



PUBLIC ACCOUNTS AND ESTIMATES COMMITTEE

2014-15 BUDGET ESTIMATES QUESTIONNAIRE

DEPARTMENT OF EDUCATION AND EARLY CHILDHOOD DEVELOPMENT

1. Strategic priorities

Question 1

- (a) What are the Department's key strategic priorities underpinning its budget for 2014-15 and over the forward estimates to 2017-18?

The Department of Education and Early Childhood Development (DEECD) has a 10-year goal to make Victoria a world leader in learning and development, to contribute to a vibrant economy and society and to deliver on our outcomes.

To achieve this goal, DEECD's key strategic priorities underpinning its budget for 2014-15 focus on the outcomes of Achievement, Engagement, Wellbeing and Productivity.

The Department of Education and Early Childhood Development's (DEECD's) key strategic priorities underpinning its 2014-15 Budget and forward estimates to 2017-18 are:

1. Deliver accessible services and improve the opportunities afforded to all learners – children, young people and adults – to achieve their potential.
2. Provide world leading services in schools that strengthen autonomy and target need.
3. Respond to structural changes in the Victorian economy and consolidate existing reforms in the skills sector.

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

In 2014-15, priorities remain broadly unchanged from 2013-14 in that funding is targeted to the reform of key service delivery and meeting demand, in order to deliver improved learning and development outcomes for Victorian children and students. Priorities for 2014-15 consolidate the school-based reforms outlined in the *Early Years Strategic Plan, Towards Victoria as a Learning Community* and the *Refocussing Vocational Education in Victoria* reforms.

- (c) What are the impacts of any differences in the Department's strategic priorities between 2013-14 and 2014-15 on funding and resource allocation in the 2014-15 Budget?

As above, there are no major differences in strategic priorities between 2013-14 and 2014-15.

- (d) Please identify any programs or initiatives (asset or output) over \$2 million relevant to the Department that have been curtailed, deferred, discontinued or completed as a result of changes in strategic priorities between 2013-14 and 2014-15. In describing the programs or initiatives, please use the same names as are used in the budget papers where applicable.

N/A

Question 2

Please identify any programs or initiatives (including asset or output initiatives) that have lapsed in 2013-14 (i.e. will not be continued in 2014-15). For each program or initiative, please indicate the expenditure on this program/initiative in 2013-14 and the impact on the community of the lapsing. 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 2013-14 (\$ million)	Impact on the community (including rescheduling of services provision or commencement of services provision)
Pilot for Disengaged Students Program	0.05	<p>Funding was provided to pilot and support selected models for re-engaging disengaged students. Pilots included personalised learning and engaging curricula, wrap-around support services, supported transition arrangements and educational partnerships.</p> <p>The Pilots increased the understanding of successful program models that support disengaged students, which will inform program design in the future.</p>
Apprentice/Trainee Support Package	1.90	<p>Funding was provided to improve the commencements and completions of apprentices and trainees through two elements: accommodation support for apprentices and trainees; and the Apprentice/Trainee Completion Bonus.</p> <p>There are currently other industrial instruments that allow for the employer to pay for apprenticeship accommodation costs.</p> <p>An evaluation of the initiative has also been completed, which provided limited evidence to suggest that this investment generated productivity gains for learners, employers or providers.</p> <p>As a result, there will be minimal impact on the community after this program lapses.</p>
2009 Commonwealth TAFE projects	24.70	<p>Funding was provided for operating costs associated with TAFE capital projects approved under the 2009 Commonwealth TAFE Annual Infrastructure Plan.</p> <p>Under the new vocational training funding model, TAFE institutes cover the costs of maintenance and depreciation. As a result, there will be minimal impact on the community.</p>

Question 3

What are the key Government policies applicable to the Department in 2014-15?

- Early Years Strategic Plan
- From New Directions to Action: World class teaching and school leadership
- Refocussing Vocational Education in Victoria
- Towards Victoria as a Learning Community
- Securing Victoria's Economy – Planning, Building, Delivering
- Victoria's Vulnerable Children Strategy

Question 4 (Department of Treasury and Finance and Department of State Development, Business and Innovation only)

Please explain, incorporating relevant expenditure estimates for 2014-15 and beyond, the manner in which recent industry restructuring decisions, proposed plant closures and job

displacements etc. have impacted on departmental responsibilities and budgetary directions. In doing so, please identify the extent of both State and Commonwealth assistance initiatives embodied in budgetary projections.

2. Budget preparation

Question 5 (Department of Treasury and Finance only)

Please detail the economic forecasts which had the most significant impact on framing the 2014-15 Budget, detailing for each the major revenue and expenditure items in the budget that have been affected.

Economic forecast	Affected items in the budget

Question 6 (Department of Treasury and Finance only)

In relation to the line item ‘Contingencies not allocated to departments’ (in the note to the estimated operating statement on total expenditure by department) for the general government sector, please explain the reasons for any differences between:

- the amount provided for 2013-14 in the 2013-14 Budget; and
- the amount provided for 2014-15 in the 2014-15 Budget

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Question 7 (Department of Treasury and Finance only)

Please identify the manner in which any unallocated capital provisions shown in the 2014-15 Budget have been quantified. In doing so, please also present the composition (with detail) of any drawdowns made in 2013-14 from the provision published in the 2013-14 budget papers.¹

- (a) method for quantifying capital provision approved but not yet allocated in 2014-15 budget papers:

	2014-15	2015-16	2016-17	2017-18
Method of quantification				

- (b) drawdowns made in 2013-14

¹ Budget Paper No.2, 2013-14 Strategy and Outlook, May 2013, p.55

Drawdowns made in 2013-14	Department/entity	Project	Purpose	2014-15 (\$ million)	2015-16 (\$ million)	2016-17 (\$ million)
Capital provision approved in 2013-14 budget papers but not yet allocated				225.6	504.2	818.1
Less: drawdowns made in 2013-14						
1:						
2:						
Total drawdowns made in 2013-14						
Balance of capital provision unallocated at end of 2013-14						

Question 8 (Department of Treasury and Finance only)

In relation to the estimated financial statements for the general government sector (estimated operating statement and estimated balance sheet), please explain any variations of more than 10 per cent (or greater than \$100 million) between the estimates for 2014-15 published in the 2013-14 budget papers, and the budget forecasts for 2014-15 shown in the 2014-15 budget papers.

Line item	Reason for variation

Question 9 (Department of Treasury and Finance only)

(a) What new features have been incorporated in the budget papers for 2014-15 and why?

(b) What previous features have been modified and why?

3. Spending

Question 10

For your department, please explain any variations of more than 10 per cent (or greater than \$100 million) between the revised estimate for 2013-14 and the target for 2014-15 for expenses from transactions (as presented in the Department's operating statement in the Statement of Finances budget paper) that relate to the following line items:

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

	2013-14 (Revised estimate) (\$ million)	2014-15 (Budget) (\$ million)	Explanation for any variances greater than ±10% (or greater than \$100 million)
Employee benefits	\$6,115	\$6,164	N/A
Grants and other transfers	\$860	\$841	N/A
Other operating expenses	\$3,202	\$3,394	See below for major components of 'other operating expenses'
Major components of 'other operating expenses' (please supply categories):			
Operating supplies & Consumables	\$1,388	\$1,477	N/A
Other services purchased from non-public sectors	\$1,279	\$1,398	The increase is primarily driven by dual sector TAFE payments being reclassified as payments to Registered Training Organisations. This is due to the <i>Education and Training Reform Amendment (Dual Sector University) Act 2013</i> .
Maintenance	\$419	\$426	N/A

If the Department is unable to provide estimates for the expenditure on the components of 'other operating expenses' in 2014-15, please explain how the amount of 'other operating expenses' listed for 2014-15 in the budget papers was calculated.

N/A

Question 11 (Department of Treasury and Finance only)

With respect to the two line items that sum to ‘Net cash flows from investments in financial assets for policy purposes’ in the general government sector cash flow statement, please identify:

- (a) the material reporting entities that contributed to estimates of cash inflows and cash outflows in 2014-15 and the forward estimates;
- (b) the expected cash flows to and from those entities in 2014-15; and
- (c) what policy objectives underlie the choice of investments.

Material reporting entity	Cash inflow (to entity) (\$ million)	Cash outflow (from entity) (\$ million)	Policy objectives
Total			

4. Efficiencies and savings

Question 12

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 2014-15 to meet the various savings targets;
- any impact that these actions will have on the delivery of services during 2014-15; and
- the Department's savings target for 2014-15, 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 2014-15	Impact of these actions on service delivery in 2014-15	Savings target for 2014-15 (\$ million)	Explanation for variances to the original target
Government election commitment savings (2011-12 Budget)	A range of strategies were implemented commencing in 2011-12 which have already delivered efficiencies. The additional amount to be achieved in 2014-15 will stem from continued implementation of these strategies.	Negligible – efficiencies targeted to areas such as reductions in back office / corporate expenditure and non-frontline service delivery.	73.1	N/A
Measures to offset the GST reduction (2011-12 Budget)	A range of strategies were implemented commencing in 2011-12 which have already delivered efficiencies. The additional amount to be achieved in 2014-15 will stem from continued implementation of these strategies.	Negligible – efficiencies targeted to areas such as reductions in back office / corporate expenditure and non-frontline service delivery.	46.7	N/A

<p>Capping departmental expenditure growth (2011-12 Budget Update)</p>	<p>A range of strategies were implemented commencing in 2011-12 which have already delivered efficiencies. The additional amount to be achieved in 2014-15 will stem from continued implementation of these strategies.</p>	<p>Negligible – efficiencies targeted to areas such as reductions in back office / corporate expenditure and non-frontline service delivery.</p>	<p>39.7</p>	<p>N/A</p>
<p>Maintain a sustainable public service (2011-12 Budget Update)</p>	<p>These efficiencies have been achieved through critical management of attrition and downsizing of non-front line staff. This strategy commenced in 2012-13 and downsizing activities are mostly complete.</p>	<p>All staff impacted by Sustainable Government initiatives are non-frontline service delivery staff.</p>	<p>40.8</p>	<p>N/A</p>

<p>Savings (2012-13 Budget)</p>	<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 will cease from 1 January 2015.</p> <p>The Government recognises that students from disadvantaged backgrounds require additional support to improve their outcomes and the 2014-15 Budget provides \$276.5 million over five years for schools to target resources to these students, including the continuation of additional equity funding for Low SES schools in 2014.</p> <p>Providing this funding directly to schools will ensure decisions that support students are made at the local level.</p>	<p>56.3</p>	<p>N/A</p>
<p>Efficiency measures (2012-13 Budget Update)</p>	<p>These efficiencies will predominately 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.</p>	<p>Negligible</p>	<p>20.0</p>	<p>N/A</p>

Efficiency measures (2013-14 Budget)	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. In addition, the increase in the government efficiency dividend will be met through efficiencies in non-frontline service delivery.	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 valued at \$1600. The government efficiency dividend only applies to back office / corporate expenditure and non-frontline service delivery.	16.2	N/A
Efficiency measures (2013-14 Budget Update)	NIL	NIL	N/A	N/A
Any savings or efficiency initiatives in the 2014-15 Budget	NIL	NIL	N/A	N/A

Question 13

Budget Paper No.2 for 2011-12 to 2013-14 indicated that funding previously allocated to departments for expenditure in the three years is to be ‘reprioritised or adjusted’ to fund new initiatives. Please provide the following information about your department’s share of the actual funding reprioritised and adjusted in these years and forecast in the 2014-15 Budget:

- (a) for 2011-12 to 2013-14:

Budget in which funding was reprioritised or adjusted	Department's share of the reprioritised or adjusted funding	What the reprioritised and adjusted funding was initially provided for	How much of the Department's funding was reprioritised or adjusted (\$ million)	Reasons for any variances between initial provision and actual reprioritisation or adjustment
2011-12	\$0.15 million*	The Department reviews its overall base budget to reprioritise appropriate funding to BERC initiatives as part of the budget process.	\$0.15 million*	N/A
2012-13	Nil*	Nil	Nil*	N/A
2013-14	\$36.1 million*	The Department reviews its overall base budget to reprioritise appropriate funding to BERC initiatives as part of the budget process.	\$36.1 million*	N/A

*Funding refers to internal reprioritisations in the 2014-15 financial year only

(b) for 2014-15

Breakdown of the projected reprioritised and adjusted funding	Quantification of proposed reprioritised and adjusted funding (for each sub-item)*
The Department regularly reviews its overall base budget to ensure resources are being allocated effectively	\$33.7 million has been reprioritised to fund priorities announced in the 2014-15 State Budget

*Funding refers to internal reprioritisations in the 2014-15 financial year only

Question 14 (Department of Treasury and Finance only)

Please provide a breakdown of the amounts making up the item 'funding from reprioritisation and adjustments' for 2014-15 and beyond, usually shown in Budget Paper No.2² as a deduction from the projected cost of new output initiatives.

Description of reprioritisation and/or adjustment	Applicable department	\$ million
Total funding from reprioritisation and adjustments		

Question 15 (Department of Treasury and Finance only)

The 2013-14 budget papers did not include a reconciliation of the savings item in Table 4.4 of Budget Paper No.2³ and the aggregate of amounts deducted for each department in Budget Paper No.3⁴ in the presentation of their new output initiatives. If such a reconciliation is not included in the 2014-15 budget papers, please provide the relevant data as per the following table:

	2014-15	2015-16	2016-17	2017-18
Savings item (BP2)				
Total of departmental deducting items ('existing resources') (BP3)				
Difference (if applicable)				
Explanation of difference for each year				

² Most recently, Budget Paper No.2, *2013-14 Strategy and Outlook*, May 2013, p.54

³ Budget Paper No.2, *2013-14 Strategy and Outlook*, May 2013, p.54

⁴ Presented in the 2013-14 budget papers as 'existing resources' in departmental output initiatives tables (Budget Paper No.3, *2013-14 Service Delivery*, May 2013, chapter 1)

5. Output and asset initiative funding

Question 16

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

- (a) the department’s base funding for 2013-14;
- (b) the initial figure used to escalate the Department’s 2013-14 base output price to maintain alignment with movements in the rate of inflation;
- (c) details of any adjustments in this rate that apply to the Department;
- (d) the final escalation rate applied to the Department’s base output price for 2013-14 to calculate the Department’s base output price for 2014-15; and
- (e) the department’s base funding for 2014-15.

Departmental base funding 2013-14	Initial escalation factor	Adjustments to escalation factor	Final escalation factor	Departmental base funding 2014-15
\$ million	Per cent		Per cent	\$ million*
9,417.9	2.5	n/a**	3.8	9,775.3

*The base year for 2013-14 was created some four years ago as part of the creation of the new financial year, and since that time it has been varied in accordance with output decisions made by Government as part of ongoing budgetary processes (including new funding approvals, productivity efficiencies and savings).

**The underlying indexation rate applied was 2.5%, in line with the consumer price index published in Budget Paper No. 2 – Strategy and Outlook.

6. Public private partnership expenditure

Question 17 (Department of Treasury and Finance only)

Please provide details of the estimated amount of expenditure on commissioned PPP projects in 2014-15 and across the forward estimates. For each year, please also indicate all PPP projects for which payments are expected to start in the year.

	2014-15	2015-16	2016-17	2017-18
Value of payments for PPP projects (\$ million)				
Projects for which payments will start in the year				

Question 18 (Department of Treasury and Finance only)

In regard to the figure in the budget papers for ‘cash flows from PPP payments’,⁵ please:

⁵ Budget Paper No.4, 2013-14 State Capital Program, May 2013, p.11

- (a) provide a revised estimate for this figure for 2013-14, and estimates for 2014-15 and the forward estimates;
- (b) indicate all line items in the budget papers (including the accompanying notes) that wholly or partly contribute to these estimates; and
- (c) provide explanations for any changes in these figures from those provided to the Committee as part of its 2013-14 Budget Estimates inquiry.

Question 19 (Department of Treasury and Finance only)

Please disaggregate the ‘cash flows from PPP payments’ figure for 2014-15 given in Question 18 into the underlying public private partnership projects where there are expected to be cash flows.

PPP Project name	Expected cash flow 2014-15 (\$ million)
Cash flows from PPP projects (as given in budget papers)	

If this is not possible, please indicate which PPP projects are expected to have cash flows during 2014-15.

PPP Projects with cash flows during 2014-15

7. Revenue initiatives, departmental income (fees, fines, taxation measures, concessions and subsidies) and tax expenditures

Question 20

In relation to 2014-15, 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 analysis;
- (c) alternative scenarios considered;
- (d) the impact of any changes on service delivery (i.e. 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; and
- (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.

Initiative/ change	Reasons for the initiative/ change	Underlying assumptions	Alternative scenarios	Impact of changes on service delivery	Performance measures or targets altered	Anticipated total value of revenue gained/foregone
There are no new revenue-raising initiatives or major changes to existing revenue initiatives.	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable

Question 21

If the 'total expenses from transactions' figure listed in the Department's comprehensive operating statement in Budget Paper No.5, is greater than the total figure in the Department's output summary table in Budget Paper No.3., please explain:

- (a) what the difference between the two figures is; and

There is a \$0.1 million rounding difference between the sum of the Department's output summary table in Budget Paper No.3 and 'Total expenses from transactions' in the Department's comprehensive operating statement in Budget Paper No. 5, Chapter 3 'Departmental financial statements'.

- (b) what the 'non-output' expenditure in the 'total expenses from transactions' figure is used for.

N/A

Question 22

In relation to 2014-15, 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 analysis;
- (c) alternative scenarios considered;
- (d) the impact of any initiatives/changes on service delivery (i.e. 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; and
- (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.

Initiative/ change	Reasons for the initiative/ change	Underlying assumptions	Alternative scenarios	Impact of changes on service delivery	Performance measures or targets altered	Anticipated total value of revenue gained/foregone
<p>Cessation of the Education Maintenance Allowance (EMA) program from 1 January 2015.</p>	<p>To contribute to the additional funding for the Victorian/Commonwealth school funding commitments, EMA payments to parents will cease from 1 January 2015.</p> <p>The Government recognises that students from disadvantaged backgrounds require additional support to improve their outcomes and the 2014-15 Budget provides \$276.5 million over five years for schools to target resources to these students, including the continuation of additional equity funding for Low SES schools in 2014.</p> <p>Providing this funding directly to schools will ensure decisions that support students are made at the local level.</p>	<p>N/A</p>	<p>The Victorian Government could have declined to agree to the Victorian/Commonwealth school funding commitment, which would have resulted in the continuation of the EMA program.</p>	<p>The new Victorian/Commonwealth school funding commitment provides that schools with the most vulnerable students will receive the funding they need to support improved learning outcomes.</p>	<p>Investment in Education Maintenance Allowance decreases by \$28.9m from the 2013-14 Expected Outcome (\$41.2m) to the 2014-15 Target (\$12.3m) reflecting the cessation of the program from 1 Jan 2015.</p>	<p>NIL</p>

<p>The Apprentice and Trainee Accommodation Allowance was superseded by the Apprentice Travel Allowance Scheme (ATAS) from 1 March 2014.</p>	<p>Current funding for the Apprentice and Trainee Accommodation Allowance was due to end 30 June 2014. Unspent funding will be refocussed on regional apprentices to pilot a travel allowance to 31 December 2014.</p>	<p>Analysis identified up to 5000 regional apprentices who may travel to attend block release training. Block release training is typically of 8 weeks (or 40 days duration). Funding of \$1 million for 2014.</p>	<p>Continue funding the Apprentice and Trainee Accommodation Allowance at the same rate.</p>	<p>Apprentice and Trainee Accommodation Allowance (\$25 per night) ceases 28 February 2014. Apprentice Travel Allowance Scheme commences 1 March 2014 (\$5 for each day of block release, overnights stay not required).</p>	<p>NIL</p>	<p>NIL</p>
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Question 23

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 10 per cent or \$100 million between the revised estimate for 2013-14 and the budget for 2014-15.

Income category	Revised estimate for 2013-14 (\$ million)	Estimate for 2014-15 (\$ million)	Explanation
Output Appropriation	\$10,529	\$10,818	The variation is primarily driven by indexation and new funding approvals to support increased demand.
Special Appropriation	\$0.3	\$13.0	The variation is primarily driven by the projected spending profile on the Commonwealth's <i>Digital Education Revolution</i> program from 2013-14 to 2014-15.
Grants	\$89.3	\$20.1	The variation is primarily driven by Commonwealth grants made directly to dual sector TAFE institutes for student tuition loans. The passing of the <i>Education and Training Reform Amendment (Dual Sector University) Act 2013</i> means that these grants are no longer reflected in the Department's 2014-15 financial statements.

8. Grants from the Commonwealth**Question 24**

What impact have developments at the Commonwealth level had on the Department's component of the 2014-15 State Budget?

A six-year agreement on funding of Victorian schools between the Victorian and Commonwealth Governments was reached in August 2013.

In December 2013, the Federal Minister for Education confirmed Commonwealth funding for Victorian schools until 2016-17 (broadly in line with funding under the Heads of Agreement) but has indicated that another quadrennial agreement would be negotiated at the expiry of the current agreement.

The Federal Minister for Education has also indicated that there will be reviews of indexation of the Schooling Resource Standard as well as the loadings for students with disability, English language proficiency and low socio-economic status in 2014. These may impact allocation and quantum of Commonwealth funding in the future.

In addition, the outcome of negotiations for the future of the National Partnership for Early Childhood Education (Universal Access) may impact on Victoria's kindergarten program.

Question 25 (Department of Treasury and Finance only)

Please explain how any major changes between financial agreements with the Commonwealth have impacted on the State Budget for 2014-15, e.g. health and hospitals reform.

Question 26 (Department of Treasury and Finance only)

What has been the impact of any changes to Victoria’s share of the GST pool for 2014-15 and beyond? Please detail any actions that the State Government has taken in response to changes in the value of general purpose grants in 2014-15.

9. Net debt

Question 27 (Department of Treasury and Finance only)

In relation to the net debt projections for the non-financial public sector for the 2014-15 budget year and over the forward estimates to 2017-18,⁶ please provide a break-down of the spread of net debt between the general government sector (GGS) and each of the main public non-financial corporations (PNFCs) concerned.

GGS/PNFC entity	Net debt, 30 June 2014	Net debt, 30 June 2015	Net debt, 30 June 2016	Net debt, 30 June 2017	Net debt, 30 June 2018

Question 28 (Department of Treasury and Finance only)

What factors or assumptions have led to changes to the estimates of borrowings and net debt for 2013 and the forward estimates between the 2013-14 Budget and the 2014-15 Budget?

⁶ Budget Paper No.5, 2013-14 Statement of Finances, May 2013, p.69

10. Performance measures

Question 29

For each initiative (asset or output) in the 2014-15 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.

Initiative	Related performance measures
Resourcing Schools to Raise Performance	<ul style="list-style-type: none"> • <i>Investment in non-government schools (Primary)</i> (existing) • <i>Investment in non-government schools (Secondary)</i> (existing) • <i>Percentage of students meeting the national minimum standard for numeracy in Year 3 (NAPLAN testing)</i> (existing) • <i>Percentage of students meeting the national minimum standard for numeracy in Year 5 NAPLAN testing</i> (existing) • <i>Percentage of students meeting the national minimum standard for reading in Year 3 (NAPLAN testing)</i> (existing) • <i>Percentage of students meeting the national minimum standard for reading in Year 5 (NAPLAN testing)</i> (existing) • <i>Percentage of Year 9 students reaching the top two Bands (Bands 9 and 10) in NAPLAN Numeracy</i> (existing) • <i>Percentage of Year 9 students reaching the top two Bands (Bands 9 and 10) in NAPLAN Reading</i> (existing) • <i>Percentage of students meeting the national minimum standard for numeracy in Year 7 (NAPLAN testing)</i> (existing) • <i>Percentage of students meeting the national minimum standard for numeracy in Year 9 (NAPLAN testing)</i> (existing) • <i>Percentage of students meeting the national minimum standard for reading in Year 7 (NAPLAN testing)</i> (existing) • <i>Percentage of students meeting the national minimum standard for reading in Year 9 (NAPLAN testing)</i> (existing) • <i>School Education - Primary Total output cost</i> (existing) • <i>School Education - Secondary Total output cost</i> (existing)
Students with Disabilities Transport Program	<ul style="list-style-type: none"> • <i>Eligible special school students provided with appropriate travel</i> (existing) • <i>Support for Students with Disabilities Total output cost</i> (existing)
Program for Students with Disabilities	<ul style="list-style-type: none"> • <i>Students funded under the disabilities program in government schools as a proportion of the total student population</i> (existing) • <i>Parent satisfaction with special education on a 100-point scale</i> (existing) • <i>Support for Students with Disabilities Total output cost</i> (existing)
Income Contingent Loans (ICL) Fair Value Payment	<ul style="list-style-type: none"> • <i>Number of government-funded course enrolments in qualifications at Diploma level or above</i> (existing) • <i>Participation rate of 15-24 year olds in training and further education in Victoria</i> (existing) • <i>Participation rate of 25-64 year olds in training and further education in Victoria</i> (existing) • <i>Higher Education and Skills Total output cost</i> (existing)

Retraining Employees in Transition	<ul style="list-style-type: none"> • <i>Participation rate of 25-64 year olds in training and further education in Victoria (existing)</i> • <i>Higher Education and Skills Total output cost (existing)</i>
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Question 30

Please indicate any changes that the Department has made since the 2013-14 Budget to increase the proportion of performance measures that indicate quality of output.

The Department has included the following new performance measures in the 2014-15 Budget that indicate quality of output:

- *Percentage of government schools where an enrolment audit is conducted*
- *Percentage of students who remain at school from Year 7 to Year 12*

11. Staffing matters

Question 31

Please fully complete the table below, providing actual FTE staff numbers at 30 June 2013 and estimates of FTE staff numbers (broken down by the categories listed below) at 30 June 2014 and 30 June 2015 for the Department. Please provide figures consolidated on the same basis as the expenditure for the Department in the budget papers.

Grade	30 June 2013 (Actual FTE number)	30 June 2014 (Expected FTE number)	30 June 2015 (Forecast FTE number)*
Secretary	1.0	1.0	
EO-1	3.0	3.0	
EO-2	45.9	43.9	
EO-3	30.8	31.8	
VPS Grade 7 (STS)	13.0	12.0	
VPS Grade 6	293.8	297.4	
VPS Grade 5	582.6	606.3	
VPS Grade 4	322.2	349.4	
VPS Grade 3	266.5	264.8	
VPS Grade 2	99.4	107.7	
VPS Grade 1	5.4	3.8	
Principals & Teachers	41,042.5	41,740.0	

Education Support	13,322.9	13,520.0	
Allied health professionals	182.9	185.7	
Nurses	465.9	434.1	
Other	14.0	20.0	
Total**	56,691.8	57,620.9	

* Government has historically not provided forecasts of future VPS levels.

** The expected number of FTE for 30 June 2014 is forecasted to be higher than 30 June 2013 as the Department backfills vacant positions as a result of the Sustainable Government Initiative.

Question 32

Please break down the actual staff numbers in your department as at 30 June 2013 and the estimates as at 30 June 2014 and 2015 according to the number of staff that are ongoing, fixed-term or casual.

	30 June 2013 (Actual FTE number)	30 June 2014 (Expected FTE number)	30 June 2015 (Forecast FTE number)*
Ongoing	43,771.8	45,157.2	
Fixed-term	12,893.5	12,436.3	
Casual	26.5	27.4	
Total**	56,691.8	57,620.9	

* Government has historically not provided forecasts of future VPS levels.

** The expected number of ongoing staff is forecast to increase as at 30 June 2014 as it includes all ongoing staff in head office as well as service delivery staff, which was exempted from the Sustainable Government Initiative.

Question 33

Please indicate, for 2013 and 2014, the estimated total number of VPS positions and non-VPS positions that the Department expects to have as at 30 June.

	30 June 2013 (Actual FTE number)	30 June 2014 (Expected FTE number)	30 June 2015 (Forecast FTE number)*
VPS positions	1,673.6	1,737.1	
Non-VPS positions	55,018.2	55,883.8	56,473.8

* Government has historically not provided forecasts of future VPS levels.

Question 34

Please detail the actual amount that the Department spent on contractors and consultants in 2012-13 and the estimated expenditure in 2013-14 (for a definition on the difference between consultants and contractors, see FRD 22D – 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.

	2012-13 Actual	2013-14 Expected	2014-15 Forecast
	(\$ million)	(\$ million)	(\$ million)
Consultants*	0.5	3.0	N/A
Contractors*^	104.6	98.7	N/A

* Excludes schools and TAFEs

^ includes payments for agency temporary labour hire.

12. Previous recommendations

Question 35

For each recommendation in the Committee's *Report on the 2013-14 Budget Estimates – Part Two* that relates to an area relevant to your department or one of its portfolio agencies, please indicate:

- (a) whether or not the action specified in the recommendation has been implemented;
- (b) if so, how it has been implemented and what publicly available information (if any) demonstrates the implementation of the recommendation; and
- (c) if not, why the recommendation has not been implemented, and the intended date of implementation.

Recommendation		Has the action specified in the recommendation been implemented?	If yes:		If no:	
			How has it been implemented?	What publicly available information, if any, shows the implementation?	Why not?	When is the intended date of implementation?
23	Departments in future budget papers ensure that all objective indicators are clearly quantifiable or measurable.	Yes	The Department of Education and Early Childhood Development (DEECD) reports on the objective measures in its annual report	The DEECD Annual Report		