangible Assets

Software purchased:			
At cost		30 352	29 586
Less: Accumulated amortisation		(25 342)	(23 765)
		5 010	5 821
Software internally generated:			
At cost		147 256	119 321
Less: Accumulated amortisation		(77 663)	(51 413)
		69 593	67 908
Other intangible assets:			
At cost		14 446	12 984
Less: Accumulated amortisation		(5 336)	(3 806)
		9 110	9 178
Software WIP			
At cost		2 504	-
		2 504	-
Total intangible assets - net book value		86 217	82 907

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22. Intangible Assets (cont'd)

Intangibles Reconciliation

	Notes	Software Purchased		Software Internally Generated		Other Intangibles		Software WIP		Total	
		2014 $'000	2013 $'000	2014 $'000	2013 $'000	2014 $'000	2013 $'000	2014 $'000	2013 $'000	2014 $'000	2013 $'000
Carrying amount at 1 July		5 821	7 389	67 908	74 519	9 178	8 514	-	-	82 907	90 422
Acquisitions		-	277	5 641	3 064	144	-	2 504	-	8 289	3 341
Transfers in from other Queensland Government entities		140	-	169	-	-	-	-	-	309	-
Donations received		-	-	17	-	-	-	-	-	17	-
Transfers between classes		868	1	22 218	1 283	1 318	1 996	-	-	24 404	3 280
Amortisation		(1 819)	(1 846)	(26 360)	(10 958)	(1 530)	(1 332)	-	-	(29 709)	(14 136)
Carrying amount at 30 June		5 010	5 821	69 593	67 908	9 110	9 178	2 504	-	86 217	82 907

The department has intangible assets with an original cost of $15.30 million (2012-13: $17.96 million) and a written down value of zero still being used in the provision of services. The service potential of these items will be replaced when these items fail.

Amortisation of intangibles is included in the line item 'Depreciation and Amortisation' in the Statement of Comprehensive Income.

All intangible assets of the department have finite useful lives and are amortised on a straight line basis. Refer to Note 2(q).

No intangible assets have been classified as held for sale or form part of a disposal group held for sale.

At 30 June 2014 the department holds Internally Generated Software assets being the OneSchool system that has a carrying amount of $26.848 million with a remaining amortisation period of four (4) years.

	Notes	2014 $'000	2013 $'000
23. Property, Plant and Equipment			
Land: At fair value			
Gross		5 144 327	5 285 294
		5 144 327	5 285 294
Buildings: At fair value			
Gross		17 449 995	18 067 854
Less: Accumulated depreciation		(6 169 291)	(6 334 470)
		11 280 704	11 733 384
Heritage and cultural assets At fair value			
Gross		53 911	63 116
Less: Accumulated depreciation		(38 010)	(43 275)
		15 901	19 841
Plant and equipment At cost			
Gross		573 777	524 021
Less: Accumulated depreciation		(312 753)	(276 020)
		261 024	248 001
Leased assets: At fair value			
Gross		496 747	470 619
Less: Accumulated amortisation		(26 801)	(22 235)
		469 946	448 384
Capital works in progress:			
At cost		256 942	156 368
Total property, plant and equipment - net book value		17 428 844	17 891 272

Land

Approximately one quarter of the department's land was independently valued by State Valuation Service as at 30 June 2014.

The fair value of land involved physical inspection and reference to publicly available data on recent sales of similar land in nearby localities in accordance with Industry standards. In determining the values, adjustments were made to the sales data to take into account the location of the department's land, its size, street/road frontage and access, and any significant restrictions. The extent of the adjustments made varies in significance for each parcel of land.

The remaining three quarters of the land assets, have been indexed to ensure that values reflect fair value as at reporting date. This involved the selection of a random sample of 179 properties from the 18 districts across the state that were not independently valued in 2013-14. State Valuation Service then provided indices for each of these sites based on recent market transactions for local land sales. These indices increased the value of land in these districts by 0.3 percent.

Buildings

Approximately one quarter of the department's buildings were independently valued by State Valuation Service as at 30 June 2014. All purpose-built facilities are valued using a depreciated replacement cost approach, as there is no active market for these facilities. State Valuation Service conducted physical inspections and have sourced building price information from the Department of Housing and Public Works. The depreciated replacement cost was based on a combination of published construction rates for various standard components of buildings and specialised fit-out constructed by the department, adjusted for more contemporary design/construction approaches. Significant judgement was also used to assess the remaining service potential of these facilities, given the current physical condition of the facility.

The remaining three quarters were indexed using the Building Price Index provided by GRC Quantity Surveyors. The change in the Building Price Index (June 2013 to June 2014) was a 1.93 percent increase. State Valuation Service have certified that the Building Price Index is the most appropriate measure for reflecting price changes in the department's buildings in the years when an independent valuation is not undertaken. The Building Price Index is based on the former Department of Housing and Public Works BPI which was based on tender prices for typical government buildings. Management is of the opinion that the continuing investment in general and specific priority maintenance would prevent any abnormal deterioration in asset values in the period between independent valuations.

Due to the restructure of the administrative arrangements relating to the provision of Vocational Education and Training (VET), the TAFE operational business has been transferred to TAFE Queensland, and the property, plant and equipment assets, at certain sites, have been transferred to the Queensland Training Assets Management Authority (QTAMA) on 1 July 2014. QTAMA's primary objective is to manage and commercially exploit training assets. The change in use of these assets has required a change in their valuation to an income-based approach. Projects Queensland engaged Aurecon Australia Pty Ltd to supply valuations, including on an assessed vacant possession basis. Aurecon sourced valuations in each region using the following firms: - Jones Lange La Salle, Landmark White (Gold Coast and Sunshine Coast), Heron Todd White Toowoomba, and Knight Frank Townsville. QTAMA management have provided adjustments to these valuations to include five years of estimated rental incomes discounted at 15 percent, and adjusted for a 40 percent occupancy rate to reflect historical usage. This resulted in land and buildings with a net book value of $982.6 million being written down to $391.0 million. Land and building assets at other training sites are being retained by the department pending finalisation of land sub-division matters (at multi-use sites), and clarification of funding arrangements for the Southbank Education and Training Precinct - Public Private Partnership.

23. Property, Plant and Equipment (cont'd)

Heritage and Cultural Assets

Approximately one quarter of the department's heritage and cultural assets were independently valued by State Valuation Service as at 30 June 2014. As there is no active market for these assets, fair value was determined using a depreciated replacement cost approach by estimating the cost to reproduce the items with the features and materials of the original items, with substantial adjustments made to take into account the items heritage restrictions and characteristics.

The remaining three quarters were indexed to ensure that values reflect fair value as at reporting date using the Building Price Index provided by GRC Quantity Surveyors. Management of the department has judged that the above valuations continue to materially represent fair value as at 30 June 2014.

Leased Assets

Leased assets were last independently valued as follows:

- State Valuation Service performed an independent valuation of Moore Park State School in 2009-2010

- APV Valuers and Asset Management performed an independent valuation of the Southbank Training Precinct in 2009-2010

As there have been no material changes in construction prices since these were independently valued, indexation based on the Building Price Index has not been applied.

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23. Property, Plant and Equipment (cont'd)

Property, Plant and Equipment Reconciliation (cont'd)	Notes	Land 2013 $'000	Buildings 2013 $'000	Heritage and Cultural 2013 $'000	Plant and Equipment 2013 $'000	Leased Assets 2013 $'000	Work in Progress 2013 $'000	Total 2013 $'000
Carrying amount at 1 July 2012		5 557 769	11 562 844	20 271	231 340	438 035	222 800	18 033 059
Acquisitions (including upgrades)		3 511	222 998	219	46 969	14 873	131 957	420 527
Transfers in from other Queensland Government entities		2 225	23 291	–	608	–	–	26 124
Donations received		–	13 083	–	1 960	(5)	–	15 038
Disposals		–	(6 841)	(1)	(3 039)	(2)	–	(9 883)
Assets reclassified as held for sale		(10 240)	(4 040)	–	–	–	(83)	(14 363)
Donations made		–	–	–	(57)	–	–	(57)
Transfers between classes		(8 746)	178 492	513	24 733	(1)	(198 306)	(3 315)
Gain/losses recognised in operating result								
Net revaluation increments/(decrements)	28	(259 225)	162 271	(237)	–	–	–	(97 191)
Depreciation/amortisation		–	(418 714)	(924)	(54 513)	(4 516)	–	(478 667)
Carrying amount at 30 June 2013		**5 285 294**	**11 733 384**	**19 841**	**248 001**	**448 384**	**156 368**	**17 891 272**

23. Property, Plant and Equipment (cont'd)

Property, Plant and Equipment Reconciliation	Notes	Land	Buildings	Heritage and Cultural	Plant and Equipment	Leased Assets	Work in Progress	Total
		2014 $'000	2014 $'000	2014 $'000	2014 $'000	2014 $'000	2014 $'000	2014 $'000
Carrying amount at 1 July 2013		5 285 294	11 733 384	19 841	248 001	448 384	156 368	17 891 272
Acquisitions (including upgrades)		17 343	152 023	9	46 600	25 939	281 896	523 810
Transfers in from other Queensland Government entities		33 778	85 385	-	5 261	-	1 460	125 884
Donations received		19	9 822	-	2 416	-	78	12 335
Disposals		(217)	(1 378)	-	(3 488)	-	-	(5 083)
Assets reclassified as held for sale		(46 542)	-	-	-	-	-	(46 542)
Donations made		-	-	-	(162)	-	-	(162)
Transfers between classes		4 493	141 177	109	11 024	145	(182 860)	(25 912)
Gain/losses recognised in operating result								
Net revaluation increments/(decrements)	28	(149 841)	(418 587)	(3 185)	-	-	-	(571 613)
Impairment reversals		-	1 862	-	-	-	-	1 862
Depreciation/amortisation		-	(422 984)	(873)	(48 628)	(4 522)	-	(477 007)
Carrying amount at 30 June 2014		**5 144 327**	**11 280 704**	**15 901**	**261 024**	**469 946**	**256 942**	**17 428 844**

$24.4 million (2012-13: $3.3 million) was transferred from property, plant and equipment work in progress to the intangible asset class during the reporting period.

The department has identified $67.29 million of land assets and $93.37 million of building and land improvement assets retired from active use and fully surplus for the 2013-14 financial year (2012-13: nil). These assets are awaiting valuation and review before a final determination is made to actively market these assets and transfer them to assets held for sale.

Land with a $6.24 million recoverable amount, and Buildings and Land Improvements with a recoverable amount of $26.89 million (2012-13: $7.02 million) that are temporarily idle have been identified.

The department has plant and equipment with an original cost of $52.8 million (2012-13: $103.1 million) and a written down value of zero still being used in the provision of services. The service potential of these items will be replaced when these items fail.

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23. Property, Plant and Equipment (cont'd)

Categorisation of fair value recognised as at 30 June 2014 (refer to note 2 (p))

	Level 2 $'000	Level 3 $'000	Total $'000
Land	5 144 327	-	5 144 327
Buildings	311 335	10 969 369	11 280 704
Heritage and Cultural Assets	-	15 901	15 901
Leased Assets	-	469 946	469 946

Level 3 significant valuation inputs and relation to fair value

The fair value of the below buildings has been determined by independent valuer, State Valuation Service, using a depreciated replacement cost valuation technique, and adjusted for price changes. The following table highlights the key unobservable (Level 3) inputs assessed during the valuation process and the relationship to estimated fair value.

Description	Fair Value at 30 June 2014 $'000	Significant unobservable inputs used in valuation	Possible alternative values for level 3 inputs	Sensitivity of fair value to change in level 3 inputs
Buildings - Schools and Early Childhood	10 969 369	Construction Costs	4% + or -	Increase/ decrease in these factors would increase/decrease the fair value by 6% + or -
		Estimates of the remaining service potential based on assessment of current physical conditions, and differences in functionality.	12% + or -	Increase/ decrease in these factors would increase/decrease the fair value by 6% + or -
Heritage and Cultural Buildings	15 901	Construction Costs	4% + or -	Increase/ decrease in these factors would increase/decrease the fair value by 13% + or -
		Estimates of the remaining service potential based on assessment of current physical conditions, and differences in functionality.	12% + or -	Increase/ decrease in these factors would increase/decrease the fair value by 28% + or -
Leased Buildings	469 697	Construction Costs	4% + or -	Increase/ decrease in these factors would increase/decrease the fair value by 4% + or -
		Estimates of the remaining service potential based on assessment of current physical conditions, and differences in functionality.	12% + or -	Increase/ decrease in these factors would increase/decrease the fair value by 1% + or -

Usage of alternative level 3 inputs (as per the above table) that are reasonable in the circumstances as at the revaluation date would not result in material changes in the reported fair value. There are no significant inter-relationships between unobservable inputs that materially impact fair value.

Asset where current use is not highest and best use

The current value in use is considered to materially reflect highest and best use for all property, plant and equipment items.

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	Notes	2014 $'000	2013 $'000
24. Payables			
Current			
Trade creditors		214 826	192 185
Capital creditors		89 060	73 052
FBT and payroll tax		60 042	54 356
Other creditors		463	1 022
Grants and subsidies payable		3 479	3 304
Total		367 870	323 919
25. Interest-Bearing Liabilities			
Current:			
Lease liability	31	5 230	4 736
Queensland Treasury Corporation (QTC) borrowings		5 462	5 170
Total		10 692	9 906
Non-Current:			
Lease liability	31	450 430	429 740
Queensland Treasury Corporation (QTC) borrowings		51 082	56 544
Total		501 512	486 284

Lease liabilities are effectively secured, as the right to the leased assets revert to the lessor in the event of default.

No assets have been pledged as security for any liabilities.

All borrowings are in $A denominated amounts, and no interest has been capitalised during the current reporting period. There have been no defaults or breaches of the loan agreement during the period.

Interest rates on borrowings range from 5.21% to 5.79% (2012-13: 5.21% to 5.79%).

As it is the intention of the department to hold its borrowings for their full term, no fair value adjustment is made to the carrying amount of the borrowings.

Interest on finance leases is recognised as an expense as it accrues. No interest has been capitalised during the current or comparative reporting period.

The implicit interest rate for finance leases range from 6.54 % to 10.64 % (2012-13: 6.07% to 10.64%).

The majority of finance leases relate to the South Bank PPP Project and the South-east Queensland School PPP Project. Refer to Notes 31 and 32 for details.

26. Accrued Employee Benefits			
Annual leave levy payable	2(w)	58 465	56 342
Long service leave levy payable		27 555	25 729
Wages outstanding		35 573	8 426
Paid parental leave		1 142	882
Total		122 735	91 379

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	Notes	2014 $'000	2013 $'000

27. Other Current Liabilities

Current

	2014 $'000	2013 $'000
Unearned grant revenue and revenue in advance	74 284	37 769
Advances and deposits payable	1 246	748
Total	75 530	38 517

28. Asset Revaluation Surplus by Class

	Notes	Land $'000	Buildings $'000	Heritage and Cultural $'000	Leased Assets $'000	Total $'000
Balance at 1 July 2012		5 247 281	7 373 386	18 963	2 576	12 642 206
Revaluation increments		7 948	222 241	1 154	-	231 343
Revaluation decrements		(267 173)	(59 970)	(1 391)	-	(328 534)
		(259 225)	162 271	(237)	-	(97 191)
Balance at 30 June 2013		4 988 056	7 535 657	18 726	2 576	12 545 015

	Notes	Land $'000	Buildings $'000	Heritage and Cultural $'000	Leased Assets $'000	Total $'000
Balance at 1 July 2013		4 988 056	7 535 657	18 726	2 576	12 545 015
Revaluation increments		33 786	447 433	12 306	-	493 525
Revaluation decrements		(183 627)	(866 020)	(15 491)	-	(1 065 138)
		(149 841)	(418 587)	(3 185)	-	(571 613)
Balance at 30 June 2014		4 838 215	7 117 070	15 541	2 576	11 973 402

The asset revaluation surplus represents the net effect of upwards and downwards revaluations of assets to fair value.

	Notes	2014 $'000	2013 $'000
29. Reconciliation of Operating Surplus to Net Cash from Operating Activities			
Operating surplus/(deficit)		103	542
Depreciation and amortisation expense		506 716	492 804
Net gains on disposal of property, plant and equipment		1 888	12 463
Loss of public property		14	8
Donated assets received		(17 376)	(75 801)
Bad and impairment losses		1 114	6 990
Change in assets/liabilities (net of MoG transfers):			
(Increase)/decrease in GST input tax credits receivable		(5 048)	2 361
(Increase)/decrease in net operating receivables		(7 427)	31 081
(Increase)/decrease in other receivables		(20 242)	-
(Increase)/decrease in inventories		577	(198)
(Increase)/decrease in other current assets		8 272	46 763
Increase/(decrease) in other current liabilities		18 153	(38 702)
Increase/ (decrease) in GST payable		2	(46)
Increase/(decrease) in payables		43 094	(8 873)
Increase/(decrease) in accrued employee benefits		28 552	(1 742)
Net cash from operating activities		558 392	467 650

30. Non-Cash Financing and Investing Activities

Assets and liabilities received or donated/transferred by the department and recognised as revenues and expenses are set out in Notes 6 and 15 respectively.

31. Commitments for Expenditure

(a) Finance lease commitments

Lease liabilities recognised in the Statement of Financial Position

		2014 $'000	2013 $'000
Current		**5 230**	4 736
Non-current		**450 430**	429 740
Total		**455 660**	434 476

Commitments under finance leases at the reporting date are inclusive of anticipated GST and are payable as follows:

		2014 $'000	2013 $'000
Not later than one year		**50 687**	49 679
Later than one and not later than five years		**202 091**	193 283
Later than five years		**1 025 961**	1 025 730
		1 278 739	1 268 692
Less: anticipated input tax credits		**(116 249)**	(115 335)
Less: future finance charges		**(706 830)**	(718 881)
Total		**455 660**	434 476

	Notes	2014 $'000	2013 $'000

31. Commitments for Expenditure (cont'd)

(b) Non-cancellable operating lease commitments

Commitments in relation to non-cancellable operating leases are inclusive of anticipated GST and are payable as follows:

	2014 $'000	2013 $'000
Not later than one year	21 591	6 188
Later than one and not later than five years	77 085	6 466
Later than five years	78 363	330
Total commitments	177 039	12 984

The increase in finance lease commitments is mainly due to the South-East Queensland Schools - Aspire – Public Private Partnership Project (refer to Note 32).

Other finance leases are entered into as a means of funding the acquisition of certain plant and equipment. Lease payments are generally fixed. Leases for photocopiers have a contingent rental obligation dependent on the volume of usage.

No leases have escalation clauses except for Moore Park State School lease which will be reviewed after 10 years. A small number of leases have renewal or purchase options. Where such options exist, they are all exercisable at market prices. No lease arrangements create restrictions on other financing transactions.

On 17 December 2013, the department entered into the Queensland Schools – Plenary – Public Private Partnership (QSPPP) arrangement with Plenary Schools Pty Ltd for the construction and management of 10 schools in South East Queensland. Due to the staged construction schedule, the finance lease commitment will need to be calculated separately for each stage of each school and recognised on the respective Stage Availability Date (SAD) and as such has not been recognised in the financial statement commitments for 2013-14. However it is anticipated a Finance Lease commitment will commence in November 2014 with the estimated total value of the Finance Lease commitment being $530.473 million ($197.704M Principal and $332.769M Interest) and will be shown under Note 31 (a) Finance lease commitment in future financial years.

Operating leases are entered into as a means of acquiring access to office accommodation and storage facilities. Lease payments are generally fixed, but with inflation escalation clauses on which contingent rentals are determined.

No renewal or purchase options exist in relation to operating leases and no operating leases contain restrictions on financing or other leasing activities.

(c) Capital expenditure commitments

Material classes of capital expenditure commitments inclusive of anticipated GST, contracted for at reporting date but not recognised in the accounts are payable as follows:

	Land $'000	Buildings $'000	Plant and Equipment $'000
2014			
Payable:			
Not later than one year	69	221 268	743
Later than one and not later than five years	-	47 580	-
Total	69	268 848	743
2013			
Payable:			
Not later than one year	520	105 873	-
Later than one and not later than five years	-	1 455	-
Total	520	107 328	-

	Notes	2014 $'000	2013 $'000

31. Commitments for Expenditure (cont'd)

(d) Other commitments (Public Private Partnership, Priority Purchasing Program and other)

Other expenditure committed at the end of the period but not recognised in the accounts are payable as follows:

	2014 $'000	2013 $'000
Not later than one year	36 010	75 125
Later than one and not later than five years	117 877	110 933
Later than five years	915 448	911 943
Total commitments	1 069 335	1 098 001

Fixed operating costs for Public Private Partnerships for Southbank Education and Training Precinct – Axiom and South-East Queensland Schools - Aspire have been included in the estimates of other commitments. Estimated other fixed operating commitments related to QSPPP will be shown under other commitments in future financial years.

32. Private Provision of Public Infrastructure (PPPI) Arrangements

(a) Southbank Education and Training Precinct – Axiom – Public Private Partnership

In April 2005, the department entered into a contractual arrangement with Axiom Education Queensland Pty Ltd (Axiom) to design, construct, operate, maintain, and finance the Southbank Education and Training Precinct for a period of 34 years on departmental land. This is a social infrastructure arrangement whereby the department pays for the third-party use of the infrastructure asset through regular service payments to Axiom over the life of the contract. The arrangement involved the refurbishment or demolition of existing buildings and the development of new buildings.

Axiom is owned by AMP Capital Community Infrastructure Trust (CommIF). AMP Capital Funds Management Ltd (AMPCFM) was appointed as the responsible entity for the CommIF in 2013. AMPCFM is 100% owned subsidiary of AMP Capital Holdings Ltd.

Construction work commenced in July 2005 and was completed on 31 October 2008. The department has entered into a Head Lease and Sublease with Axiom for the Southbank Education and Training Precinct. The department will pay an abatable, undissected service payment to Axiom for the operation, maintenance and provision of the precinct. The Head Lease and Sublease recognise the obligations under the Southbank Education and Training Precinct Project Deed in relation to the 30 year operating phase. This period requires Axiom to maintain the facilities to a high standard. Services include facilities (including furniture, fittings and equipment) maintenance and lifecycle replacement, cleaning, security, waste management, fire safety and other associated facilities management services.

The land on which the facility was constructed is owned and recognised as an asset by the department. The Head Lease with Axiom provides Axiom with the right to enter and operate on the site. The land under the Head Lease is classified as an operating lease. This lease expires on 30 June 2039.

The fair value of the buildings was recognised as finance lease assets with the corresponding recognition for future payments as finance lease liability. The lease assets will be depreciated over the economic useful life and the lease liability will be reduced, as payment for the buildings are made. The monthly service payments are split between the capital component to affect the systematic write-down of the liability over the term of the lease and the financing component which will be recognised as an expense when paid. Other components such as facilities management, maintenance and insurance will be expensed when incurred. At the expiry of the 34 year period, the buildings will revert to the State for nil consideration.

In September 2011 the department entered into a lease arrangement with the Southbank Institute of Technology leasing the Southbank Education and Training Precinct to the Institute until 28 June 2039. Due to machinery of government changes as of 1 July 2014 the PPP will remain with the department for the foreseeable future, however the lease with the Institute will be transferred to the Queensland Training Asset Management Authority (refer Note 35).

32. Private Provision of Public Infrastructure (PPPI) Arrangements (cont'd)

(a)   Southbank Education and Training Precinct – Axiom – Public Private Partnership (cont'd)

	Notes	2014 $'000	2013 $'000
Estimated cash flows - Fixed costs	*		
Outflows			
Not later than 1 year		(36 826)	(38 085)
Later than 1 year but not later than 5 years		(158 450)	(155 412)
Later than 5 years but not later than 10 years		(178 215)	(171 830)
Later than 10 years		(429 646)	(462 705)
Estimated net cash flow - Fixed costs		(803 137)	(828 032)

* Based on risk free rate of 3.70 per cent (2013: 3.54 per cent).

Under the contractual agreement for the Southbank Education and Training Precinct – Axiom – Public Private Partnership the payments scheduled are solely of a fixed nature and no variable costs are anticipated for the life of the contract.

During the concession period, the department will carry the following risks and rewards, which include:

Risks	Impact to the department
Site risks	Axiom has accepted site risk including existing structures with the exception of non-identified pre-existing contamination. Where non-identified pre-existing contamination is discovered, investigation and remediation costs will be shared on an equal basis between Axiom and the State.
Performance design, construction and commissioning risks (performance specification adequately describing the department's requirements and changes to performance specifications)	The department has defined its performance specifications. The department is exposed to the risk that these performance specifications fail to meet current or future requirements, however processes are in place to monitor performance and identify any issues as early as possible to minimise exposure.
Operating/maintenance risks (network and interface and changes to performance specification)	The department has specified the level of operating and maintenance performance. The department is exposed to the risk that operating/maintenance performance specifications fail to meet current or future requirements, however processes are in place to monitor performance and identify any issues as early as possible to minimise exposure.
Sponsor and financial risks	The department has entered into a fixed price contract, subject to CPI and market rates. The department is exposed to the risk that the Consortium fails to comply with the requirements of the Deed and/or fails to be a going concern. In this event the department is exposed to the risk of replacing the consortium with suitable operators to continue providing infrastructure financing, capital, maintenance and operating requirements. The department has monitoring processes in place to identify any issues as early as possible to minimise exposure.
Early termination	Should the department wish to terminate the Deed, it is expected that the department would be required to pay the Consortium compensation; however any compensation payable would be a key variable in the consideration of any decision to terminate the contract prior to its planned completion.
Market value risk	At the end of the concession period the facilities will be handed back to the department at no additional cost. The department will receive the benefit of the receipt of the fair value of the infrastructure and any associated assets.
Rehabilitation risk	At the end of the concession period the department will be responsible for the removal of any future contamination of the site and other ancillary land and will also be responsible for the future removal of infrastructure and any site rehabilitation. On-going monitoring of the site is within the department's plans for managing the contract to ensure that any rehabilitation requirements are promptly identified and costs are minimised.

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32. Private Provision of Public Infrastructure (PPPI) Arrangements (cont'd)

(b)   South-East Queensland Schools - Aspire – Public Private Partnership

In May 2009, the department entered into a contractual arrangement with Aspire Schools (QLD) Pty Limited (Aspire) to design, construct, commission, maintain and partially finance seven schools for a period of 30 years on departmental land. This is a social infrastructure arrangement whereby the department pays for the third-party use of the infrastructure asset through regular service payments to Aspire Schools (QLD) Pty Ltd over the life of the contract.

Aspire is wholly owned by Aspire Schools Holdings (Qld) Pty Ltd which is owned by Leighton Infrastructure Investments Pty Limited (LIPL), H.R.L. Morrison & Co Private Markets Pty Limited as Trustee of Public Infrastructure Partners Australia Unit Trust (PIPA), Commonwealth Investments Pty Limited (CIPL) and AMP Capital Community Infrastructure Fund (AMP). Finance during the design and construction phase was provided by CIPL, Bank of Tokyo-Mitsubishi and the National Australia Bank. Queensland Treasury Corporation provided the remaining 70% of the projects financial requirements during the operating phase (from January 2010 to 31 December 2039).

Construction work commenced in April 2009 and was finalised in January 2014 with the completion of Stage 2 constructions at two of the schools. The State will lease back these schools from Aspire and will pay an abatable, undissected service payment to Aspire for the operation, maintenance and provision of the schools. The Head Lease, Sublease and Interim Leases' recognise the obligations under the South-East Queensland Schools Project Deed in relation to the 25 year operating phase. This period requires Aspire to maintain the facilities to a high standard. Services include facilities maintenance and lifecycle replacement, cleaning, security, and other associated facilities management services.

In 2012 approval was received to undertake construction of halls at all six SEQ PPP primary schools as a variation to the existing SEQ PPP Schools contract, with financing provided by DETE for the construction ($25.624M), lifecycle and maintenance of these facilities ($17.629M) to be maintained by Aspire Schools. The construction was completed in May 2014.

The land on which the schools are constructed is owned and recognised as assets by the department. The Head Lease with Aspire provides Aspire with the right to enter and operate on the site. The land under the Head Lease is classified as an operating lease. This lease expires on 31 December 2039.

The fair value of the buildings were recognised as finance lease assets with the corresponding recognition for future payments as a finance liability. The assets will be depreciated over the economic useful life and the lease liability will be reduced, as payment for the buildings are made. The monthly service payments are split between the capital component to effect the systematic write-down of the liability over the term of the lease and the financing component which will be recognised as an expense when paid. Other components such as facilities management, maintenance and insurance will be expensed when incurred. At the expiry of the 30 year period, the buildings will revert to the State for nil consideration.

	Notes	2014 $'000	2013 $'000
Estimated cash flows - Fixed Costs	*		
Outflows			
Not later than 1 year		(28 410)	(28 372)
Later than 1 year but not later than 5 years		(108 639)	(113 555)
Later than 5 years but not later than 10 years		(127 587)	(126 727)
Later than 10 years		(324 639)	(346 604)
Estimated net cash flow - Fixed Costs		(589 275)	(615 258)

32.   Private Provision of Public Infrastructure (PPPI) Arrangements (cont'd)

(b)   South-East Queensland Schools - Aspire – Public Private Partnership (cont'd)

	Notes	2014 $'000	2013 $'000
Estimated cash flows - Variable Costs	**		
Inflows			
Not later than 1 year		1 331	-
Later than 1 year but not later than 5 years		5 141	-
Later than 5 years but not later than 10 years		6 035	-
Later than 10 years		16 705	-
Outflows			
Not later than 1 year		(2 699)	(1 789)
Later than 1 year but not later than 5 years		(8 420)	(9 132)
Later than 5 years but not later than 10 years		(8 335)	(8 305)
Later than 10 years		(21 026)	(22 356)
Estimated net cash flow - Variable Costs		(11 268)	(41 582)
Total Estimated Net Cashflow		(600 543)	(656 840)

* Based on risk free rate of 3.70 per cent (2012-13: 3.54 per cent).

** Under the contractual agreement for the South-East Queensland Schools - Aspire – Public Private Partnership the payments scheduled as variable costs change according to the number of module units in use at the individual sites, utilities, car parking agreements and other service payment adjustments.

Inflows related to the South-East Queensland Schools - Aspire – Public Private Partnership relate to cleaning, grounds maintenance and janitorial services. To deliver these services at the seven new schools, Aspire is required to use staff provided (employed) by the State. Aspire manage and supervise the staff as per the Management and Supervision Agreement which is in accordance to existing certified agreements.

32. Private Provision of Public Infrastructure (PPPI) Arrangements (cont'd)

(b)   South-East Queensland Schools - Aspire – Public Private Partnership (cont'd)

During the concession period, the department will carry the following risks and rewards, which include:

Risks	Impact to the department
Site risks	Aspire has accepted the sites in their current state and condition. This includes responsibility for pre-existing contamination, native title applications and artefacts. The State has however undertaken to procure remediation relating to two sites in accordance with acquisition/development agreements entered into by the State for the acquisition of those sites. If the two sites are not remediated in accordance with the respective acquisition/development agreement and this impacts performance by Aspire of its obligations under the project deed, then the State will compensate Aspire.
Performance design, construction and commissioning risks (performance specification adequately describing the department's requirements and changes to performance specifications)	The department has defined its performance specifications. The department is exposed to the risk that these performance specifications fail to meet current or future requirements, however processes are in place to monitor performance and identify any issues as early as possible to minimise exposure.
Operating/maintenance risks (network and interface and changes to performance specification)	The department has specified the level of operating and maintenance performance which is linked to an abatement regime and key performance indicators. The department is exposed to the risk that operating/maintenance performance specifications fail to meet current or future requirements, however processes will be instituted to monitor performance and identify any issues as early as possible to minimise exposure.
Sponsor and financial risks	The department bears the risks associated to interest, CPI and market rates. The department is exposed to the risk that the Consortium fails to comply with the requirements of the Deed and/or fails to be a going concern. In this event the department is exposed to the risk of replacing the consortium with suitable operators to continue providing infrastructure financing, capital, maintenance and operating requirements. The department has monitoring processes in place to identify any issues as early as possible to minimise exposure.
Early termination	Should the department wish to terminate the Deed, it is expected that the department would be required to pay the Consortium compensation; however any compensation payable would be a key variable in the consideration of any decision to terminate the contract prior to its planned completion.
Market value risk	At the end of the concession period the facilities will be handed back to the department at no additional cost. The department will receive the benefit of the receipt of the fair value of the infrastructure and any associated assets.
Rehabilitation risk	At the end of the concession period the department will be responsible for the removal of any future contamination of the site and other ancillary land and will also be responsible for the future removal of infrastructure and any site rehabilitation. On-going monitoring of the site is within the department's plans for managing the contract to ensure that any rehabilitation requirements are promptly identified and costs are minimised.

(c)   Queensland Schools – Plenary – Public Private Partnership

On 17 December 2013, the department entered into the Queensland Schools Public Private Partnership arrangement with Plenary Schools Pty Ltd for the construction and management of 10 schools in South East Queensland. Under the Project, the department is scheduled to pay a series of capital contributions during the construction phase of the project towards the construction costs totalling $190 million. These contribution payments result in the lower service payments over the period of the concession. This is social infrastructure arrangements whereby the department pays for the third-party use of the infrastructure asset through regular service payments to Plenary Schools Pty Ltd over the life of the contract. The project period is for 30 years and is expected to end in December 2043.

Plenary Schools Pty Limited as Trustee for Plenary Schools Unit Trust is wholly owned by Plenary Schools Holdings Pty Limited as Trustee for Plenary Schools Holdings Unit Trust which is wholly owned by Plenary Group Pty Limited as Trustee of Plenary Group Unit Trust.

The project involves the construction of eight (8) Prep-6 primary schools and two (2) 7-12 secondary schools over a 5 year period in 3 stages. Due to the staged construction schedule, the lease asset and lease liability will need to be calculated separately for each stage of each school and recognised on the respective Stage Availability Date (SAD). The timing of capital contribution payments over against the SAD determines the accounting treatment at recognition of each stage.

The land on which the schools are/will be constructed is owned and recognised as assets by the department. The Licence with Plenary provides Plenary with the right to enter, construct and operate on the site, this licence expires on 31 December 2043.

32. Private Provision of Public Infrastructure (PPPI) Arrangements (cont'd)

(c) Queensland Schools – Plenary – Public Private Partnership (cont'd)

Upon the completion of the construction, the fair value of the buildings will be recognised as finance leased assets with the corresponding recognition for future payments as finance liability. The assets will be depreciated over the economic useful life and the lease liability will be reduced, as payment for the buildings are made. The monthly service payments are split between the capital component to affect the systematic write-down of the liability over the term of the lease and the financing component which will be recognised as an expense when paid. Other components such as facilities management, maintenance and insurance will be expensed when incurred. The estimated costs for the Queensland Schools – Plenary – Public Private Partnership is anticipated to be $506.367 million fixed costs and $10.597 million variable costs, based on a risk free rate of 3.70 percent. At the expiry of the 30 year period, the buildings will revert to the State for nil consideration.

During the concession period, the department will carry the following risks and rewards, which include:

Risks	Impact to the department
Site risks	Plenary has accepted site risk including existing structures with the exception of non-identified pre-existing contamination. Where non-identified pre-existing contamination is discovered, investigation and remediation costs will be shared on an equal basis between Plenary and the State..
Performance design, construction and commissioning risks (performance specification adequately describing the department's requirements and changes to performance specifications)	The department has defined its performance specifications. The department is exposed to the risk that these performance specifications fail to meet current or future requirements, however processes are in place to monitor performance and identify any issues as early as possible to minimise exposure.
Operating/maintenance risks (network and interface and changes to performance specification)	The department has specified the level of operating and maintenance performance which is linked to an abatement regime and key performance indicators. The department is exposed to the risk that operating/maintenance performance specifications fail to meet current or future requirements, however processes will be instituted to monitor performance and identify any issues as early as possible to minimise exposure.
Sponsor and financial risks	The department bears the risks associated to interest, CPI and market rates. The department is exposed to the risk that the Consortium fails to comply with the requirements of the Deed and/or fails to be a going concern. In this event the department is exposed to the risk of replacing the consortium with suitable operators to continue providing infrastructure financing, capital, maintenance and operating requirements. The department has monitoring processes in place to identify any issues as early as possible to minimise exposure.
Early termination	Should the department wish to terminate the Deed, it is expected that the department would be required to pay the Consortium compensation; however any compensation payable would be a key variable in the consideration of any decision to terminate the contract prior to its planned completion.
Market value risk	At the end of the concession period the facilities will be handed back to the department at no additional cost. The department will receive the benefit of the receipt of the fair value of the infrastructure and any associated assets.
Rehabilitation risk	At the end of the concession period the department will be responsible for the removal of any future contamination of the site and other ancillary land and will also be responsible for the future removal of infrastructure and any site rehabilitation. On-going monitoring of the site is within the department's plans for managing the contract to ensure that any rehabilitation requirements are promptly identified and costs are minimised.

(d) Accounting treatment – Public Private Partnerships

The current accounting treatment applied to these arrangements is based upon the requirements of AASB 117 *Leases*. There is currently no Australian Accounting Standard that specifically addresses the accounting treatment to be adopted by grantors for capital costs incurred under a public private partnership arrangement. Queensland Treasury and Trade have developed APG 17 – Service Concession Arrangements: Grantor to assist departments in identifying the accounting treatment, financial reporting and disclosure of public private partnership arrangements. Additional disclosures are included for each individual arrangement in accordance with AASB Interpretation 129 *Service Concession Arrangements: Disclosures* and Queensland Treasury and Trade's minimum reporting requirements under Section 9 – Notes to the financial statements.

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33. Contingencies

Litigation in Progress

At 30 June 2014, the following cases were before the Courts:

	2014 No. of cases	2013 No. of cases
District Court	4	4
Magistrates Court	1	1
	5	5

The department's legal advisers and management believe that it is not possible to reliably determine the value of payouts in respect of this litigation which, in the majority of instances, represent insurable events in terms of the policy held with the Queensland Government Insurance Fund.

The maximum exposure of the department under this policy is $10 000 for each insurable event.

There are currently 150 (2012-13: 190) cases of general liability and 65 (2012-13: 86) WorkCover common law claims being managed by the department.

Financial Guarantees

(a) The department has provided 62 (2012-13: 59) financial guarantees to Parents and Citizens' Associations, 5 guarantees to Universities (2012-13: 5), and 8 (2012-13: 8) guarantees to grammar schools for a variety of loans. These guarantees have been provided over a period of time and have various maturity dates.

	2014 Remaining balance $'000	2013 Remaining balance $'000	Enabling legislation
Parents and Citizens' Associations	2 548	2 645	*Education (General Provisions) Act 1989 s.96*
Universities	214 705	193 762	*Australian National University Act 1991 s.44*
Grammar Schools	114 510	95 359	*Grammar Schools Act 1975 s.20*
	331 763	291 766	

(b) The department has previously acted as a guarantor for Aviation Australia Pty Ltd in the event of default lease payments in relation to a training centre leased from Brisbane Airport Corporation Ltd. Under new lease arrangements the department is no longer required to provide a guarantee.

(c) The department also acts as a guarantor for Aviation Australia Pty Ltd in the event of default loan payments owed to Queensland Treasury Corporation. The guarantee is limited to $1.728 million (2012-13: $1.920 million), which represents 100% of the outstanding loan balance as at 30 June 2014. No default loan repayments have been recognised since the inception of the loan agreement, and the department's management does not expect that the guarantee will be called upon in the near future.

(d) The department paid a total of $10.65 million to the Construction Industry Skills Centre Pty Ltd (CISC) between 1994 -1998. The amount is only recoverable in circumstances contingent upon the winding up of CISC and the related trust. The department and the Queensland Training Construction Fund (QTCF) (a trust) are equal shareholders ($1 share each) in CISC and founders of the fund.

Native Title Claims over Departmental Land

There are native title claims which have the potential to impact upon properties of the department, however most departmental properties are occupied under a "reserve" tenure, validly created prior to 23 December 1996, and therefore any development undertaken in accordance with gazetted purposes should minimise the potential of native title claims.

At reporting date it is not possible to make an estimate of any probable outcome of such claims, or any financial effect however it should be noted that native title would not arise as an issue until the property has been declared surplus and attempts are made for the property to be sold or transferred. Native title would need to be addressed as part of the disposal process. The department would necessarily recognise any cost implications arising from such claims at that time.
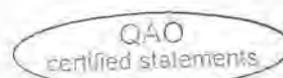
34. Controlled Entities

a) In October 2001, Aviation Australia Pty Ltd was formed to provide aviation training. Aviation Australia Pty Ltd is 100% owned by the Department of Education, Training and Employment. Aviation Australia Pty Ltd prepares and publishes separate financial statements which are audited by the Auditor-General of Queensland.

Summary of financial transactions and balances are as follows (financial year 2013-14 are not currently audit agreed):

Aviation Australia Pty Ltd	2014 $'000	2013 $'000
Revenue	15 867	18 154
Expenses	(16 495)	(17 422)
Net surplus/(deficit)	(628)	732
Assets	20 430	20 495
Liabilities	(6 639)	(6 076)
Net assets	13 791	14 419

b) The BCITF (Qld) Limited ('the Company') was established on 1 January 1999 to assist in the acquisition and enhancement of the knowledge, skills, training and education of workers in the building and construction industry. The Company is established as a public company, limited by guarantee, and the Minister is the sole shareholder. The Company does not trade and is controlled by the department, and is audited by the Auditor-General of Queensland.

The Company is the sole trustee of the Building and Construction Industry Training Fund ('the Trust'). The Trust is established to advance the education and skills of persons and organisations involved in the building and construction industry, and is audited by the Auditor-General of Queensland. The Trust is not controlled by the department.

c) The Queensland Education Leadership Institute (QELi) was established on 1 June 2010 to provide a range of professional learning services to school leaders. QELi is established as a not-for-profit public company, limited by guarantee, jointly owned by the Minister for Education, Training and Employment the Department of Education, Training and Employment, Queensland Catholic Education Commission (QCEC) and Independent Schools Queensland (ISQ). The Company is controlled by the department, and is audited by Grant Thornton Australia Pty Ltd.

Summary of audited financial transactions and balances are as follows:

Queensland Education Leadership Institute	2014 $'000	2013 $'000
Revenue	3 142	2 708
Expenses	(3 403)	(3 028)
Net surplus/(deficit)	(261)	(320)
Assets	2 596	2 567
Liabilities	(1 257)	(967)
Net assets	1 339	1 600

The assets, liabilities, revenues and expenses of the three entities listed above have not been consolidated in these financial statements as they would not materially affect the reported financial position and operating revenue and expenses.

d) The Australian Music Examinations Board (AMEB) was constituted by agreement between the Ministers for Education of the states of Queensland, New South Wales and Tasmania and the Universities of Melbourne, Adelaide and Western Australia. The financial activities of AMEB (Queensland) have been incorporated into the financial transactions of the department.

e) The Queensland Schools Planning Commission was established as a Ministerial Advisory Committee under section 412 of the Education (General Provisions) Act 2006. The Commission will operate from establishment in July 2012 until termination on 30 June 2015. The Government has committed to provide $4 million over three years for the Commission. DETE will administer the Commission's funding based on advice from the Commission and in accordance with relevant Government policies. The Director-General DETE will retain overall accountability for administration of government funds and the DETE annual report to Parliament will include details of the Commission's budget and expenditures. The financial activities of the Queensland Schools Planning Commission are incorporated into the financial transactions of the department.

35. Events Occurring After Balance Date

The following matters have been announced:-

a) *Amendment to the Vocation Education Training and Employment Act 2000* and the *Central Queensland University Act 1998* to establish the framework for the Transfer Legislation which allows for the transfer of Assets and the Assumed Liabilities of Central Queensland Institute of TAFE (CQIT) to Central Queensland University (CQU) on 1 July 2014.

Subject to certification of the Completion statement by the respective Accountable Officers, net assets estimated at $121 million have been transferred, consisting mainly of property, plant and equipment.

b) *Queensland Training Assets Management Authority Act 2014* was commenced 1 July 2014. A regulation was passed on 27 June 2014 to provide for the transfer of the State's training infrastructure and equipment from the Department of Education, Training and Employment to the Queensland Training Assets Management Authority (QTAMA), a new specialist commercial asset manager, on 1 July 2014. QTAMA will be responsible for the efficient management of the State's training infrastructure, and will report to the Minister for Housing and Public Works. The authority's role includes providing access to the State's training infrastructure for all registered training organisations on commercial terms.

Subject to certification by the respective Accountable Officers, assets estimated at $418 million have been transferred, consisting mainly of property, plant and equipment.

c) On 1 July 2014 TAFE Queensland will commence the management of TAFE Queensland's operations following its transfer from the Department of Education, Training and Employment. Although TAFE Queensland was formally established by legislation from 1 July 2013, it did not operate during the 2013-14 financial year and all functions were substantively conducted through the department. As the TAFE Queensland entity did not operate there is no requirement to produce separate financial statements or an annual report.

Subject to certification by the respective Accountable Officers, assets estimated at $281 million and liabilities estimated at $128 million have been transferred.

d) On 1 July 2014, as part of the Government Employee Housing Centralisation Project, the department will transfer 1360 of Government Employee properties to the Department of Housing and Public Works (HPW). The final market rents have been agreed and leasing agreements are in place for the transferred properties that DETE and TAFE Queensland continue to occupy to ensure a smooth transition to HPW. The transfer is at arm's length basis and the value of these properties at 30 June 2014 is $311 million.

	Notes	2014 $'000	2013 $'000
36. Administered Transactions and Balances			
Administered revenues			
Grants and contributions			
Recurrent			
Specific purpose - Commonwealth		1 962 368	1 821 868
Capital			
Specific purpose - Government and industry		-	6 386
		1 962 368	1 828 254
Administered item appropriation		2 736 002	2 532 814
Other		-	1 107
Total administered revenues		4 698 370	4 362 175
Administered expenses			
Grants and subsidies			
Recurrent			
Commonwealth Government			
Commonwealth recurrent		1 962 368	1 821 868
State Government			
Grants and allowances to external organisations		561 989	532 729
Textbook allowances		49 137	47 938
Grants to statutory bodies (curriculum, tertiary and training)		34 438	43 208
Capital			
State Government			
Non-state and other external organisations		128 049	87 048
		2 735 981	2 532 791
Supplies and services		20	22
Total administered expenses before transfers to Government		2 736 001	2 532 813
Net surplus or deficit before transfers to Government		1 962 369	1 829 362
Transfers to Government		1 962 368	1 829 362
Net surplus/(deficit)		1	-
Administered current assets			
Cash at bank		-	525
Trade receivable		119	202
GST input tax credits receivable		-	1
Total administered current assets		119	728
Total administered assets		119	728
Administered current liabilities			
Overdraft facilities		118	-
Revenue payable to Government		-	359
Other payable		1	-
Grant payable		-	369
Total administered current liabilities		119	728
Total administered liabilities	*	119	728

* In financial year 2012-13 a balance of $0.285 million related to previous financial years asset and liabilities was transferred from the department's administered balances and is recorded as a Non-appropriated equity injection.

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	Notes	2014 $'000	2013 $'000

37. Reconciliation of Payments from Consolidated Fund to Administered Revenue

	Notes	2014 $'000	2013 $'000
Budgeted appropriation		2 739 315	2 611 162
Lapsed Administered Appropriation		(3 313)	(78 345)
Total administered receipts		2 736 002	2 532 817
Less opening balance of administered revenue receivable		-	(3)
Administered revenue recognised in Note 36		2 736 002	2 532 814

38. Monies Held in Trust

		2014 $'000	2013 $'000
Trust Account - Educational bequests		333	325
Total		333	325

39. Financial Instruments

(a) Categorisation of Financial Instruments

The department has the following categories of financial assets and financial liabilities:

Category

	Notes	2014 $'000	2013 $'000
Financial Assets			
Cash and cash equivalents	16	623 020	250 392
Receivables	17	187 165	177 169
Other financial assets (CBA Fixed Term Deposit)	18	25 871	-
Total		836 056	427 561
Financial Liabilities			
Financial liabilities measured at amortised cost:			
Payables	24	367 870	323 919
Queensland Treasury Corporation borrowings	25	56 544	61 714
Financial lease liabilities	25	455 660	434 476
Total		880 074	820 109

(b) Financial Risk Management

The department's activities expose it to a variety of financial risks - interest rate risk, credit risk, liquidity risk and market risk.

Financial risk management is implemented pursuant to Government policy and seeks to minimise potential adverse effects on the financial performance of the department. The department measures risk exposure using a variety of methods as follows:-

Risk exposure	Measurement method
Credit risk	Ageing analysis
Liquidity risk	Sensitivity analysis
Market risk	Interest rate sensitivity analysis

(c) Credit Risk Exposure

Credit risk exposure is the potential financial loss due to another party to a financial instrument failing to discharge their obligation.

The maximum exposure to credit risk at balance date in relation to each class of recognised financial asset is the carrying amount of those assets net of any allowances for impairment as indicated in the Statement of Financial Position.

39. Financial Instruments (cont'd)

(c) Credit Risk Exposure (cont'd)

The following table represents the department's maximum exposure to credit risk based on contractual amounts net of any allowances.

Maximum exposure to credit risk

Category	Notes	2014 $'000	2013 $'000
Financial Liabilities			
Guarantees	33	333 491	293 686
Total		333 491	293 686

Financial assets

The carrying amount of receivables represents the maximum exposure to credit risk. As such, receivables are not included in the above disclosure.

No collateral is held as security and no credit enhancements relate to financial assets held by the department.

The department manages credit risk through the use of a credit management strategy. This strategy aims to reduce the exposure to credit default by ensuring the department monitors all funds owed on a timely basis. No financial assets and financial liabilities have been offset and presented net in the Statement of Financial Position.

The method for calculating any allowance for impairment is based on past experience, current and expected changes in economic conditions and changes in client credit ratings.

No financial assets have had their terms renegotiated so as to prevent them from being past due or impaired, and are stated at the carrying amounts as indicated.

The allowance for impairment reflects the occurrence of loss events. The most readily identifiable loss event is where a debtor is overdue in paying a debt to the department, according to the due date (normally terms of 30 days). Economic changes impacting on the department's debtors, and relevant industry data, also form part of the department's documented risk analysis.

If no loss events have arisen in respect of a particular debtor or group of debtors, no allowance for impairment is made in respect of that debt/group of debtors. If the department determines that an amount owing by such a debtor does become uncollectable (after appropriate range of debt recovery actions), that amount is recognised as a Bad Debt expense and written-off directly against Receivables. In other cases where a debt becomes uncollectable but the uncollectible amount exceeds the amount already allowed for impairment of that debt, the excess is recognised directly as a Bad Debt expense and written-off directly against Receivables.

Impairment loss expenses for the current year regarding the department's receivables is $0.095 million (2012-13: $5.475 million). This is a decrease movement of $5.385 million from 2013 and is due to relatively little movement in the value of schools receivables.

39. Financial Instruments (cont'd)

(c) Credit Risk Exposure (cont'd)

Aging of past due but not impaired as well as impaired financial assets are disclosed in the following tables:

2014 Financial Assets Past Due but not Impaired

	Less than 30 days	30 - 60 days	Overdue 61 - 90 days	More than 90 days	Total
	$'000	$'000	$'000	$'000	$'000
Receivables	41 195	8 472	13 048	-	62 715
Total	41 195	8 472	13 048	–	62 715

2013 Financial Assets Past Due but not Impaired

	Less than 30 days	30 - 60 days	Overdue 61 - 90 days	More than 90 days	Total
	$'000	$'000	$'000	$'000	$'000
Receivables	21 809	8 427	8 715	–	38 951
Total	21 809	8 427	8 715	–	38 951

2014 Individually Impaired Financial Assets

	Less than 30 days	30 - 60 days	Overdue 61 - 90 days	More than 90 days	Total
	$'000	$'000	$'000	$'000	$'000
Receivables (gross)	-	-	-	29 766	29 766
Allowance for impairment	-	-	-	(27 879)	(27 879)
Total	-	-	-	1 887	1 887

2013 Individually Impaired Financial Assets

	Less than 30 days	30 - 60 days	Overdue 61 - 90 days	More than 90 days	Total
	$'000	$'000	$'000	$'000	$'000
Receivables (gross)	-	–	-	29 493	29 493
Allowance for impairment	-	-	-	(27 784)	(27 784)
Total	-	-	-	1 709	1 709

	Notes	2014 $'000	2013 $'000
Movement in the Allowance of Impairment Loss			
Balance at 1 July		27 784	22 309
Amounts written off during the year		(1 018)	(1 514)
Increase/(decrease) in allowance recognised in the operating result		1 114	6 989
Balance at 30 June		27 879	27 784

39. Financial Instruments (cont'd)

Financial Liabilities

The guarantees given by the Department of Education, Training and Employment meets the definition of a guarantee contract as per AASB 139 and as such the maximum exposure to the department is disclosed above. Details of guarantees can be found in Note 33.

The Department of Education, Training and Employment assesses the fair value of financial guarantees annually as at 30 June. It has been determined that the fair value of all financial guarantees is nil as at 30 June as no defaults have been recognised since the inception of all guarantees, and the department's management does not expect that the guarantees will be called upon in the near future. As such, the fair value of the guarantees has not been recognised in the Statement of Financial Position.

(d) Liquidity Risk

Liquidity risk refers to the situation where the department may encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset.

The department is exposed to liquidity risk in respect of its payables, lease liabilities, and borrowings from Queensland Treasury Corporation (QTC).

The department aims to reduce the exposure to liquidity risk in payables by ensuring the department has minimum but sufficient funds available to meet employee and supplier obligations as they fall due. This is achieved by ensuring minimum levels of cash are held within the various bank accounts so as to match the expected duration of the various employee and supplier liabilities.

The following table also sets out the liquidity risk of financial liabilities held by the department. It represents the contractual maturity of financial liabilities, calculated based on cash flows relating to the repayment of principal amount outstanding at balance date.

		2014 Payable in			Total
		<1 year	1 - 5 years	> 5 years	
	Note	$'000	$'000	$'000	$'000
Financial Liabilities					
Payables	24	367 870	-	-	367 870
Queensland Treasury Corporation borrowing	25	5 462	20 852	30 230	56 544
Lease liability	25	5 230	25 302	425 128	455 660
Total		378 562	46 154	455 358	880 074

		2013 Payable in			Total
		<1 year	1 - 5 years	> 5 years	
		$'000	$'000	$'000	$'000
Financial Liabilities					
Payables	24	323 919	-	-	323 919
Queensland Treasury Corporation borrowing	25	5 170	18 341	38 203	61 714
Lease liability	25	4 736	20 830	408 910	434 476
Total		333 825	39 171	447 113	820 109

39. Financial Instruments (cont'd)

(e) Market Risk

The department does not trade in foreign currency and is not materially exposed to commodity price changes. The department is exposed to interest rate risk through its finance leases, borrowings from Queensland Treasury Corporation (QTC) and cash deposited in interest bearing accounts. The department does not undertake any hedging in relation to interest risk and manages its risk as per the liquidity risk management strategy.

(f) Interest Rate Sensitivity Analysis

The following interest rate sensitivity analysis is based on a report similar to that provided to management, depicting the outcome on profit or loss if interest rates would change by +/- 1 per cent from the year-end rates applicable to the department's financial assets and liabilities. With all other variables held constant, the department would have a surplus and equity increase/ (decrease) of $5.92 million (2012-13: $1.89 million).

The department's sensitivity to interest has increased in the current period due to an increase in cash and fixed term deposits.

		2014 Interest rate risk			
	Carrying	- 1 %		+ 1 %	
Financial Instruments	amount	Profit	Equity	Profit	Equity
	$'000	$'000	$'000	$'000	$'000
Cash	623 020	(6 230)	(6 230)	6 230	6 230
CBA Fixed Term Deposit	25 871	(259)	(259)	259	259
QTC borrowings	56 544	565	565	(565)	(565)
Potential impact		(5 924)	(5 924)	5 924	5 924

		2013 Interest rate risk			
	Carrying	- 1 %		+ 1 %	
Financial Instruments	amount	Profit	Equity	Profit	Equity
	$'000	$'000	$'000	$'000	$'000
Cash	250 392	(2 504)	(2 504)	2 504	2 504
QTC borrowings	61 714	617	617	(617)	(617)
Potential impact		(1 887)	(1 887)	1 887	1 887

(g) Fair Value

The fair value of trade receivables and payables is assumed to approximate the value of the original transaction, less any allowance for impairment.

The fair value of borrowings is notified by the Queensland Treasury Corporation. It is calculated using discounted cash flow analysis and the effective interest rate (refer Note 25) and is disclosed below:

| | | 2014 | | 2013 | |
| | | Carrying amount | Fair value | Carrying amount | Fair value |
	Note	$'000	$'000	$'000	$'000
Financial Liabilities					
Financial liabilities at amortised cost:					
QTC borrowings	25	56 544	62 569	61 714	65 869
Total		56 544	62 569	61 714	65 869

40. Operations Transferred through Machinery of Government Changes

(a) Statutory Authorities

The TAFE Queensland Act 2013 commenced on 1 July 2013 and the TAFE Queensland Regulation 2013 was made. This Act established the new statutory body, TAFE Queensland, to act as the public provider of vocational education and training in Queensland. This Act repealed Chapter 6A of the VETE Act and the regulation dissolved the two statutory TAFE institutes which were established under Chapter 6A.

On 1 July 2013 the operation of SBIT and GCIT including their assets and liabilities were transferred to the department. The audited assets and liabilities transferred to the department are as follows:

Southbank Institute of TAFE and Gold Coast Institute of TAFE	SBIT $'000	GCIT $'000
Total Assets	48 814	122 919
Total Liabilities	(27 725)	(16 025)
Net Assets	21 089	106 894
Accumulated funds (retained earnings)	43 199	141 047
Operating surplus /(deficit)	(22 110)	(34 153)
Total Equity	21 089	106 894

(b) TAFE Queensland

On 1 July 2013 TAFE Queensland was established under *TAFE Queensland Act* 2013 as a body corporate and is a statutory authority under the *Financial Accountability Act* 2009 and the *Statutory Bodies Financial Arrangements Act* 1982. On 15 August 2013 the TAFE Queensland Board was appointed by Governor-in-Council. The Board remunerations have been paid by the department. During the period 1 July 2013 to 30 June 2014, the entire operations of TAFE Queensland including all financial transactions have been managed through the department's accounts. Total Board expenses for TAFE Queensland for the 2013-14 financial year were $0.269 million. Refer Note 35 for operations of TAFE Queensland from 1 July 2014.

(c) Skills Queensland

The *Vocational Education, Training and Employment Act 2000*, legislated the dissolution of Skills Queensland on 22 November 2013. The assets and liabilities of Skills Queensland transferred to the department at the values held by Skills Queensland at the date of dissolution. The audited Skills Queensland assets and liabilities transferred to the department are as follows:

| Skills Queensland	1July 2013 to 22 Nov 2013 $'000
Assets	
Cash at bank	3 559
Receivables	58
Total Assets	3 617
Liabilities	
Accounts payable	(279)
Employee entitlements	(233)
Total Liabilities	(512)
Equity	
Accumulated funds (retained earnings)	3 751
Operating surplus /(deficit)	(646)
Total Equity	3 105

Certificate of the Department of Education, Training and Employment

These general purpose financial statements have been prepared pursuant to section 62(1) of the *Financial Accountability Act 2009* (the Act), relevant sections of the *Financial and Performance Management Standard 2009* and other prescribed requirements. In accordance with section 62(1)(b) of the Act we certify that in our opinion:

(a)   the prescribed requirements for establishing and keeping the accounts have been complied with in all material respects; and

(b)   the statements have been drawn up to present a true and fair view, in accordance with the prescribed accounting standards, of the transactions of the Department of Education, Training and Employment for the financial year ended 30 June 2014, and of the financial position of the department at the end of that year.

(c)   these assertions are based on an appropriate system of internal controls and risk management processes being effective, in all material respects, with respect to financial reporting throughout the reporting period.

Adam Black FCPA CA
Assistant Director-General, Finance
Chief Finance Officer
Department of Education, Training
and Employment
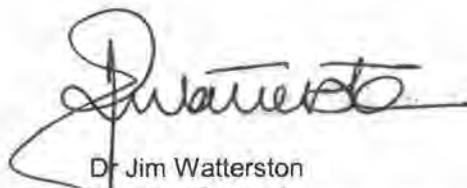
Dr Jim Watterston
Director-General
Department of Education, Training
and Employment

Date: 22/8/14.

Date: 22/8/14

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INDEPENDENT AUDITOR'S REPORT

To the Accountable Officer of the Department of Education, Training and Employment

Report on the Financial Report

I have audited the accompanying financial report of Department of Education, Training and Employment, which comprises the statement of financial position and statement of assets and liabilities by major departmental services as at 30 June 2014, the statement of comprehensive income, statement of changes in equity, statement of cash flows and statement of comprehensive income by major departmental services for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the certificates given by the Director-General and the Chief Finance Officer.

The Accountable Officer's Responsibility for the Financial Report

The Accountable Officer is responsible for the preparation of the financial report that gives a true and fair view in accordance with prescribed accounting requirements identified in the *Financial Accountability Act 2009* and the *Financial and Performance Management Standard 2009*, including compliance with Australian Accounting Standards. The Accountable Officer's responsibility also includes such internal control as the Accountable Officer determines is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

My responsibility is to express an opinion on the financial report based on the audit. The audit was conducted in accordance with the *Auditor-General of Queensland Auditing Standards*, which incorporate the Australian Auditing Standards. Those standards require compliance with relevant ethical requirements relating to audit engagements and that the audit is 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 procedures selected depend on the auditor's 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, the auditor considers internal control relevant to the entity's preparation of the financial report that gives a true and fair view 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, other than in expressing an opinion on compliance with prescribed requirements. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Accountable Officer, as well as evaluating the overall presentation of the financial report including any mandatory financial reporting requirements approved by the Treasurer for application in Queensland.

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

Independence

The *Auditor-General Act 2009* promotes the independence of the Auditor-General and all authorised auditors. The Auditor-General is the auditor of all Queensland public sector entities and can be removed only by Parliament.

The Auditor-General may conduct an audit in any way considered appropriate and is not subject to direction by any person about the way in which audit powers are to be exercised. The Auditor-General has for the purposes of conducting an audit, access to all documents and property and can report to Parliament matters which in the Auditor-General's opinion are significant.

Opinion

In accordance with s.40 of the *Auditor-General Act 2009* –

(a)   I have received all the information and explanations which I have required; and

(b)   in my opinion –

    (i)   the prescribed requirements in relation to the establishment and keeping of accounts have been complied with in all material respects; and

    (ii)   the financial report presents a true and fair view, in accordance with the prescribed accounting standards, of the transactions of the Department of Education, Training and Employment for the financial year 1 July 2013 to 30 June 2014 and of the financial position as at the end of that year.

Other Matters - Electronic Presentation of the Audited Financial Report

Those viewing an electronic presentation of these financial statements should note that audit does not provide assurance on the integrity of the information presented electronically and does not provide an opinion on any information which may be hyperlinked to or from the financial statements. If users of the financial statements are concerned with the inherent risks arising from electronic presentation of information, they are advised to refer to the printed copy of the audited financial statements to confirm the accuracy of this electronically presented information.

A M GREAVES FCA FCPA
Auditor-General of Queensland

AUDITOR GENERAL
25 AUG 2014
OF QUEENSLAND

Queensland Audit Office
Brisbane

Licence