



PUBLIC ACCOUNTS AND ESTIMATES COMMITTEE

2016-17 BUDGET ESTIMATES QUESTIONNAIRE

1. Strategic priorities

Question 1

Regarding the machinery-of-government changes that occurred during 2014-15, please:

- (a) provide a revised estimate of the costs of carrying out the changes for 2015-16 and any estimated costs anticipated during 2016-17. Please include all costs of the changes, such as IT-related costs or relocation costs, excluding staff costs.

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

Year	Costs related to machinery-of-government changes
2015-16	0.0*
2016-17	0.0

* please note that the Department reported an estimate cost of \$10,200 for the DET MoG in 2014-15 at the Legal and Social Issues Committee (LSIC) on Tuesday 21 July 2015. This LSIC cost was based on an estimation of the write-off of redundant stationary stock. An actual cost of \$0.0 million was reported in the Department's 2013-14 and 2014-15 financial and Performance Outcomes questionnaire as DET does not monitor stationery purchases at a centralised level and any purchases made as a result of the name change were undertaken as part of a business as usual process.

- (b) provide a revised estimate for 2015-16 and estimate for 2016-17 for 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)
2015-16			
Redeployment	N/A		
Redundancies	N/A		
Non-renewal of contracts	N/A		
Staff reductions through other means	N/A		
Areas where reductions are anticipated	N/A		
2016-17			
Redeployment	N/A		
Redundancies	N/A		
Non-renewal of	N/A		

contracts			
Staff reductions through other means	N/A		
Areas where reductions are anticipated	N/A		

- (c) 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 2016-17 and over the forward estimates to 2019-20?

The Department's strategic priorities of achievement, engagement, wellbeing and productivity will support the Government to deliver on election commitments, manage demand and fulfil other key priorities that support the Government's goal of establishing Victoria as the 'Education State'.

In the Education State Victoria will become a place where:

- children and young people are confident, optimistic, healthy and resilient
- students and children reach their potential, regardless of background, place, circumstance or abilities
- Victorians develop knowledge, skills and attributes needed now and for the jobs of the future
- the Department's workforce is high performing, empowered, valued and supported.

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

The Department's key strategic priorities underpinning its budget for 2016-17 are broadly aligned with the priorities from the previous year.

- (c) What are the impacts of any differences in the Department's strategic priorities between 2015-16 and 2016-17 on funding and resource allocation in the 2016-17 Budget?

The Department of Education and Training reviews its output structure and performance measures regularly to ensure they continue to align with, and support, its objectives.

The Higher Education and Skills output has been renamed to Training, Higher Education, Workforce Development and Skills. This recognises the continuum of vocational education and training and higher education in the role of supporting students and communities by working with industry and employers to help deliver skills, to grow jobs, and to meet the needs of the workforce and the economy.

- (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 2015-16 and 2016-17. 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 2015-16 (that is, they will not be continued in 2016-17). For each program or initiative, please indicate the expenditure on this program/initiative in 2015-16. If the program or initiative is to be extended, please identify whether the Department's own sources will be used or name any initiatives in the 2016-17 Budget that replace the lapsing initiative. 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 this. 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 2015-16 (\$ million)	If it is to be extended into 2016-17, how is the program or initiative to be funded?	Impact on the community of lapsing or actions taken by the Department to ensure there is no impact
Science Graduate Scholarship Program*	0.88	N/A	<p>As part of the Science Graduate Scholarship Program, 101 scholarships were provided in 2012, 97 in 2013, 108 in 2014 and continued into 2015 with 100 No new scholarships were awarded in 2016.</p> <p>The impact of this program is currently being determined by an external evaluation, and this will inform future funding decisions by Government.</p>

<p>Maternal and Child Health Services Reform</p>	<p>0.60</p>	<p>A number of projects funded under this allocation will continue in 2016-17. This is to be funded by re-phased funding for the initiative.</p>	<p>This one-off funding has supported a number of key initiatives that are building on and supporting the Victorian MCH Service, including:</p> <ul style="list-style-type: none"> • the MCH Service Innovation Fund. • adapting a family violence practice guide for MCH professionals to better support nurses when working with those experiencing family violence. <p>As this was a one-off funding allocation, none of these initiatives are tied to direct service provision, and there is no expectation of ongoing funding. As such, there will no impact on service delivery.</p> <p>In the 2016-17 budget, the Victorian Government has committed:</p> <ul style="list-style-type: none"> • \$133.1 million to ensure the continued delivery of high-quality MCH services to every Victorian family, for improved MCH data management and better communications with parents; • \$32.3 million to develop a new intensive in-home support service; and • \$1.6 million for tailored Aboriginal MCH services.
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Asbestos removal program	15.00	N/A	<p>The 2015-16 State Budget provided \$42 million of this commitment, which included \$15.0 million (operating) to demolish 780 old, asbestos-containing relocatable classrooms across the system.</p> <p>This \$15.0 million was always intended as a one off output funding, as part of the \$100 million commitment. As a result, there will be no impact on the community after this program lapses.</p> <p>The 2016-17 State Budget includes \$28 million TEI to continue to remove asbestos in schools.</p>
Vulnerable Children Support and Demonstration Projects	0.10	An evaluation of the initiative is due for completion in August 2016. This is to be funded by re-phased funding for the initiative.	<p>The evaluation of the initiative is due for completion in August 2016.</p> <p>Regardless of continuation of the use of the practice model, families that have participated in the this trial will continue to be able to access services from participating agencies, as the trial is testing a practice approach delivered through existing programs rather than delivering a new program or service. Access to existing programs will remain available.</p> <p>The Royal Commission into Family Violence made a number of recommendations about the importance of services working more closely together, and the Government has committed to implementing these recommendations. Implementation of the recommendations of the Royal Commission into Family Violence will go beyond the scope of this trial.</p>

Sustaining the Universal Maternal and Child Health Service (top up funding)	17.19	The 2016-17 State Budget includes \$133.1 million over four years to continue funding the universal and enhanced Maternal and Child Health services.	There will be no impact on the community. The Universal Maternal and Child Health services will continue.
Sustaining the Enhanced Maternal and Child Health service (WoG initiative) (top up funding)	4.52	The 2016-17 State Budget includes \$133.1 million over four years to continue funding the universal and enhanced Maternal and Child Health services.	There will be no impact on the community. and The Enhanced Maternal and Child Health services will continue.

Question 4

What are the key Government policies applicable to the Department in 2016-17 and how are these policies addressed in this budget?

The Victorian Government has announced ambitious plans to make Victoria the Education State. Spanning all three portfolios: Families and Children; Education; and Training and Skills, the Education State is about giving every Victorian the opportunity to succeed in life, regardless of background, place or circumstance.

Central to delivering the Education State is ensuring every child has access to the services that the Department provides. This has driven significant investment into both the 2015-16 and 2016-17 Budgets into school infrastructure to both upgrade and modernise existing schools and provide new school facilities in areas of high growth.

In addition to this investment, over the last year the Government has:

- launched a significant Education State agenda in schools, including new funding and new initiatives from 2016, ambitious targets, and increased support and guidance to schools
- undertaken an extensive public consultation process for early childhood development, the findings of which will inform further work to develop a long-term early childhood reform plan, and
- received the final report of the VET Funding Review, which signals a commencement of the Education State agenda for higher education and skills.

The 2015-16 Budget focused on laying the foundations for the Education State, the 2016-17 Budget is building upon this initial investment to ensure the vision of Victoria as the Education State is realised.

A focus on disadvantage and equity has also led to a strong government response to the Royal Commission into Family Violence, an immediate injection of funding into special needs education as a result of the Review into the Program for Students with a Disability, and additional funding for refugees through the English as an Additional Language program and Refugee Education Support initiative.

Question 5

- (a) Please provide details of the Department's progress at developing corporate plans and long-term plans as detailed in BFMG-03 and the Department of Treasury and Finance's *A Guide to Corporate and Long-Term Planning* (April 2014).

The Department is in the process of developing its 2016-2020 Strategic Plan in accordance with DTF planning requirements. It will meet DTF's Performance Management Framework requirements that:

- a four year rolling Corporate Plan be completed by 31 July annually
- the Plan be approved by the coordinating Minister (Minister for Education).

- (b) If the Department's corporate plan is online, please provide the address below.

The Department's 2015-2019 Interim Strategic Plan was not publicly released as the Department was in the process of public consultation regarding the Education State. The Department's vision and statement of Strategic intent have since been developed and

released online via: <http://www.education.vic.gov.au/about/departments/Pages/stratplan.aspx> and <http://www.education.vic.gov.au/about/departments/Pages/default.aspx>

It is intended that the 2016-2020 Plan bring together the Education State policy reforms into a single cross-portfolio narrative which will provide direction to staff and stakeholders when externally released.

- (c) If it is not online, please explain why it is not online and advise whether it is intended to be made publicly available in the future.

The Department's Interim 2015-2019 Strategic Plan was primarily developed to assist with whole-of-government service planning, and was released internally to DET staff to assist with Departmental planning. The interim nature of the plan reflected that at the time of development, the Department was undertaking a major consultation on defining the Education State vision and strategic directions.

Subsequently, the Government has publicly released the Education State: Schools reform agenda, has completed Education State: Early Childhood consultations, and has released a response to Vocational Education and Training Funding review – Skills and Jobs in the Education State. The strategic directions outlined in these public reports have been widely communicated and supersede those in the Interim Strategic Plan.

It is intended that the 2016-2020 Strategic Plan bring together the Education State strategic directions into a single cross-portfolio narrative for public release.

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

1. Macro-economic uncertainty and any potential economic downturn will adversely impact on the level of self-raised revenue in both School and TAFE sectors.

(b) major areas of risk identified by the Department for its expenses estimates

Population growth

Population growth is a risk to the Department's expense estimates. In particular, additional population increases demand and places pressure on services such as Maternal and Child Health, kindergarten, schools and the vocational education and training service. The impact on the Department's expenses depends on the nature of the service (universal or targeted) and the extent to which demand pressures are able to be managed within existing service systems.

Funding reform for key services

The Government has committed to delivering a VET funding system that provides a more sustainable model for public TAFE Institutes and private training providers. The effective design of the new funding arrangements, and the extent to which they provide certainty for budget management, are critical to managing expense risks going forward.

(c) what measures have been put in place to manage these risks.

Population growth

- The Department undertakes detailed planning to support future enrolment growth for key services. In addition, the Department continues to review its operations to increase the efficiency and effectiveness of its existing service delivery.

Funding reform for key services

The Government has also undertaken reviews into VET funding (led by reviewer Bruce Mackenzie). The Department is currently undertaking a redesign of the VET funding system ahead of the 2017 training year.

Question 7

Please describe any expected sources of income or expenses where the Department has made a conservative estimate in the budget year or any year over the forward estimates, and as a result 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', grants from new national partnerships that the Commonwealth might announce at some point during the forward estimates period, or donations to community appeals.

Source of income/expenses	Affected line item	Details
N/A		
<p>Please note: The Commonwealth is yet to make a number of decisions on the future of several National Partnership agreements which may vary expected sources of income over the forward estimates. For example, as described in detail in the response to question 25, there is currently a lack of clarity about the Commonwealth's plans for the future of the National Partnership on Universal Access to Early Childhood Education (the current National Partnership ends at the end of 2017) and the National Partnership on the National Quality Agenda for Early childhood Education and Care. These changes are currently unknown and as such future impact cannot be anticipated.</p>		

3. Spending

Question 8

Please explain any variations of more than ± 10 per cent (or greater than \$100 million) between the revised estimate for 2015-16 and the budget for 2016-17 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).

	2015-16 (revised estimate)	2016-17 (Budget)	Explanation for any variances greater than $\pm 10\%$ (or greater than \$100 million)
	(\$ million)	(\$ million)	
Employee benefits	6,633	6,936	The variation is primarily driven by: <ul style="list-style-type: none"> • additional funding for student enrolments growth in government schools, • Enterprise Bargaining Agreement (EBA) outcomes, and • implementation of the Government's Education State initiatives.
Grants and other transfers	875	1,020	This is primarily due to : <ul style="list-style-type: none"> • change in composition of funding under VTG, and • estimated carryover budget from 2015-16.

Other operating expenses	3,644	3,798	<p>The variation is primarily driven by:</p> <ul style="list-style-type: none"> • implementation of the Government's Education State initiatives, • change in composition of funding under VTG, and estimated carryover budget from 2015-16, and disaggregation and reallocation of accounts based on a new whole of Government chart of accounts review, which was recommended by the PAEC in September 2015 to improve transparency and completeness.
Major components of 'other operating expenses' (please supply categories):	N/A	N/A	N/A
Purchase of Services – Intra-government	8	10	This is due to disaggregation and reallocation of accounts based on a new whole of Government chart of accounts review.
Other Operating Supplies and Consumables	1,677	624	<p>This is primarily due to :</p> <ul style="list-style-type: none"> • change in composition of funding under VTG, estimated carryover budget from 2015-16, and • disaggregation and reallocation of accounts based on a new whole of Government chart of accounts review.
Information Communication Technology Supplies and Cons	N/A	109	This is primarily due to disaggregation and reallocation of accounts based on a new whole of Government chart of accounts review.

Cost of Goods Sold - non-public sector	8	11	This is primarily due to disaggregation and reallocation of accounts based on a new whole of Government chart of accounts review.
Other Services Charges	1,594	114	This is primarily due to : <ul style="list-style-type: none"> • estimated carryover budget from 2015-16, • the implementation of the Government's Education State initiatives, and • disaggregation and reallocation of accounts based on a new whole of Government chart of accounts review.
Professional Services	N/A	119	This is primarily due to disaggregation and reallocation of accounts based on a new whole of Government chart of accounts review.
Accommodation/Occupancy	N/A	249	This is primarily due to disaggregation and reallocation of accounts based on a new whole of Government chart of accounts review.
Information Communication Technology - Purchase of Services	N/A	178	This is primarily due to disaggregation and reallocation of accounts based on a new whole of Government chart of accounts review.
Service Contracts	44	1,700	This is primarily due to : <ul style="list-style-type: none"> • change in composition of funding under VTG, and disaggregation and reallocation of accounts based on a new whole of Government chart of accounts review.

Maintenance	277	313	This is due to additional funding provided for essential maintenance as part of the 2016-17 budget.
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If the Department is unable to provide estimates for the components of 'other operating expenses' in 2016-17, please explain how the amount of 'other operating expenses' listed for 2016-17 in the budget papers was calculated.

N/A

Question 9

For the line item 'payments for non-financial assets' for 2016-17 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 2015-16.

NIL

Question 10

In relation to the break-down of expenses from transactions disaggregated by government purpose classification in the budget papers, please provide details of the Department's component of the expenses in each category for 2015-16 and 2016-17. Please explain any variations between the years that are greater than ± 10 per cent (or greater than \$100 million) between 2015-16 and 2016-17 estimates.

For reference, the relevant information was in Note 12(a) to the general government sector consolidated operating statement the 2015-16 Statement of Finances budget paper, p.34.

Government purpose classification	2014-15 actual (\$ million)	2015-16 revised estimate (\$ million)	2016-17 Budget (\$ million)	Explanation for any variances greater than $\pm 10\%$ (or greater than \$100 million) between 2015-16 and 2016-17 estimates.
General public services	N/A	N/A	N/A	N/A
Public order and safety	N/A	N/A	N/A	N/A
Education	12,777.7	13,829.4	14,580.5	The increase is primarily due to indexation, additional funding for student enrolment growth in 2015-16 and new funding announced as part of the 2016-17 Budget process.
Health	97.8	119.4	108.4	N/A

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Social security and welfare	115.5	111.9	100.8	N/A
Housing and community amenities	N/A	N/A	N/A	N/A
Recreation and culture	N/A	N/A	N/A	N/A
Fuel and energy	N/A	N/A	N/A	N/A
Agriculture, forestry, fishing and hunting	N/A	N/A	N/A	N/A
Transport and communications	N/A	N/A	N/A	N/A
Other economic affairs	N/A	N/A	N/A	N/A
Other purposes	N/A	N/A	N/A	N/A

4. Expenditure reduction measures

Question 11

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

- (a) what actions the Department will take in 2016-17 to meet the various savings targets
- (b) any impact that these actions will have on the delivery of services during 2016-17
- (c) the Department's savings target for 2016-17, with an explanation for any variances between the current target and what was originally published in the budget papers when the initiative was released. If the change in Government affected the implementation of these measures, please provide a more detailed explanation.

Initiative	Actions the Department will take in 2016-17	Impact of these actions on service delivery in 2016-17	Savings target for 2016-17 (\$ million)	Explanation for variances to the original target
Efficiency and expenditure reduction measures in 2013-14 Budget (2013-14 BP3 pp.62-4)	<p>The Trade Bonus for apprentices has not been paid to apprentices commencing after 30 June 2013. Payments 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-front-line service delivery</p>	19.9	N/A

Efficiency measures in 2013-14 Budget Update (2013-14 BU pp.129-30)	NIL	NIL	N/A	N/A
Efficiency and expenditure reduction measures in 2014-15 Budget (2014-15 BP3 p.79)	General Efficiency Dividend, additional efficiency dividend will apply to non-frontline Department expenditure.	Negligible - the government efficiency dividend will affect only back office / corporate staff and will not impact frontline service delivery.	2.9	N/A
Efficiency and expenditure reduction measures in 2015-16 Budget (BP3 pp.105-7)	These savings will be achieved through corporate efficiencies predominately by reducing government travel expenses, 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 delivery.	2.3	N/A

<p>Any efficiency and expenditure reduction measures in 2016-17 Budget</p>	<p>The Department will reduce its operating expenditure, including by reducing the use of temporary labour hire and contractors, realising program allocations with respect to updated usage information and ceasing a redundant funding allocation.</p>	<p>Negligible – the efficiency measures will predominately be achieved through corporate efficiencies, re-scoping of professional development courses and the cessation of the TAFE Structural Adjustment Fund.</p>	<p>13.2</p>	<p>N/A</p>
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Question 12

In relation to any programs or initiatives that have been reprioritised, curtailed or reduced for 2016-17 (including lapsing programs), please identify:

- (a) the amount expected to be spent under the program or initiative during 2016-17 at the time of the 2015-16 Budget
- (b) the amount currently expected to be spent under the program or initiative during 2016-17
- (c) the use to which the reprioritised funds will be put. Please include the name(s) of any program or initiative that will be funded or partially funded through the reprioritisation.

Program/initiative that has been reprioritised, curtailed or reduced	the amount expected to be spent under the program or initiative during 2016-17:		The use to which the reprioritised funds will be put
	at the time of the 2015-16 Budget	at the time of the 2016-17 Budget	
VCAA pen and paper delivery of NAPLAN (transition to NAPLAN online)	\$10.3m	\$0	This funding will support the Government's new Transition to NAPLAN online initiative.
Victorian Training Guarantee (VTG)	\$1326.00	\$1200.00	Returned to consolidated revenue.

Question 13

In relation to any funding from reprioritisation of existing resources in the 2016-17 Budget for your department, please provide the following information in relation to each initiative, program or project from which \$1.0 million or more of funding has been reprioritised. In describing initiatives, please use the same names as are used in the budget papers.

For reference, the aggregated information was in Table 4.4 (net impact of the *2015-16 Budget* new output initiatives) in 2015-16 Budget Paper No.2.

Initiative, program or project for which funding was initially provided	Amount reprioritised for 2016-17 (\$ million)	Amount reprioritised for 2017-18 (\$ million)	Amount reprioritised for 2018-19 (\$ million)	Amount reprioritised for 2019-20 (\$ million)
VCAA pen and paper delivery of NAPLAN	\$10.3m	\$10.3m	\$10.3m	Nil
Teachers Notebook Program	\$25.9m	\$9.6m	\$5.9m	\$7.5m
Technical support in schools (IT)	\$41.2	\$32.9m	\$32.9m	\$32.9m

5. Output and asset initiative funding

Question 14

Please list the factors that contributed to changes in total income from transactions reported in departmental operating statements in the budget papers between 2015-16 and 2016-17, as in the following table:

	Amount		Explanation
	(per cent)	(\$ million)	
Total income from transactions 2015-16	Na	12,816	
New output initiative funding	6%	767	Approved Budget initiatives.
Inflation adjustment	2%	235	Indexation for delivery of frontline services.
Savings, redirection and efficiency measures	(2%)*	(234) *	Net impact from Government decisions.
Carryover	1%	83	Net movement from Financial Year 2015-2016 to Financial Year 2016-17
Net movement in other income	0%	(54) *	
Other	0%	(36)*	Mainly relates to realignment of capital program which reduced revenue required for depreciation and amortisation
Total income from transactions 2016-17	Na	13,577	

* indicates negative

Question 15

Please provide the following details of any outputs for which output resources allocation reviews or base reviews (as described in BFMG-05) were completed, or expected to be completed, in 2015-16:

(a) output resources allocation reviews

Output(s)	How the review was initiated	Changes as a result	Reasons for the change
VET Funding	<p>Launched by the Minister for Training and Skills on 9 February 2015 and led by Reviewer Bruce Mackenzie, with Deputy Reviewer Neil Coulson, this review undertook extensive public consultation with stakeholders from across the Vocational Education and Training (VET) sect.</p> <p>The review was charged with recommending ways to transform Victoria's training system.</p>	<p>The government supports the general direction of the Review to achieve a more managed, stable, contestable training system that meets the skills needs of communities and industries across Victoria. Government has set out six building blocks to reform which include: a clear vision for what Government expects from the VET system; a new, stable and sustainable funding model; a commitment to restoring strong and sustainable TAFEs and Learn Local providers; a commitment to putting industry, employers and students first, in order to boost jobs and productivity; a commitment to a fair and equitable funding system and a commitment to placing quality and continuous</p>	<p>A lack of the necessary quality assurance, inadequate consumer information, the removal of TAFE supplementary funding, failure to cater appropriately to regional and rural areas, along with repeated changes to market settings and subsidies over recent years as well as a changing economy have all necessitated a change.</p>

		improvement at the heart of VET.	
Government School Funding Review	<p>The Government appointed the former Premier, the Hon Steve Bracks AC, to undertake a comprehensive review of schools funding.</p> <p>The review was asked to consider:</p> <ul style="list-style-type: none"> • how government school funding is currently allocated and used • Commonwealth contributions to government school funding in Victoria • how the Student Resource Package is calculated, constructed and distributed and • how to make sure the system is clear and transparent for principals and school communities on school funding and how it is determined. 	<p>There is no change as yet.</p> <p>The Review was released on 3 April 2016 and sets out 70 wide-ranging recommendations for reforming the Victorian school funding system.</p> <p>Over the coming months the Victorian Government will carefully consider and work through the recommendations to ensure any changes are meaningful and implemented effectively.</p>	N/A

(b) base reviews

Output	How the review was initiated	2015-16 base funding (\$ million)	2016-17 base funding (\$ million)	Reasons for the change
N/A				

Question 16

In relation to the asset initiatives released in the 2016-17 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.

For reference, asset initiatives released in the 2015-16 Budget for the Department were detailed in *Budget Paper No.5: 2015-16 Statement of Finances*.

	2015-16 (\$ million)	2016-17 (\$ million)	2017-18 (\$ million)	2018-19 (\$ million)	2019-20 (\$ million)	TEI (\$ million)
Funding from the Department's own sources	33.7	128.0	380.7	139.5	3.8	685.7
New funding specifically for these initiatives in 2016-17 Budget	Nil	209.3	Nil	Nil	Nil	209.3
Total asset initiatives (as in Service Delivery budget paper)	33.7	337.3	380.7	139.5	3.8	895.0

Question 17

- (a) Please quantify the Department's balance of applied appropriations unspent as at 30 June 2015 as defined in the notes to note 39(a) of the 2014-15 Financial Report for the State, along with estimates for the equivalent figures as at 30 June 2016 and 2017.

	2015 (\$ million)	2016 (\$ million)	2017 (\$ million)
Applied appropriations unspent as at 30 June	581.818	291.0	NIL

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

The 2014-15 actual is lower than the 2014-15 target primary due to (by output group):

- Higher Education and Skills output - Lower than expected number of enrolments in government subsidised training, fewer concessional enrolments and the timing of the

delivery of programs such as Victorian Training Guarantee.

- Early Childhood and School Education output – timing of commonwealth payments for national partnership s which were paid to Victoria late in the financial year
- All departmental outputs – unforeseen issues, such as delays in stakeholder negotiations, change in government priorities and on-flow impacts of delayed projects are the main reasons for the remaining underspend across the whole portfolio.

The balance of unspent appropriation in 2015-16 primarily reflects a change in the composition of funding under VTG, and recommendations from the Victoria Education and Training Funding (MacKenzie) review.

The Department is fully committed towards the delivery of education services and continues to regularly monitor spending.

6. Public private partnership expenditure

Question 18

Please identify the PPP projects that are being managed by the Department or its controlled entities:

- (a) Under construction (including in planning)

New Schools Public Private Partnership (PPP) Project

- (b) In operation (commissioned).

Partnerships Victoria in Schools Project

Question 19

For each line item in the Department's comprehensive operating statement or statement of cash flows which includes expenditure on all PPP projects in 2016-17 or across the forward estimates period, please identify:

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

For reference, the Department's comprehensive operating statement or statement and cash flows were detailed in *Budget Paper No.5: 2015-16 Statement of Finances*.

Line item	2015-16 revised (\$ million)	2016-17 (\$ million)	2017-18 (\$ million)	2018-19 (\$ million)	2019-20 (\$ million)	Explanation
PPPs under construction (including in planning)- New Schools Public Private Partnership (PPP) Project						
Depreciation and amortisation (operating statement)	-	-	6.294	6.294	6.294	Amortisation
Interest expense (operating statement)	-	5.581	15.283	18.547	18.152	Finance lease interest
Other operating expenses (operating statement)	-	2.114	5.964	7.378	7.660	Recurrent/operating costs- FM, Lifecycle and school initiated works

State Based Costs (operating)	5.31*	10.01	5.85	-	-	Project management costs (including salaries and consultant costs), site establishment grants, ICT and ICT project manager, furniture fixtures and equipment, construction of Heather Grove road and Retained risk.
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* Budget for 2015/16

PPPs in operation						
Depreciation and amortisation (operating statement) ¹	3.896	3.896	3.896	3.896	3.827	Amortisation
Interest expense (operating statement)	11.532	11.217	10.914	10.591	10.275	Finance lease interest
Other operating expenses (operating statement)	8.132	8.251	8.366	8.355	8.317	Lifecycle and modification
State Based costs (operating) ²						

¹ This does not include Contingent Rental costs.

² Estimated costs for 2015-2016 are \$745,000. The Project does not have a separate operating budget and State operating costs are funded within the funding envelope for the PViS Project.

7. Revenue

Question 20

Please disaggregate the Parliamentary Authority for the Department for 2016-17 as in the table below.

	Provision of outputs (\$ million)	Additions to the net asset base (\$million)	Payments made on behalf of the State (\$million)	Total (\$million)
Annual appropriations	(b) 11,456.6	(b) 209.3	(b) -	(a) 11,666.0
Receipts credited to appropriations	(b) 492.5	(b) 33.0	(b) -	(a) 525.5
Unapplied previous years appropriation	(b) 200.0	(b) -	(b) -	(a) 200.0
Accumulated surplus – previously applied appropriation	-	-	-	(a) -
Gross annual appropriation (sum of previous 4 rows)	12,149.1	242.3	-	(a) 12,391.5
Special appropriations	12.0			(a) 12.0
Trust funds	3,116.1	-	-	(a) 3,116.1
Total parliamentary authority (sum of previous 3 rows)	15,277.2	242.3	-	(a) 15,519.6

(a) available in the 'Parliamentary authority for resources' table for the Department in Budget Paper No.3.

(b) available in Appendix A of Budget Paper No.5.

Question 21

In relation to 2016-17, please outline any new revenue-raising initiatives released in the 2016-17 Budget. For each initiative, please explain:

- (a) the reasons for the initiative
- (b) the assumptions underlying the reasons
- (c) 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)
- (d) any performance measures or targets altered as a result of the initiative
- (e) the anticipated total value of revenue gained/foregone as a result of the initiative.

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	Impact of changes on service delivery	Performance measures or targets altered	Anticipated total value of revenue gained/foregone
- NIL -	- NIL -	- NIL -	- NIL -	- NIL -	- NIL -

Question 22

In relation to 2016-17, please outline any other major changes to existing revenue initiatives. For each change, please explain:

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

Where possible, please use names for programs or initiatives as are used in the budget papers.

Change	Reasons for the change	Underlying assumptions	Impact of changes on service delivery	Performance measures or targets altered	Anticipated total value of revenue gained/foregone
- NIL -	- NIL -	- NIL -	- NIL -	- NIL -	- NIL -

Question 23

In relation to 2016-17, 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) 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)
- (d) any performance measures or targets altered as a result of the initiative/change
- (e) 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		Impact of changes on service delivery	Performance measures or targets altered	Anticipated total value of revenue gained/foregone
- NIL -	- NIL -	- NIL -	- NIL -	- NIL -	- NIL -	- NIL -

Question 24

For the Department's income categories, as per 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 2015-16 and the budget for 2016-17.

Income category	Revised estimate for 2015-16 (\$ million)	Estimate for 2016-17 (\$ million)	Explanation
Output appropriations	11,563.4	12,149.1	The variation is primarily driven by : <ul style="list-style-type: none"> - indexation and additional funding for student enrolment growth; - implementation of the Government's Education State initiatives; and - new funding, approved as part of the 2016-17 State Budget.
Grants	8.4	6.1	The variation is primarily driven by the reduction of commonwealth TAFE capital grants.
Special appropriations	22.0	12.0	The reduction is primarily due to re-phasing of the Commonwealth funding for the Digital Education Revolution.

Question 25

What impact have developments at the Commonwealth level had on the Department's component of the 2016-17 State Budget?

The 2016-17 State Budget was released before the 2016-17 Federal Budget. The Commonwealth has initiated processes to develop White Papers on the Reform of the Federation and Reform of Australia's Tax System, but there is not yet clarity on direction for education reforms or timing for finalisation of the White Papers. This has contributed to a lack of certainty about ongoing Commonwealth engagement with and funding for education services within Victoria.

In relation to early childhood, there is currently a lack of clarity about the Commonwealth's plans for the National Partnership on Universal Access to Early Childhood Education (the current National Partnership ends at the end of 2017) and the National Partnership on the National Quality Agenda for Early childhood Education and Care (Commonwealth funding for 2015-16 is yet to be settled). In 2015 the Commonwealth announced its *Jobs For*

Families Childcare Package, but the legislation has not yet passed parliament. Implications for Victoria will not be clear until further detail is known on the Commonwealth's final legislative package and the Minister's Rules that support it.

In relation to schools, in the 2014-15 Federal Budget, the Federal Treasurer confirmed that the Commonwealth Government would not fund years 2018 and 2019 of the Gonski agreement as agreed with signatory states. Instead, from the 2018 school year onwards, total recurrent funding is proposed to be indexed by the Consumer Price Index, with an allowance for changes in enrolments. The Victorian Government will meet its obligations under Gonski, with full allocations for the 2016 and 2017 school years. The Government response to the Bracks Review into school funding will inform budget decisions beyond 2017.

The Commonwealth has indicated that school funding arrangements post-2017 will not be negotiated with the states and territories until after the 2016 federal election. As such, there has been limited discussion of school funding through the Reform of the Federation White Paper process. On 1 April 2016 the Council of Australian Governments (COAG) agreed that discussions on new funding arrangements should be concluded by early 2017.

In relation to vocational education and training, the Commonwealth has not made any commitment to provide funding under the National Partnership Agreement on Skills Reform beyond its expiry in June 2017. The Commonwealth had indicated that it would not engage in discussions on new funding arrangements until the Reform of the Federation process had concluded. However, after the issue was raised by state and territory ministers at the COAG Industry and Skills Council meeting on 1 April 2016, the Commonwealth agreed to discuss it at the next Council meeting.

Under the terms of the National Partnership Agreement on Skills Reform, the Victorian Government makes an annual contribution towards the cost of the Commonwealth's income contingent VET FEE-HELP loan scheme for those students that undertake training subsidised by the Victorian Government. The Commonwealth invoices the Department annually for 50 per cent of the debt not expected to be repaid and the concessional loan discount for loans undertaken by government subsidised students in Victoria.

On higher education, uncertainty remains around future Commonwealth funding. The reforms contained in the 2014-15 Federal Budget have not yet been passed by the Senate but remain in the Commonwealth's forward estimates.

8. Performance measures

Question 26

For each initiative (asset or output) in the 2016-17 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
Maintaining the essential Maternal and Child Health Service	<ul style="list-style-type: none"> • Total number of Maternal and Child Health Service clients (aged 0-1 year) • Maternal and child health clients with children aged 0-1 year receiving additional support through enhanced maternal and child health services. • Children aged 0-1 month enrolled at maternal and child services from birth notifications.
Supporting vulnerable Families	<ul style="list-style-type: none"> • Maternal child health clients with children aged 0-1 year receiving additional support through enhanced maternal child health services
Program for Students with Disabilities – response to the review	<p>Quantity</p> <ul style="list-style-type: none"> • Average days lost due to absence at Year 5 • Average days lost due to absence in Year 6 • Average days lost due to absence in Years 7-10 <p>Quality</p> <ul style="list-style-type: none"> • Percentage of students above the bottom three bands for reading in Year 3 – NAPLAN testing) • Percentage of students above the bottom three bands for reading in Year 5 (NAPLAN testing) • Percentage of students above the bottom three bands for reading in Year 7 (NAPLAN testing) • Percentage of students above the bottom three bands for reading in Year 9 (NAPLAN testing) • Years 5-6 students’ opinion of their connectedness with the school. • Years 7-9 students ‘ opinion of their connectedness with the school • Percentage of students who remain at school from Year 7 to Year 12 • Percentage of Victorian Certificate of Applied Learning Certificates satisfactorily completed by school students

<p>Transition to NAPLAN online</p>	<ul style="list-style-type: none"> • Proportion of schools who adopt NAPLAN online by 2017 according to the transition strategy adopted by Victoria. • Proportion of schools who adopt NAPLAN online by 2018 according to the transition strategy adopted by Victoria • Proportion of schools who adopt NAPLAN online by 2019 according to the transition strategy adopted by Victoria. • Provision of preliminary report of student and school results within three weeks of the test (for the online test only).
<p>Essential Maintenance</p>	<p>Although this initiative does not directly relate to any output performance measure this contributes to the achievement of all school education and higher education measures as it provides schools with safe and secure facilities allowing them to deliver teaching and learning to all Victorian government students.</p>
<p>Program for Students with Disabilities</p>	<p>Students funded under the disabilities program in government schools as a proportion of the total student population.</p>
<p>Vocational and workplace learning initiatives</p>	<p>This includes support for senior secondary student access to Structured Workplace Learning (SWL) placements and the continued operation of 39 government school led Trade Training Centres (TTCs) and the four former Australian Technical Colleges (ATCs) in 2016-17.</p> <ul style="list-style-type: none"> • (SWL initiative only – quality) <ul style="list-style-type: none"> - Percentage of school leavers completing an intermediate or Senior VCAL certificate in a school progressing to further education. Training or work. • (TTCs/ATCs only - quantity) <ul style="list-style-type: none"> - Number of school students enrolled in VCAL - Number of school students participating in accredited vocational programs - Number of school-based apprentices/trainees
<p>Doctors in Secondary School (output)</p>	<ul style="list-style-type: none"> • Average days lost to absence in Year 11 and 12 • Average days lost due to absence in Years 7-10 • Percentage of students who remain at school from Year 7 to Year 12

<p>Teachers Notebook Program</p>	<ul style="list-style-type: none"> • This program will contribute to improving performance by providing Victorian teachers with access to essential professional tools, allowing them to more effectively perform their daily work and improve education outcomes. • While this will indirectly contribute to the Department's BP3 measure outcomes, it is not possible to accurately quantify the impact of the program. Specific Key Performance Indicators have been included, to provide measured evidence that benefits have been delivered.
<p>New Schools for growing communities</p>	<p>Although this initiative does not directly relate to any output performance measure it contributes to the achievement of all school education measures by helping to:</p> <ul style="list-style-type: none"> • Meet demand for education services • Enable community engagement and partnerships • Deliver centres of excellence and innovation.
<p>Capital Works at existing schools</p>	<p>Although this initiative does not directly relate to any output performance measure it contributes to the achievement of the benefits identified in Building the Education State;</p> <ul style="list-style-type: none"> • Community engagement and partnerships • Centres of excellence and innovation • Safe, sustainable, inclusive schools for all students.
<p>Relocatable Classroom program (asset)</p>	<p>Although this initiative does not directly relate to output performance measure it contributes to the achievement of all school education measures as it provides schools with sufficient facilities to deliver teaching and learning to all Victorian government students. Investment in relocatable buildings also contributes to the Government's Building the Education State priorities of having safe, sustainable and inclusive schools and meeting demand for educational services.</p>
<p>Asbestos removal program (asset)</p>	<p>Although this initiative does not directly relate to any output performance measure it contributes to the achievement of all school education measures. Asbestos materials are replaced with modern alternatives resulting in a reduced risk of disturbed or damaged asbestos containing material in schools.</p> <p>Investment in asbestos removal also contributes to the Government's Building the Education State priority of having safe, sustainable and inclusive schools.</p>
<p>Tech Schools project (asset and output)</p>	<p>Although this initiative does not directly relate to any output performance measure this contributes to the achievement of all school education measures and higher education and skills measures as it provides schools with sufficient facilities to deliver teaching and learning to all Victorian government students.</p>

Question 27

For each quality, quantity or timeliness performance measure newly introduced in the 2016 17 Budget, please attach any supporting documentation the Department has produced in developing the measure, such as:

- (a) a description of the measure, including the data that support it, assumptions made, and how the data are collected and transformed
- (b) if the measure is a ratio (including a percentage), please include a description of the numerator and denominator series that provide the ratio
- (c) how the measure evaluates the performance of the Department or the task faced by the Department
- (d) the process the Department employed to set a target or anticipated result for this measure
- (e) a description of what constitutes good performance and how the performance measure indicates this
- (f) any shortcomings of the measure
- (g) how the department intends to estimate the 'expected outcome' of the measure at the time of the 2017-18 Budget
- (h) how the department intends to evaluate the effectiveness of the measure in the future.

New Performance Measure 1/7: Education peak bodies rating of the Victorian Registration and Qualifications Authority (VRQA) effectiveness in performing its regulatory function.

- (a) This is a measure of VRQA effectiveness in performing its regulatory function. Along with the other new measure – 'Regulated schools and Registered Training Organisations that rate the VRQA effective or highly effective in performing its regulatory function' (see below) – it better distinguishes between the perceptions of stakeholders (i.e. education peak bodies) and regulated providers (i.e. schools, RTOs) relative to the measure of satisfaction it is proposed to replace.

The data for this measure is sourced from an annual survey of approximately 300 education providers, stakeholders and clients and is run by an independent survey service on behalf of the VRQA.

- (b) The measure (reported as a percentage) is of survey respondents who rate the VRQA in the top two categories (i.e. 'effective' or 'highly effective') of a five-category (i.e. Likert) question on the effectiveness of the VRQA and its services over the past 12 months.
- (c) The measure quantifies the perception of the VRQA's effectiveness as a regulator across the sectors it regulates.
- (d) The target for this measure is based on an estimate from previous measures of a similar domain.
- (e) A performance measure for a regulator is the trust and regard in which the regulator is held, that is, its legitimacy within the regulated industry. This new measure will assist the VRQA understand its legitimacy through the measurement of stakeholder and client perceptions of its effectiveness.
- (f) The new measure overcomes previous shortcomings (as identified in the most recent DTF review of BP3) by better distinguishing between stakeholders (i.e. education peak bodies) and regulated entities (i.e. schools, RTOs); and by moving from perceptions of

'satisfaction' to 'effectiveness'.

- (g) The 2017-18 expected outcome of this measure will be based on the 2016-17 actual outcome.
- (h) An evaluation strategy is yet to be developed and finalised.

New Performance Measure 2/7: Regulated schools and Registered Training Organisations rating of the VRQA effectiveness in performing its regulatory function.

- (a) This is a measure of VRQA effectiveness in performing its regulatory function. Along with the other new measure – 'Education peak bodies rating of the VRQA effectiveness in performing its regulatory function' (see below) – it better distinguishes between the perceptions of stakeholders (i.e. education peak bodies) and regulated providers (i.e. schools, RTOs) relative to the measure of satisfaction it is proposed to replace.

The data for this measure is sourced from an annual survey of approximately 300 education providers, stakeholders and clients and is run by an independent survey service on behalf of the VRQA.

- (b) The measure (reported as a percentage) is of survey respondents who rate the VRQA in the top two categories (i.e. 'effective' or 'highly effective') of a five-category (i.e. Likert) question on the effectiveness of the VRQA and its services over the past 12 months.
- (c) The measure quantifies the perception of the VRQA's effectiveness as a regulator across the sectors it regulates.
- (d) The target for this measure is based on an estimate from previous measures of a similar domain.
- (e) A performance measure for a regulator is the trust and regard in which the regulator is held, that is, its legitimacy within the regulated industry. This new measure will assist the VRQA understand its legitimacy through the measurement of stakeholder and client perceptions of its effectiveness.
- (f) The new measure overcomes previous shortcomings (as identified in the most recent DTF review of BP3) by better distinguishing between stakeholders (i.e. education peak bodies) and regulated entities (i.e. schools, RTOs); and by moving from perceptions of 'satisfaction' to 'effectiveness'.
- (g) The 2017-18 expected outcome of this measure will be based on the 2016-17 actual outcome.
- (h) An evaluation strategy is yet to be developed and finalised.

New Performance Measure 3/7: Eligible Primary School students in receipt of Camps, Sports and Excursions Fund.

- (a) Number of eligible government and non-government primary school students for which the Camps, Sport and Excursions Fund has been paid. This is a calendar year measure.
- (b) N/A
- (c) The Department administers the Camps, Sport and Excursions Fund to assist eligible families to cover the costs of school trips, camps and sporting activities. Although administratively the fund is received through the school, the full amount is intended for the benefit of the eligible student.
- (d) The target has been set based on forecasts of eligibility for the former Education Maintenance Allowance (EMA) program – which had similar eligibility requirements.

- (e) Performance will be measured against the forecast 139,000 eligible primary school students in 2016/17. Accurate forecasting is difficult as eligibility for the program is based on parents' concession card eligibility which is administered through the Commonwealth Department of Human Services. A variation of 10% or less would constitute good performance.
- (f) Not applicable. This program makes financial payments to schools upon receipt of an application from an eligible person under the concession card eligibility criteria provided by the Commonwealth Government (i.e. the Commonwealth health care or pensioner card status of the applicant). A quantitative measure is therefore appropriate.
- (g) The estimated outcome is based upon an annual assessment of historical trend data for the program, Commonwealth concession card eligibility policy setting and any other available forecasting information.
- (h) Effectiveness will be measured by typically achieving a variation of 10% or less from the performance target.

New Performance Measure 4/7: Eligible Secondary School students in receipt of Camps, Sports and Excursions Fund.

- (a) Number of eligible government and non-government secondary school students for which the Camps, Sport and Excursions Fund has been paid. This is a calendar year measure.
- (b) N/A
- (c) The Department administers the Camps, Sport and Excursions Fund to assist eligible families to cover the costs of school trips, camps and sporting activities. Although administratively the fund is received through the school, the full amount is intended for the benefit of the eligible student.
- (d) The target has been set based on forecasts of eligibility for the former Education Maintenance Allowance (EMA) program – which had similar eligibility requirements.
- (e) Performance will be measured against the forecast 81,000 eligible secondary school students in 2016/17. Accurate forecasting is difficult as eligibility for the program is based on parents' concession card eligibility which is administered through the Commonwealth Department of Human Services. A variation of 10% or less would constitute good performance.
- (f) Not applicable. This program makes financial payments to schools upon receipt of an application from an eligible person under the concession card eligibility criteria provided by the Commonwealth Government (i.e. the Commonwealth health care or pensioner card status of the applicant). A quantitative measure is therefore appropriate.
- (g) The estimated outcome is based upon an annual assessment of historical trend data for the program, Commonwealth concession card eligibility policy setting and any other available forecasting information.
- (h) Effectiveness will be measured by typically achieving a variation of 10% or less from the performance target.

New Performance Measure 5/7: Percentage of government schools students receiving social disadvantage funding.

- (a) This is a quantity measure which describes the percentage of government school students for which schools were allocated the new social disadvantage loading. It is allocated to students based on low parental education and low parental occupation

levels, namely: students with parents who are unemployed with below diploma level education or who have lower skilled jobs with very low or low education (Level 1) and students with parents who have various combinations of medium and low skilled jobs and education levels, or are unemployed with a diploma level education (Level 2).

The measure comes in two versions, one for each of the primary and secondary components of the School Education Outcome Group – reflecting differentiated proportions of government school students in each of the sectors allocated the new social disadvantage loading.

- (b) The numerator is: the number of FTE students whose schools have been allocated social disadvantage funding. The denominator is: Total 2016 School Resource Package Funded indicative Enrolments (primary and secondary).
- (c) This quantity measure captures the proportion of government school students by sector who experience social disadvantage and who receive extra support to achieve the Government's targets and goals for the Education State, particularly to reduce the impact of disadvantage.
- (d) As quality measures of student achievement already existed, a quantity measure was deemed appropriate as a reflection of the government's commitment to reduce the impact of disadvantage on students. The anticipated result is based on indicative estimates of students who will receive funding (primary and secondary).
- (e) As this is a quantity measure, "good performance" reflects the provision of funding to support the Government's targets and goals for the Education State to reduce the impact of disadvantage. While the characteristics of social disadvantage (parental education and occupation levels) are difficult to change in the short-term, these reforms aim in the long-term to reduce social disadvantage through a more educated and employable population.
- (f) Large changes to the characteristics of the parents of government school (primary and secondary) students could cause the percentage to increase or decrease.
- (g) The expected 2017/18 target will be developed by applying mid-year 2016 school census data to the 2017 enrolment year (this process is also used to provide schools with preliminary estimates of funding). This estimate is updated in early March 2017 once final census data is available.
- (h) In the context of the evaluation of the overall impact of Education State Reforms, the effectiveness of this measure will be reassessed over time.

New Performance Measure 6/7: Number of students for which government secondary schools are funded to 'catch up'.

- (a) This is a quantity measure which describes the number of students who meet the eligibility criteria for the new catch up loading. Government secondary school students are deemed eligible for catch-up where they have performed below National Minimum Standard in Year 5 NAP Reading.
- (b) N/A
- (c) This quantity measure captures the estimated number of government school secondary students who have fallen behind and who receive extra support to achieve quality educational outcomes, and is strongly aligned to the "Learning for Life" goal outlined as part of the Education State targets.
- (d) In order to provide funding security to schools, the target is calculated using the number of students who meet eligibility in the year previous to which the funding is provided (2015 estimates applied to 2016). This ensures that schools are able to

efficiently plan for the use of the money in the year in which it is provided.

- (e) Good performance in the long term will be reflected in a decrease in the number of students who have fallen behind as the overall impact of Education State initiatives is felt.
- (f) The significant changes to the NAPLAN test which will be introduced from 2017 may result in a recalibration of what constitutes poor performance.
- (g) The process for setting the 2017/18 target will mirror the process used for 2016/17.
- (h) In the context of the evaluation of the overall impact of Education State Reforms, the effectiveness of this measure will be reassessed over time.

New Performance Measure 7/7: New Measure: Number of teachers completed professional development as Mathematics and Science Specialists.

- (a) This quantity measure describes the number of new Primary Maths and Science Specialists (i.e. 'specialists' is the term for participating maths and science teachers) undertaking the PMSS professional development program under the Education State. The 200 specialists in government schools across Victoria are selected and trained over a period of two years each, starting with 100 specialists in Education State Cohort 1 in 2016. Specialists are selected on the basis that the schools they teach in are in:
 - low SES communities, rural and regional areas and/or
 - have low achievement in mathematics and science schools.
- (b) N/A
- (c) This quantity measure captures the number of specialists in training to achieve the Government's targets and goals for the Education State, particularly:
 - "Over the next five years for Year 5, and the next ten years for Year 9, 25 per cent more students will be reaching the highest levels of achievement in reading and mathematics; and
 - Over the next 10 years, there will be a 33 per cent increase in the proportion of 15 year olds reaching the highest levels of achievement in scientific literacy."
- (d) As quantity measures for specialists in training existed for cohorts prior to the Education State, a quantity measure of 200 new specialists over 4 years was deemed appropriate as a reflection of the government's commitment to increase mathematics achievement and scientific literacy for Victorian students.
- (e) Good performance is reflected in the provision of funding for 200 new specialists in Victorian Primary Schools, to support the Government's targets and goals for the Education State to increase mathematics achievement and scientific literacy for Victorian students. These reforms aim in the long-term to increase achievement in maths and science educational achievement, leading to a more educated and employable population.
- (f) It is only a quantitative measure.
- (g) Achievement against the 2017-18 target will be calculated on a pro rata basis from the number of specialists having completed part/all of the 20 day (over 2 years) PMSS professional development program at the time of the 2017-18 State Budget.
- (h) The effectiveness of this funding will be evaluated through the PMSS program evaluation, which will review the overall impact of this initiative on the Education State reforms.

9. Staffing matters

Question 28

Please fully complete the table below, providing actual FTE staff numbers at 30 June 2015 and estimates of FTE staff numbers (broken down by the categories listed below) at 30 June 2016 and 30 June 2017 for the Department. Please provide figures consolidated on the same basis as the expenditure for the Department in the budget papers.

Grade	30 June 2015 (Actual FTE number)	30 June 2016 (Expected FTE number)	30 June 2017 (Forecast FTE number)
Secretary	1.0	1.0	1.0
EO-1	2.0	3.0	3.0
EO-2	42.9	43.0	43.0
EO-3	29.4	26.5	26.5
VPS Grade 7 (STS)	13.8	18.3	18.3
VPS Grade 6	317.3	349.2	370.8
VPS Grade 5	614.2	644.5	701.8
VPS Grade 4	347.1	346.4	364.3
VPS Grade 3	271.4	284.2	304.6
VPS Grade 2	101.6	101.8	115.1
VPS Grade 1	3.8	6.1	-
Government Teaching Service	42,156.9	43,307.5	44,037.9
Education Support Staff	14,192.2	14,602.0	14,890.0
Nurses	195.0	190.2	190.2
Allied health professionals	382.9	354.5	354.5
Other	8.9	12.9	12.9
Total	58,680.4	60,291.1	61,433.9
Grade	30 June 2015	30 June 2016	30 June 2017
	(Actual FTE number)	(Expected FTE number)	(Forecast FTE number)
Secretary	1.0	1.0	1.0

Question 29

Please break down the actual staff numbers in your department as at 30 June 2015 and the estimates as at 30 June 2016 and 2017 according to the number of staff that are ongoing, fixed-term or casual.

	30 June 2015 (Actual FTE number)	30 June 2016 (Expected FTE number)	30 June 2017 (Forecast FTE number)
Ongoing	44,250.9	45,915.0	46,778.1
Fixed-term	14,406.5	14,344.7	14,624.4
Casual	23.0	31.4	31.4
Total	58,680.4	60,291.1	61,433.9

Question 30

Please detail numbers (FTE) and the actual amount that the Department spent on contractors and consultants in 2014-15 and the estimated numbers and expenditure in 2015-16 and 2016-17. A definition of the difference between consultants and contractors is contained in FRD 22G – 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.

	2014-15 Actual		2015-16 Expected		2016-17 Forecast	
	(\$ million)	FTE	(\$ million)	FTE	(\$ million)	FTE
Consultants ^{1,2}	5.6	N/A ⁴	6.6	N/A ⁶	N/A ⁶	N/A ⁶
Contractors ³	131.2	N/A ⁵	128.8	N/A ⁶	N/A ⁶	N/A ⁶

¹ The figures do not include expenditure incurred by the Adult, Community and Further Education Board; the Victorian Curriculum and Assessment Authority; the Victorian Registration and Qualifications Authority, Schools; and Technical and Further Education Institutes (TAFE).

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

³ The figures do not include expenditure incurred by Schools and TAFE, and includes payments for agency temporary labour hire.

⁴ The Department does not record this level of detail. Consultancies and engagements of companies are for the provision of services.

⁵ The Department does not record this level of detail.

⁶ 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.