

Department of Education and Training  
(response rcvd 16062015)  
(resubmitted 07082015)



**PUBLIC ACCOUNTS AND ESTIMATES COMMITTEE**

**2015-16 BUDGET ESTIMATES QUESTIONNAIRE**

# 1. Strategic priorities

## Question 1

If the Department has been affected by machinery-of-government changes, please:

- (a) outline the machinery-of-government changes which have affected the Department.

The Department has not been affected by machinery of government changes.

- (b) estimate the anticipated benefits of these changes (such as improved service delivery, savings in accommodation costs, reduced employee expenses). Please quantify these benefits where possible.

N/A

- (c) estimate the anticipated costs of carrying out the changes. Please include all costs of the changes, such as IT-related costs or relocation costs, excluding staff costs.

N/A

- (d) identify the anticipated staff impacts of the machinery-of-government changes, quantifying expected redeployments, redundancies (including targeted redundancies), non-renewal of contracts and any other means of reducing staff numbers. Please identify estimated staff costs and savings arising from each means. Please also identify the areas within the Department where staff reductions are anticipated.

	Number (FTE)	Resulting costs (\$ million)	Resulting savings (\$ million)
Redeployment			
Redundancies			
Non-renewal of contracts			
Staff reductions through other means			
Areas where reductions are anticipated			

- (e) detail any expected closures of offices, depots or other public service points as a result of the machinery-of-government changes, quantifying the number of each type of location to be closed.

N/A

**Question 2**

- (a) What are the Department’s key strategic priorities underpinning its budget for 2015-16 and over the forward estimates to 2018-19?

The Department’s key strategic priorities underpinning its budget focus on the outcomes of achievement, engagement, wellbeing and productivity.

The Department’s 2015–16 budget strategy was to deliver Government election commitments and lay the foundations of the Education State.

In the Education State, all Victorians will have the skills and attributes to shape their future in a changing world. Victorians will value education for themselves and those around them at all stages of life.

- (b) If applicable, how do these priorities differ from the previous year?

Implementing election commitments, including making Victoria the Education State, are priorities of the new Government.

In response to this, the budget priorities include supporting early childhood education, creating opportunity for all, aiming for excellence in teaching and learning and more specifically in the Training and skills portfolio, rebuilding TAFEs.

High quality outcomes in achievement, engagement, wellbeing and productivity remain a priority.

- (c) What are the impacts of any differences in the Department’s strategic priorities between 2014-15 and 2015-16 on funding and resource allocation in the 2015-16 Budget?

N/A

- (d) Please identify any programs or initiatives (asset or output) over \$2.0 million relevant to the Department that have been curtailed, deferred, discontinued or completed as a result of changes in strategic priorities between 2014-15 and 2015-16. In describing the programs or initiatives, please use the same names as are used in the budget papers where applicable.

N/A

**Question 3**

Please identify any programs or initiatives (including asset or output initiatives) that have lapsed in 2014-15 (that is, they will not be continued in 2015-16). For each program or initiative, please indicate the expenditure on this program/initiative in 2014-15. Please also identify the impact on the community of the lapsing (including rescheduling of service provision or commencement of service provision). If there is no impact, please detail the actions undertaken by the Department to ensure that there is no impact. In describing the programs or initiatives, please use the same names as are used in the budget papers where applicable.

Program or initiative	Expenditure in 2014-15 (\$ million)	Impact on the community of lapsing or actions taken by the Department to ensure there is no impact
Early Years Workforce Support	7.46	<p>This initiative consisted of a one-off payment to the Victorian Institute of Teaching to enable an upgrade to systems and processes, and a one-off payment to peak organisations to provide training support to implement the National Quality Framework (NQF).</p> <p>These programs have been implemented and no further funding is required.</p> <p>Support for workforce development on educational leadership, collaborative partnerships and the Early Years Learning and Development Framework will continue through:</p> <ul style="list-style-type: none"> <li>• The Access to Quality Early Childhood Education and Care initiative which supports scholarships, Aboriginal scholarships and incentives until 2017</li> <li>• Mentoring support for beginning early childhood teachers moving from provisional to full teacher registration with the Victorian Institute of Teaching (VIT)</li> <li>• Leadership Development Professional Learning programs offered through the Bastow Institute of Teaching.</li> </ul> <p>As a result, there will be no impact on the community after this program lapses.</p>
Early Childhood Intervention Service (ECIS) Improvement Project	1.00	<p>The ECIS Improvement Project has delivered service improvements through workforce improvement initiatives and revised ECIS Intake guidelines and Flexible Support Package guidelines.</p> <p>This was a one off project and additional funding is not required.</p> <p>The Department will continue to work closely with Early Childhood Intervention Australia – Victorian Chapter to ensure that the sector is informed and up-to-date about the changes and involved in reshaping service delivery to better support Victorian children with a disability or developmental delay and their families. As a result, there will be no impact on the community after this program lapses.</p>

Parenting Support Strategy	0.60	<p>This funding has been fully allocated to trial new service models and initiatives to increase access to and engagement in parenting support services, particularly for vulnerable or disadvantaged families and children.</p> <p>The Department is awaiting the conclusion of these trials before any decisions on further funding are made.</p> <p>There is no impact on the community as the Department is still delivering parenting support services, including Regional Parenting Services, Parentline, Supported Playgroups and the smalltalk program.</p>
Education Maintenance Allowance replacement funding for non-government schools	11.04 <sup>1</sup>	<p>The EMA program ceased at the end of the 2014 school year.</p> <p>There is no impact on the community as the new Camps, Sports and Excursions Fund (CSEF) initiative, which will support disadvantaged students to meet the costs of education (such as school trips and other activities) at both government and non-government schools, provides a similar function to the EMA.</p>
Combat Bullying	1.00	<p>The three components of the Combat Bullying initiative (Bully Stoppers online toolkit, community awareness campaign and school grants program) were designed to strengthen bullying prevention and empower schools, parents and students to respond to and prevent bullying.</p> <p>The online toolkit and community awareness campaign have been fully implemented, and are in continual use by schools and communities to build capacity and awareness.</p> <p>The schools grants program is still being implemented. From 2013–2015, schools have run projects funded through the Bully Stoppers grants program to assist in the implementation of strategies or programs to prevent and respond to bullying. A fourth round of grants for schools will be announced in May 2015.</p> <p>Future funding is to be considered pending the outcomes of the Bully Stoppers external evaluation, to be completed in 2015.</p> <p>The prevention of bullying is a shared responsibility and school communities are assisted by a range of staff including Primary Welfare Officers, Chaplains, Student Support Services Officers and Student Wellbeing Officers.</p>

Safe Schools - Professional Development for Teachers	0.50	<p>In 2013 the Department, together with The University of Melbourne, developed the Managing Challenging Behaviours blended learning course to build the capacity of teachers and allied health staff to effectively manage complex student behaviours.</p> <p>In 2014 the Department released two online versions of this course, available free of charge to all Victorian school staff. 1,300 teachers are currently working through the fully online version of this course.</p> <p>An additional 130 teachers have been trained as champions to lead their school or network through a more extensive blended learning course.</p> <p>86 Victorian schools are participating in the School-Wide Positive Behaviour Support (SW-PBS) initiative, which will continue throughout 2015. All training materials are available online for any Victorian school wishing to implement SW-PBS.</p> <p>To further assist school staff to address violent and dangerous student behaviours of concern, the Department is currently preparing additional guidance, updated policy advice, communication materials and a range of professional development opportunities. It is anticipated that these materials will be released in Term 3, 2015. As a result, there will be no impact on the community after this program lapses.</p> <p>The 2015–16 Budget provided funding for the Safe Schools Coalition Victoria program to be extended to every Victorian government secondary school.</p>
Science, Maths, and Entrepreneurship - Collaborative Network	0.10	<p>The Science, Maths, and Entrepreneurship - Collaborative Network has been implemented through the six Science and Maths Specialist Centres, which include universities, TAFE and business on their Advisory Boards and provide mentoring, policy development and career information.</p> <p>School engagement in maths, science and entrepreneurship will continue through the Science and Maths Specialist Centres and the John Monash Science School.</p> <p>The Science and Maths Specialist Centres provide on-site, online and outreach programs accessible to all Victorian students with priority given to students from disadvantaged and rural and remote schools. As a result, there is no impact on the community after this program lapses.</p> <p>Additional funding was not required in the 2015-16 budget to progress this work.</p>

Languages Teaching Scholarships	2.00	<p>All funding from the Languages Teaching Scholarships has now been committed to cover scholarship recipients' completion of study until 2018. The last scholarships were awarded in November 2014.</p> <p>The Department will continue to review the supply of qualified language teachers to ensure schools are adequately supported to provide languages education.</p> <p>The Department also supports schools to source qualified languages teachers through its Languages Teacher Register, and provides a significant range of professional development opportunities for languages teachers. As a result, there is no impact on the community after this program lapses.</p>
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<sup>1</sup> All numbers are estimated based on budget allocation, with the exception of Education Maintenance Allowance – as the program ceased at the end of 2014, actual expenditure is shown.

#### **Question 4**

What are the key Government policies applicable to the Department in 2015-16 and how are these policies addressed in this budget?

The Department's 2015–16 budget was focussed around election commitments and laying the foundations of the Education State.

The election commitments focus on creating opportunity for all, aiming for excellence in teaching and learning and more specifically in the Training and skills portfolio, rebuilding TAFEs.

#### **Question 5**

- (a) Please provide details of the Department's progress at developing corporate plans and long-term plans as detailed in the Department of Treasury and Finance's *A Guide to Corporate and Long-Term Planning* (April 2014).

The Department's 2014–18 Corporate Plan was developed in accordance with the Department of Treasury and Finance Guidelines in mid-2014.

The Department released its 2014-18 Strategic Plan (Part A of the 2014–18 Corporate Plan) internally in September 2014.

Part B of the 2014–18 Corporate Plan is Cabinet-in-Confidence and not for release.

Development of the Department's 2015–19 Corporate Plan is currently underway.

- (b) If your corporate plan is online, please provide the address below. If it is not online, please provide a copy and explain why it is not online.

The 2014–18 Strategic Plan is not available online externally as endorsement for the plan to be released publically was not provided by the lead Minister prior to the 2014 election.

An endorsed draft copy of the Strategic Plan is available internally for Department of Education and Training staff to assist with planning processes.

- (c) Please supply a copy of your department's long-term plan. This will not be published on the PAEC's website. If you are unable to supply a long-term plan, please explain why.

As per directions from the Department of Treasury and Finance, Departments were not required to produce a long-term plan in 2014.

The strategic plan includes the Department's 10 year vision (to make Victoria a world leader in learning and development, to contribute to a vibrant economy and society and deliver on our outcomes) and puts in place strategies for the shorter term to implement this vision.



## 2. Budget preparation

### Question 6

In relation to the Department's budget across the forward estimates period, please indicate:

- (a) major areas of risk identified by the Department for its income estimates

Macro-economic uncertainty and any potential economic downturn will adversely impact on the level of self-raised revenue in both the School and TAFE sectors.
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- (b) major areas of risk identified by the Department for its expenses estimates

N/A
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- (c) what measures have been put in place to manage these risks.

N/A
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### Question 7

Please list all agreements or contracts with a total value of \$10 million or greater entered into in the three-month period prior to the 2014 State election. Please also provide the total value of each agreement/contract and a description of the agreement/contract). Include agreements/contracts for both asset and output expenditure and related to either your department or its controlled entities.

Agreement/contract	Total value (\$ million)	Description
Program for Students with Disabilities Assessment Service	10.5	This service provides cognitive and language assessments of students
Capital Works project	12.83 <sup>1</sup>	Officer Secondary College (Stage 2) construction components

<sup>1</sup> This total contract amount is funded by DET and a funding contribution from the Local Council of \$3.09 million, therefore DET's expenditure is under \$10 million (approximately \$9.73 million).

### Question 8

Please describe any expected sources of income or expenses where the Department anticipates that the actual amount is likely to be more than 10 per cent greater than what has been estimated in the budget papers (for example, where the amount is difficult to predict so the budget paper estimates are zero or a low amount). Please also identify any items for which the budget estimates are zero but income or expenses are expected. Examples might include 'fair value of assets and services received free of charge or for nominal consideration' or grants from new national partnerships that the Commonwealth might announce at some point during the forward estimates period.

Source of income/expenses	Affected line item	Details
N/A <sup>1</sup>		

<sup>1</sup> Operating items from transactions considered for 2014-15 and 2015-16 under the 'Comprehensive Operating Statement' for the Department of Education and Training.

### 3. Spending

#### Question 9

Please explain any variations of more than  $\pm 10$  per cent (or greater than \$100 million) between the revised estimate for 2014-15 and the budget for 2015-16 for the following line items in the Department's operating statement in the Statement of Finances budget paper:

- (a) 'employee benefits'
- (b) 'grants and other transfers'
- (c) 'other operating expenses' in aggregate
- (d) the major components of 'other operating expenses' for your department (please supply categories as appropriate).

	<b>2014-15 (revised estimate)</b>	<b>2015-16 (Budget)</b>	<b>Explanation for any variances greater than <math>\pm 10\%</math> (or greater than \$100 million)</b>
	<b>(\$ million)</b>	<b>(\$ million)</b>	
Employee benefits	\$6,160	\$6,444	This is primarily due to indexation and funding for increased teacher numbers because of increased student enrolments in schools.
Grants and other transfers	\$846	\$899	N/A
Other operating expenses	\$3,581	\$3,630	N/A
Major components of 'other operating expenses' (please supply categories):			
Operating Supplies and Consumables	\$1,562	\$1,672	This is primarily due to budget initiatives in 2015-16.
Other services purchased from non public sector suppliers other than Commonwealth General Govt.	\$1,609	\$1,543	N/A
Maintenance	\$262	\$277	N/A

If the Department is unable to provide estimates for the components of 'other operating expenses' in 2015-16, please explain how the amount of 'other operating expenses' listed for 2015-16 in the budget papers was calculated.

N/A

**Question 10**

Please provide the following information regarding maintenance costs and other costs intended to increase the function or service capacity of assets (such as upgrading, improvement, refurbishment, etc.). Do not include capital expenditure.

(a) estimated expenditure for 2015-16 and over the forward estimates period

	<b>2015-16 (\$million)</b>	<b>2016-17 (\$million)</b>	<b>2017-18 (\$million)</b>	<b>2018-19 (\$million)</b>
Maintenance	91.0	83.5	74.6	74.6
Other costs to increase function/service capacity of assets				

(b) the Department's method for estimating these costs

The Department receives a set amount of ongoing maintenance funding each year (currently \$74.5 million), and additional funding is provided through the State Budget process for specific maintenance programs.

In the 2015/16 State Budget, \$25 million was allocated to address maintenance, cleaning and utilities in the 2016 school year.

Maintenance requirements are determined using information collected in 2012 when the Department assessed the condition of all Victorian government school buildings. This condition assessment identified \$420 million of maintenance investment required to bring all buildings up to an acceptable minimum standard.

(c) details, including cost provisions, of any formal asset maintenance strategies or plans developed by the Department.

**Asset Management**

In 2012/13 the Department conducted a school maintenance audit which identified a maintenance backlog of \$420 million.

To address this maintenance backlog and improve the management of school facilities, the Department has adopted a number of systemic changes, including:

1. Establishing portfolio-wide targets for condition and functionality:
  - a. Condition is measured through the findings of the maintenance audit, and functionality is calculated through levels of historical investment.
2. The progressive introduction of school level asset management planning to integrate capital and maintenance funding provided to schools.
  - a. All schools who receive capital funding or planned maintenance funding are required to complete a five year asset management plan (AMP).
  - b. AMPs specify the education directions of the school; ensuring priority is given to any facilities in poor condition, whilst addressing any functionality issues. This ensures resources are targeted to entitled facilities.
  - c. The AMP helps to define projects and identifies all tasks to be completed over a five year period, ensuring that that all funds are spent, and schools get the best outcome possible from the expenditure.
  - d. The AMP defines projects, budgets, timelines and cash flows. It also ensures accountability on the Department for providing support and funding in a timely manner, and on schools for achieving their projects defined in the AMP.

3. Extensive asset management training for school leadership.

- a. All schools receiving capital funding or planned maintenance funding are required to undergo asset management training. This training, 'Bricks & Mortar', is available at a first level for all school leaders, and at a second level for those receiving funding.
- b. The Bricks & Mortar program is delivered by ex-Principals who are experts in asset management.

**Information Management**

The Department has recently introduced a new asset management system that includes provision of an industry-standard maintenance module. This is currently being configured/ designed to meet the Department's needs in relation to school maintenance requirements.

When complete, this will provide schools with a schedule of preventative maintenance activities to undertake, based on legislative requirements and best practice principles. This will be rolled out to schools in a pilot program later this year before further refinement and state-wide roll-out.

**TAFE Sector**

In the TAFE sector, the Government has moved away from a role of planner and purchaser to that of a funder and facilitator. There is comprehensive data on the condition of TAFE assets, and processes to ensure that this information is regularly updated. TAFEs are required to have up-to-date asset management plans consistent with the requirements of the Education and Training Reform Act 2006. They are subject to regular strategic dialogues with the department which include a focus on asset condition and management.

**Question 11**

For the line item 'payments for non-financial assets' for 2015-16 in the departmental cash flow statement in the Statement of Finances budget paper, please identify the amount that is expected to be funded using funds carried over from 2014-15.

Nil

**Question 12**

In relation to the break-down of expenses from transactions disaggregated by government purpose classification in the budget papers (Note 12(a) to the general government sector consolidated operating statement the Statement of Finances budget paper, p.34), please provide details of the Department's component of the expenses in each category for 2014-15 and 2015-16. Please explain any variations between the years that are greater than  $\pm 10$  per cent or greater than \$100 million.

<b>Government purpose classification</b>	<b>2014-15 revised estimate (\$ million)</b>	<b>2015-16 Budget (\$ million)</b>	<b>Explanation for any variances greater than <math>\pm 10\%</math> (or greater than \$100 million)</b>
General public services			
Public order and safety			
Education	\$13,162.8	\$13,705.0	The variance is primarily due to indexation of state and commonwealth funds, new funding approvals to support school enrolment growth and the implementation of election commitments.
Health	\$ 116.7	\$ 119.4	N/A
Social security and welfare	\$ 110.0	\$ 111.9	N/A
Housing and community amenities			
Recreation and culture			
Fuel and energy			
Agriculture, forestry, fishing and hunting			
Transport and communications			
Other economic affairs			
Other purposes			

## 4. Expenditure reduction measures

### Question 13

For each of the savings initiatives detailed in the table below, please detail (on the same basis of consolidation as the budget papers):

- what actions the Department will take in 2015-16 to meet the various savings targets
- any impact that these actions will have on the delivery of services during 2015-16
- the Department's savings target for 2015-16, with an explanation for any variances between the current target and what was originally published in the budget papers when the initiative was released.

Initiative	Actions the Department will take in 2015-16	Impact of these actions on service delivery in 2015-16	Savings target for 2015-16 (\$ million)	Explanation for variances to the original target
Savings (2012-13 Budget)	<p>These savings are being achieved through ceasing the School Start Bonus (which occurred in 2013) and removing the school funding portion of the Education Maintenance Allowance (EMA).</p> <p>In addition, savings will be made through efficiencies in grants programs and smarter procurement processes including use of contractors and consultants.</p>	<p>To contribute to the additional funding for the Victorian/Commonwealth school funding commitments, EMA payments to parents ceased on 31 December 2014.</p> <p>Funding to disadvantaged schools has been increased and the Government has introduced the Camps, Sports and Excursions Fund which will minimise any effect on disadvantaged students.</p>	43.8	N/A

Efficiency measures (2012-13 Budget Update)	These efficiencies will predominantly be achieved through the flow on impacts of previous Sustainable Government Initiative reductions and relate to flow on items such as accommodation, information technology, communications and other overheads.	Negligible	33.6	N/A
Efficiency measures (2013-14 Budget)	<p>The Trade Bonus for apprentices will not be paid to apprentices commencing after 30 June 2013. Payments will continue to those that commenced prior to this date.</p> <p>In addition, the increase in the government efficiency dividend will be met through efficiencies in non-frontline service delivery.</p>	<p>Negligible—research has demonstrated limited effectiveness of incentives such as the Trade Bonus. Payments also duplicate incentives such as the Commonwealth Government's 'tools for your trade' payments.</p> <p>The government efficiency dividend only applies to back office / corporate expenditure and non-frontline service delivery.</p>	23.7	N/A
Efficiency measures (2013-14 Budget Update)	NIL	NIL	N/A	N/A
Efficiency and expenditure reduction measures (2014-15 Budget)	NIL	NIL	N/A	N/A

Efficiency and expenditure reduction measures (2015-16 Budget)	These savings will be achieved by reducing government travel expense, ceasing the production of hard copy reports for tabling in parliament, reducing the use of labour hire firms and reducing the number of executive officers.	Negligible—the efficiency measures will affect only back office / corporate staff and will not impact frontline service delivery.	2.1	N/A
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### Question 14

In relation to any funding from reprioritisation of existing resources in the 2015-16 Budget (as noted in Table 4.4 of Budget Paper No.2, p.58) for your department, please provide the following information in relation to each initiative, program or project from which \$2.0 million or more of funding has been reprioritised. In describing initiatives, please use the same names as are used in the budget papers.

Initiative, program or project for which funding was initially provided	Amount reprioritised for 2015-16 (\$ million)	Amount reprioritised for 2016-17 (\$ million)	Amount reprioritised for 2017-18 (\$ million)	Amount reprioritised for 2018-19 (\$ million)
Local Learning and Employment Networks <sup>1</sup>	8.0	8.0	8.0	8.0

<sup>1</sup> This funding is for the continuation of the Local Learning and Employment Networks program.



## 5. Output and asset initiative funding

### Question 15

In regard to adjustments to the Department's base funding (as set out in *BFMG-06 – Departmental Funding Model*), please indicate:

- (a) the Department's base funding for 2014-15
- (b) the Department's base funding for 2015-16
- (c) the major factors driving the variance between 2014-15 and 2015-16.

Departmental base funding 2014-15 (\$ million)	Departmental base funding 2015-16 (\$ million)	Major factors driving the variance
9,775.3	10,425.4	The variation is primarily driven by indexation, new funding to support school enrolment growth and the implementation of election commitments.

### Question 16

Please provide the following details of any outputs for which output resources allocation reviews or base reviews (as described in *BFMG-05*) were completed in 2014-15:

- (a) output resources allocation reviews

Output	Changes as a result	Reasons for the change
N/A	N/A	N/A

- (b) base reviews

Output	2014-15 base funding (\$ million)	2015-16 base funding (\$ million)	Reasons for the change
N/A	N/A	N/A	N/A

**Question 17**

In relation to the asset initiatives released in the 2015-16 Budget for the Department (as detailed in the Service Delivery budget paper), please quantify the amount of funding for those initiatives that is expected to come from the Department's own sources (such as depreciation, applied appropriations which have not been spent or other sources) and the amount of new funding provided specifically for these initiatives in this budget.

	<b>2014-15</b> <b>(\$ million)</b>	<b>2015-16</b> <b>(\$ million)</b>	<b>2016-17</b> <b>(\$ million)</b>	<b>2017-18</b> <b>(\$ million)</b>	<b>2018-19</b> <b>(\$ million)</b>	<b>TEI</b> <b>(\$ million)</b>
Funding from the Department's own sources	5.0	226.1 <sup>1</sup>	253.7	83.2	31.3	599.3 <sup>1</sup>
New funding specifically for these initiatives in 2015-16 Budget	Nil	Nil	Nil	Nil	Nil	Nil
Total asset initiatives (as in Service Delivery budget paper)	5.0	226.1	253.7	83.2	31.3	599.3

<sup>1</sup> Excludes \$68.2 million in two new schools that will be undertaken under an existing public private partnership arrangement.

**Question 18**

- (a) Please quantify the Department's balance of applied appropriations unspent as at 30 June 2014 (as defined in the notes to note 39(a) of the 2013-14 Financial Report for the State), along with estimates for the equivalent figures as at 30 June 2015 and 2016.

	<b>2014</b> <b>(\$ million)</b>	<b>2015</b> <b>(\$ million)</b>	<b>2016</b> <b>(\$ million)</b>
Applied appropriations unspent as at 30 June	416.199	N/A	N/A

- (b) Please indicate the intended use of these amounts.

The unspent appropriations relate to the balance of surplus earned on the provision of outputs before long service leave revaluation and the depreciation equivalents not yet spent on additions to net assets.

The balance of the applied appropriations unspent is not finalised until the end of a financial year when the Department annual accounts are signed off.

## 6. Public private partnership expenditure

### Question 19

For each line item in the Department's comprehensive operating statement or statement of cash flows (as indicated in the Statement of Finances budget paper) which includes expenditure on commissioned PPP projects in 2015-16 or across the forward estimates period, please identify:

- (a) the line item
- (b) the value of expenditure on PPP projects included within that line item
- (c) what the expenditure is for (for example, payment of interest, payment of capital, purchases of services, payment of contracted penalties etc.).

Line item	2014-15 revised (\$ million)	2015-16 (\$ million)	2016-17 (\$ million)	2017-18 (\$ million)	2018-19 (\$ million)	Explanation
See note below						

**Note:** The figures relating to the Partnerships Victoria in Schools Project and New Schools PPP Project cannot be disaggregated and disclosed, as this would reveal commercially sensitive information relating to the current tender process for the New Schools PPP Project for which proposals are due in June 2015.

## 7. Revenue

### **Question 20**

In relation to 2015-16, please outline any new revenue-raising initiatives and/or major changes to existing revenue initiatives. For each initiative/change, please explain:

- (a) the reasons for the initiative/change
- (b) the assumptions underlying the reasons
- (c) alternative scenarios considered
- (d) the impact of any changes on service delivery (that is, please detail all programs/projects that have been revised as a result of changes to existing revenue initiatives)
- (e) any performance measures or targets altered as a result of the initiative/change
- (f) the anticipated total value of revenue gained/foregone as a result of the initiative/change.

In describing initiatives, please use the same names as are used in the budget papers where applicable.

<b>Initiative/change</b>	<b>Reasons for the initiative/change</b>	<b>Underlying assumptions</b>	<b>Alternative scenarios</b>	<b>Impact of changes on service delivery</b>	<b>Performance measures or targets altered</b>	<b>Anticipated total value of revenue gained/foregone</b>
NIL	NIL	NIL	NIL	NIL	NIL	NIL

**Question 21**

In relation to 2015-16, please outline any new tax expenditures or concession/subsidy initiatives and/or major changes to existing tax expenditures or concession/subsidy initiatives. For each initiative/change, please explain:

- (a) the reasons for the initiative/change
- (b) the assumptions underlying the reasons
- (c) alternative scenarios considered
- (d) the impact of any initiatives/changes on service delivery (that is, please detail all programs/projects that have been revised as a result of changes to existing revenue initiatives)
- (e) any performance measures or targets altered as a result of the initiative/change
- (f) the anticipated total value of revenue gained/foregone as a result of the initiative/change.

In describing initiatives, please use the same names as are used in the budget papers where applicable.

<b>Initiative/change</b>	<b>Reasons for the initiative/change</b>	<b>Underlying assumptions</b>	<b>Alternative scenarios</b>	<b>Impact of changes on service delivery</b>	<b>Performance measures or targets altered</b>	<b>Anticipated total value of revenue gained/foregone</b>
NIL	NIL	NIL	NIL	NIL	NIL	NIL

**Question 22**

For the Department's income categories (as appear in the Department's operating statement in the Statement of Finances budget paper), please provide an explanation for any items that have a variance of greater than  $\pm 10$  per cent or \$100 million between the revised estimate for 2014-15 and the budget for 2015-16.

Income category	Revised estimate for 2014-15 (\$ million)	Estimate for 2015-16 (\$ million)	Explanation
Output Appropriation	10,980	11,408	The variation is primarily driven by indexation, new funding to support school enrolment growth and the implementation of budget initiatives.
Grants	27	8	The variation is primarily driven by completion of the Commonwealth's <i>Education Investment Fund</i> in 2014-15.

**Question 23**

What impact have developments at the Commonwealth level had on the Department's component of the 2015-16 State Budget?

The 2015-16 State Budget is announced prior to the 2015-16 Federal Budget. At the time of the finalisation of the State Budget, there was a lack of clarity about the implications of the Commonwealth's families package, the Commonwealth's commitment to continue to contribute to kindergarten funding, and support for regulation under the National Quality Framework.

In relation to schools, in the 2014-15 Federal Budget, the Federal Treasurer confirmed that the Commonwealth Government would not fund 2018 and 2019 as agreed with signatory States to the Heads of Agreement on National Education Reform. Instead, from the 2018 school year onwards, total Commonwealth recurrent funding is proposed to be indexed by the Consumer Price Index, with an allowance for changes in enrolments. The 2015-16 State Budget reconfirmed Victoria's commitment to the National Education Reform Agreement and the State Budget delivered on its obligation under the National Education Reform Agreement for the 2015, 2016 and 2017 school years.

The Commonwealth has initiated discussions with the State and Territory Governments on a White Paper on the Reform of the Federation and a White Paper on the Reform of Australia's Tax System. A Council of Australian Governments meeting is scheduled to discuss changes to federal roles, responsibilities and funding in late July 2015. This process has contributed to a lack of certainty about ongoing Commonwealth engagement with and funding for education services within Victoria.

**8. Performance measures****Question 24**

For each initiative (asset or output) in the 2015-16 Budget with a total cost over the forward estimates greater than \$20 million (or a TEI over \$20 million), please list all new and existing performance measures in the budget papers related to the initiative. In describing initiatives, please use the same names as are used in the budget papers.

<b>Initiative</b>	<b>Related performance measures</b>
Build and upgrade kindergartens	<ul style="list-style-type: none"> <li>Total output cost – Early Childhood Development</li> </ul>
Education State funding – allocation of \$1.4 billion	<ul style="list-style-type: none"> <li>Total output cost - School Education – Primary</li> <li>Total output cost - School Education – Secondary</li> </ul>
Independent school capital works	<ul style="list-style-type: none"> <li>Investment in non-government schools (primary)</li> <li>Investment in non-government schools (secondary)</li> <li>Total output cost - School Education – Primary</li> <li>Total output cost - School Education – Secondary</li> </ul>
School enrolment based funding	<ul style="list-style-type: none"> <li>Total output cost - School Education – Primary</li> <li>Total output cost - School Education – Secondary</li> </ul>
School Maintenance Fund	<ul style="list-style-type: none"> <li>Total output cost - School Education – Primary</li> <li>Total output cost - School Education – Secondary</li> </ul>
Camps, sports and excursions fund	<ul style="list-style-type: none"> <li>Investment in student welfare and support</li> <li>Total output cost - Support Services Delivery</li> </ul>
Local Learning and Employment Networks	<ul style="list-style-type: none"> <li>Percentage of school leavers completing a VCE or VET certificate program in a school progressing to further education, training or work.</li> <li>Percentage of school leavers completing an Intermediate or Senior Victorian Certificate of Applied Learning in a school progressing to further education, training or work.</li> <li>Average rate of student attendance in Years 11 and 12.</li> <li>Years 7-9 students' opinion of their connectedness with the school.</li> <li>Total output cost - School Education – Secondary</li> <li>Participation rate of 15–24 year olds in government subsidised training and further education in Victoria (proposed for inclusion in the 2015-16 Budget Paper No.3).</li> <li>Total output cost – Higher Education and Skills</li> </ul>
TAFE Back to Work Fund	<ul style="list-style-type: none"> <li>Number of government-funded course enrolments in qualifications at diploma level or above</li> <li>Total output cost – Higher Education and Skills</li> </ul>
TAFE Rescue Fund (output component)	<ul style="list-style-type: none"> <li>Number of government funded course enrolments in qualifications at diploma level or above</li> <li>Total output cost – Higher Education and Skills</li> <li>Government subsidised student contact hours of training and further education provided</li> <li>Annual government-funded module enrolments</li> </ul>
Asbestos removal program	<ul style="list-style-type: none"> <li>There are no performance measures attached to the Department's capital programs.</li> <li>Infrastructure helps to support access which supports student participation.</li> </ul>
Building new schools	<ul style="list-style-type: none"> <li>There are no performance measures attached to the Department's capital programs.</li> <li>Infrastructure helps to support access which supports student participation.</li> </ul>

Land acquisition	<ul style="list-style-type: none"> <li>• There are no performance measures attached to the Department's capital programs.</li> <li>• Infrastructure helps to support access which supports student participation.</li> </ul>
Relocatable Classroom Program	<ul style="list-style-type: none"> <li>• There are no performance measures attached to the Department's capital programs.</li> <li>• Infrastructure helps to support access which supports student participation.</li> </ul>
Modernisations and upgrades	<ul style="list-style-type: none"> <li>• There are no performance measures attached to the Department's capital programs.</li> <li>• Infrastructure helps to support access which supports student participation.</li> </ul>
TAFE Rescue Fund (capital component)	<ul style="list-style-type: none"> <li>• There are no performance measures attached to the Department's capital programs.</li> <li>• Infrastructure helps to support access which supports student participation.</li> </ul>



## 9. Staffing matters

### Question 25

Please fully complete the table below, providing actual FTE staff numbers at 30 June 2014 and estimates of FTE staff numbers (broken down by the categories listed below) at 30 June 2015 and 30 June 2016 for the Department. Please provide figures consolidated on the same basis as the expenditure for the Department in the budget papers.

Grade	30 June 2014 (Actual FTE number)	30 June 2015 (Expected FTE number)	30 June 2016 (Forecast FTE number) <sup>1</sup>
Secretary	1.0	1.0	
EO-1	3.0	2.0	
EO-2	42.7	40.9	
EO-3	33.6	32.7	
VPS Grade 7 (STS)	13.0	15.0	
VPS Grade 6	300.1	310.1	
VPS Grade 5	611.9	596.7	
VPS Grade 4	343.2	346.9	
VPS Grade 3	267.5	269.5	
VPS Grade 2	103.4	105.7	
VPS Grade 1	3.8	3.8	
Government Teaching Service	41,720.0	42,212.6	
Education Support Staff	13,779.4	14,007.0	
Nurses	192.9	194.4	
Allied Health professionals <sup>2</sup>	422.8	395.1	
Other <sup>3</sup>	11.0	9.9	
<b>Total</b>	<b>57,849.3</b>	<b>58,543.3</b>	

<sup>1</sup> The Department has historically not provided forecasts of future VPS levels.

<sup>2</sup> The Allied Health numbers have been decreasing as a number are moving to direct school funding and being translated to the Education Support structure. Corporate Allied Health staff are not affected by this change.

<sup>3</sup> These totals mainly consist of graduate recruits and the Department's Senior Medical Advisers.

**Question 26**

Please break down the actual staff numbers in your department as at 30 June 2014 and the estimates as at 30 June 2015 and 2016 according to the number of staff that are ongoing, fixed-term or casual.

	<b>30 June 2014</b> <b>(Actual FTE number)</b>	<b>30 June 2015</b> <b>(Expected FTE number)</b>	<b>30 June 2016</b> <b>(Forecast FTE number)<sup>1</sup></b>
Ongoing	44,623.1	44,754.2	
Fixed-term	13,202.4	13,763.6	
Casual	23.8	25.5	
<b>Total</b>	<b>57,849.3</b>	<b>58,543.3</b>	

<sup>1</sup> The Department has historically not provided forecasts of future VPS levels.

**Question 27**

Please detail the actual amount that the Department spent on contractors and consultants in 2013-14 and the estimated expenditure in 2014-15 and 2015-16 (for a definition on the difference between consultants and contractors, see FRD 22E – Standard Disclosures in the Report of Operations). Please provide figures on the same basis of consolidation for the Department as used in the budget papers.

	<b>2013-14 Actual</b> <b>(\$ million)</b>	<b>2014-15 Expected</b> <b>(\$ million)</b>	<b>2015-16 Forecast</b> <b>(\$ million)</b>
Consultants <sup>1, 2</sup>	2.04 <sup>3</sup>	4.66	N/A <sup>4</sup>
Contractors <sup>1, 5</sup>	117.97	116.46	N/A <sup>4</sup>

<sup>1</sup> The figures do not include expenditure incurred by Schools and TAFEs.

<sup>2</sup> The number and value of consultancy engagements fluctuates dependent on business service delivery requirements.

<sup>3</sup> The 2013-14 figures reflect the change of definition on consultants as per The Department of Treasury and Finance's Financial Reporting Directions (FRD) guidelines 22D.

<sup>4</sup> The Department and its consolidated entities do not forecast budgets for out-years at this level of detail. However, it endeavours to minimise expenditure wherever possible in line with whole of government policy and the commitment to reduce expenditure in government.

<sup>5</sup> Figures include payments for agency temporary labour hire.