



PUBLIC ACCOUNTS AND ESTIMATES COMMITTEE

2018-19 BUDGET ESTIMATES QUESTIONNAIRE

1. Economic outlook for 2018-19

Question 1 *Impact of the economic outlook on the department/agency*

Budget Paper No.2: Strategy and Outlook contains a chapter on the Economic Context for Victoria over 2018-19, together with growth forecasts of the following key economic variables:

- GSP
- Employment
- Wage prices
- Consumer price index
- Wage index
- Population.

There is also a sensitivity analysis section in Appendix A of *Budget Paper No.2* that gives a further list of outcomes of economic variables that may influence the budgetary position including average weekly earnings, domestic share prices, overseas share prices, property prices, property volumes and interest rates.

- (a) How will the economic context for Victoria over 2018-19 outlined in Chapter 2 of *Budget Paper No.2: Strategy and Outlook* impact on:
- (i) the financial position of the department or agency
 - (ii) services delivered by the department or agency
 - (iii) outcomes for the community.

The Government centrally manages the State's resources through the budget allocation process. Given budgets are prepared on a forward looking basis, expected revenue and expenditure decisions take into account the prevailing macroeconomic conditions in the State of Victoria. As such, it is not expected that the economic context outlined in *Budget Paper No.2* will significantly impact the financial position or services delivered by the department or the outcomes for the community.

- (b) What are the three economic indicators that are most relevant to the department/agency (e.g. population, employment)? What are the implications for the department/agency for any positive or negative variation to the forecast for these published in *Budget Paper No.2: Strategy and Outlook*?

All the key economic indicators are relevant to the department, although population growth most directly impacts the demand for services delivered by the Government. However, given the base funding departments receive to deliver on their outputs, a significant shift in the economic environment would be required for any changes to appear in the departmental outcomes as measured by the performance reporting framework.

- (c) What plans are in place within the department or agency to manage the changing economic conditions that are set out in the budget papers over 2018-19?

Through the annual budget process, the Government explicitly plans for and responds to the economic conditions facing the State, including adapting to challenges and identifying future opportunities.

2. Spending

Question 2 *Lapsing programs or initiatives*

Please identify any programs or initiatives (including asset or output initiatives) that have lapsed in 2017-18 (that is, they will not be continued in 2018-19). For each program or initiative, please indicate the expenditure on this program/initiative in 2017-18. 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 2018-19 Budget that replace the lapsing initiative. Please also identify the effect on the community of the lapsing program (*including rescheduling of service provision or commencement of service provision*). If there is no effect, 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 2017-18 (\$ million)	If it is to be extended into 2018-19, how is the program or initiative to be funded?	Effect on the community (<i>including rescheduling of service provision or commencement of service provision</i>) of lapsing programs	Actions taken by the Department to ensure that there is no effect on service delivery resulting from lapsing programs
China Immersion Program for Year 9 Students	4.0	Victorian Young Leaders to China Program (2018-19 Budget initiative)	There will be no effect on the community as the program is continuing.	This program will be continued through the 2018-19 budget initiative Victorian Young Leaders to China Program
Ensuring children in the new Monash children's hospital receive education support	3.4	Monash Children's Hospital School (2018-19 Budget initiative)	There will be no effect on the community as the program is continuing.	This initiative will be continued through the 2018-19 budget initiative Monash Children's Hospital School

Program or initiative	Expenditure in 2017-18 (\$ million)	If it is to be extended into 2018-19, how is the program or initiative to be funded?	Effect on the community (including rescheduling of service provision or commencement of service provision) of lapsing programs	Actions taken by the Department to ensure that there is no effect on service delivery resulting from lapsing programs
Secondary school software suite	1.2	Fixed-term/one-off program	There will be no effect on the community as the program was intended to be one-off.	Fixed-term/one-off program
Implementing the new Victorian Curriculum	7.5	Fixed-term/one-off program	There will be no effect on the community as the program was intended to be one-off.	Fixed-term/one-off program
Respectful relationships for children and youth	13.0	Respectful Relationships for children and youth (2018-19 Budget initiative)	There will be no effect on the community as the program is continuing.	This program will be continued through the 2018-19 budget initiative Respectful Relationships for children and youth
Teach for Australia	1.2	Teaching for Australia (2018-19 Budget initiative)	There will be no effect on the community as the program is continuing.	This program will be continued through the 2018-19 budget initiative Teaching for Australia
New kindergarten in growth areas	5.0	Build and upgrade Early Learning Facilities (2018-19 Budget initiative)	There will be no effect on the community as the program is continuing.	This program will be continued through the 2018-19 budget initiative Build and upgrade early learning facilities

Program or initiative	Expenditure in 2017-18 (\$ million)	If it is to be extended into 2018-19, how is the program or initiative to be funded?	Effect on the community (including rescheduling of service provision or commencement of service provision) of lapsing programs	Actions taken by the Department to ensure that there is no effect on service delivery resulting from lapsing programs
Intensive support early in life (WoVG submission) – DET component	6.2	Intervening earlier: Strengthening responses to families (2018-19 Budget initiative)	There will be no effect on the community as the program is continuing.	This program will be continued through the 2018-19 budget initiative Intervening earlier: Strengthening responses to families
Intensive support early in life (WoVG submission) – tailored Aboriginal MCH service (DET)	1.1	Intensive Support Early in Life for Aboriginal families (2018-19 Budget initiative)	There will be no effect on the community as the program is being funded in the 2018-19 Budget.	This initiative will be continued through the 2018-19 budget initiative Intensive Support Early in Life for Aboriginal families
Additional Vocational Education Funding	160.4	Responding to Victorian Job Growth with More Training (2018-19 Budget initiative)	There will be no effect on the community	This initiative will be continued through the 2018-19 budget initiative Responding to Victorian Job Growth With More Training
Plumbing Industry Climate Action Centre Development	2.5	Plumbing Action Climate Action Centre (2018-19 Budget initiative)	There will be no effect on the community as funding is provided in the 2018-19 Budget.	This initiative will be continued through the 2018-19 budget initiative Plumbing Action Climate Action Centre
Monash University Alexander Theatre redevelopment	6.0	Fixed-term/one-off program	There will be no effect on the community as this was a one-off grant.	Fixed-term/one-off program

Question 3 Variations from prior year

Please explain any variations of more than ± 10 per cent (or greater than \$100 million) between the revised estimate for 2017-18 and the budget for 2018-19 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).

	2017-18 (budget estimate) (\$ million)	2017-18 (revised estimate) (\$ million)	Explanation for any variances greater than $\pm 10\%$ (or greater than \$100 million) 2017-18 budget estimate vs. revised estimate	2018-19 (Budget) (\$ million)	Explanation for any change greater than $\pm 10\%$ (or greater than \$100 million) 2018-19 budget estimate vs. revised estimate
Employee benefits	7,147	7,360	The variance (2.9%) reflects additional teacher salaries for the update of enrolment growth in government schools for the 2017-18 financial year and the commencement of the Teachers Enterprise Bargaining Agreement (<i>Victorian Government Schools Agreement 2017</i>) in August 2017.	7,857	The variance (7%) reflects increased cost for additional teacher salaries, which includes commencement of the Teachers Enterprise Bargaining Agreement (<i>Victorian Government Schools Agreement 2017</i>) in August 2017, enrolment growth in government schools and new funding for initiatives approved as part of the 2018-19 State Budget.
Grants and other transfers	1,018	1,076	N/A	1,171	N/A

	2017-18 (budget estimate) (\$ million)	2017-18 (revised estimate) (\$ million)	Explanation for any variances greater than ±10% (or greater than \$100 million) 2017-18 budget estimate vs. revised estimate	2018-19 (Budget) (\$ million)	Explanation for any change greater than ±10% (or greater than \$100 million) 2018-19 budget estimate vs. revised estimate
Other operating expenses	3,814	3,490	Refer to the breakdown below	3,810	Refer to the breakdown below
Major components of 'other operating expenses' (please supply categories):					
Other Operating Supplies and Consumables	1,750	1,212	The variance reflects updated expenditure forecasts for Schools and TAFEs and approved carryover being lower than estimated at the time of the 2017-18 Budget.	1,302	N/A
Service Contracts	1,016	1,053	The increase (4%) primarily reflects TAFEs delivery of new major commercial contracts such as the Adult Migrant English Program.	1,042	N/A

	2017-18 (budget estimate) (\$ million)	2017-18 (revised estimate) (\$ million)	Explanation for any variances greater than ±10% (or greater than \$100 million) 2017-18 budget estimate vs. revised estimate	2018-19 (Budget) (\$ million)	Explanation for any change greater than ±10% (or greater than \$100 million) 2018-19 budget estimate vs. revised estimate
Maintenance	256	312	The variance primarily reflects increased expenditure to support the increased State Capital Program.	364	The variance reflects the re-phasing of expenditure into 2018-19 to match planned implementation, increased forecast expenditure based on historical trends, and new funding for the <i>Support for Special Needs</i> initiative approved as part of the 2018-19 Budget.
Accommodation/ Occupancy	181	216	This variance reflects reclassification of expenditure accounts from Other Operating Expenses in line with the new whole of Government chart of accounts estimate at May 2017.	250	The variance reflects new funding initiatives approved as part of the 2018-19 Budget such as <i>Building the Education State</i> .
Information Communication Technology Supplies and Consumables	149	168	As above	167	N/A

	2017-18 (budget estimate) (\$ million)	2017-18 (revised estimate) (\$ million)	Explanation for any variances greater than ±10% (or greater than \$100 million) 2017-18 budget estimate vs. revised estimate	2018-19 (Budget) (\$ million)	Explanation for any change greater than ±10% (or greater than \$100 million) 2018-19 budget estimate vs. revised estimate
Information Communication Technology – Purchases of Services	81	78	N/A	145	The variation reflects increased spending on digital services as part of the 2017-18 State Budget <i>Digital Education initiatives</i> . Also reflected is the re-phasing of the <i>Teacher and Principals Notebook</i> and <i>National Assessment - Literacy and Numeracy</i> programs from 2017-18 due to revised implementation timelines.
Staff Related Expenses (Non Labour Related)	15	58	This variance reflects reclassification of expenditure from Other Operating Expenses accounts in line with the new whole of Government chart of accounts estimate at May 2017.	75	The variance primarily reflects the 2017-18 State Budget initiative <i>Education State in 2018</i> and new funding approved in the 2018-19 State Budget.

- (e) If the Department is unable to provide estimates for the components of ‘other operating expenses’ in 2018-19, please explain how the amount of ‘other operating expenses’ listed for 2018-19 in the budget papers was calculated.

N/A

Question 4 Carryover funding for payments for non-financial assets

For the line item ‘payments for non-financial assets’ for 2018-19 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 2017-18.

\$52.232 million (estimated)

Question 5 Expenditure by government purpose classification

In relation to the break-down of expenses from transactions disaggregated by government purpose classification in the budget papers (if provided in the 2018-19 budget papers – see Table 1.3.5 in the 2017-18 Statement of Finances budget paper, p.29), please provide details of the Department’s component of the expenses in each category for 2017-18 and 2018-19. Please explain any variations between the years that are greater than ±10 per cent or greater than \$100 million between 2017-18 and 2018-19 estimates.

Government purpose classification	2016-17 actual (\$ million)	2017-18 revised estimate (\$ million)	2018-19 Budget (\$ million)	Explanation for any variances greater than ±10% (or greater than \$100 million) between 2017-18 and 2018-19 estimates.
General public services	N/A			
Public order and safety	N/A			
Education	14,001	14,980	16,054	The variance reflects the commencement of the Teachers Enterprise Bargaining Agreement (<i>Victorian Government Schools Agreement 2017</i>) in August 2017, enrolment growth, re-profiling of programs to align with revised implementation plans and new funding approved as part of the 2018-19 State Budget.
Health	122	123	125	N/A
Social security and welfare	74	79	76	N/A

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Housing and community amenities	N/A			
Recreation and culture	N/A			
Fuel and energy	N/A			
Agriculture, forestry, fishing and hunting	N/A			
Transport and communications	N/A			
Other economic affairs	N/A			
Other purposes	N/A			
Not allocated by purpose	N/A			

3. Expenditure reduction measures

Question 6 *Savings initiatives from past budgets*

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

- (a) how the Department will meet the various savings targets in 2018-19
- (b) the nature of the impact that these actions will have on the delivery of services during 2018-19
- (c) the Department's savings target for 2018-19, 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 2018-19	Impact of these actions on service delivery in 2018-19	Savings target for 2018-19 (\$ million)	Explanation for variances to the original target
Efficiency and expenditure reduction measures in 2015-16 Budget (2015-16 BP3 pp.105-7)	Reduce spending on travel expense, cease production of hard copy reports, reduce the use of labour hire forms and reduce the number of executive officers.	Negligible – the government efficiency dividend will affect only back office/corporate staff and not frontline service delivery.	2.248	N/A
Savings and efficiencies and expenditure reduction measures in 2016-17 Budget (2016-17 BP3 p.118)	The Department will reduce its operating expenditure, including by reducing the use of temporary labour hire and contractors, and managing program allocations with respect to updated usage information.	Negligible – the efficiency measures will be predominantly achieved through corporate efficiencies and re-scoping of professional development courses.	5.000	N/A
Savings measures in 2017-18 Budget (2017-18 BP3 p.114)	The Department had no applicable savings in the 2018/19 financial year.	N/A	N/A	N/A

Any efficiency and expenditure reduction measures in 2018-19 Budget	The Department is implementing corporate efficiencies to achieve savings in 2018-19.	These will not impact on services delivery or staffing levels as allocations will only be applied to corporate (back office) areas.	\$6.820	N/A
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Question 7 Use for funds saved from other programs or initiatives

In relation to any programs or initiatives that have been reprioritised, curtailed or reduced for 2018-19 (including lapsing programs), please identify:

- (a) the amount expected to be spent under the program or initiative during 2018-19 at the time of the 2017-18 Budget
- (b) the amount currently to be spent under the program or initiative during 2018-19
- (c) the use to which the funds freed by this reduction will be put. Please include the name(s) of any program or initiative that will be funded or partially funded.

Program/initiative that has been reprioritised, curtailed or reduced ¹	The amount expected to be spent under the program or initiative during 2018-19:		The use to which the funds will be put
	at the time of the 2017-18 Budget	at the time of the 2018-19 Budget	
Managed Individual Pathways	\$18.761m	\$18.761m	The funding will be redirected into the new Career Education Funding arrangements which will support an expanded set of career education services delivered by schools with strengthened accountabilities and quality requirements, as part of a broader reform of career education.
¹ As at 2 May 2018			

- (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 2017-18 and 2018-19. In describing the programs or initiatives, please use the same names that are used in the budget papers where applicable.

N/A

Question 8 *Department's share of reprioritisation of existing resources*

Please provide the Department's contribution to the whole-of-government amount identified as 'funding from reprioritisation of existing resources' in the 'net impact of the 2018-19 Budget new output initiatives' table.

Amount reprioritised for 2018-19 (\$ million)	Amount reprioritised for 2019-20 (\$ million)	Amount reprioritised for 2020-21 (\$ million)	Amount reprioritised for 2021-22 (\$ million)
46.914	44.658	34.757	35.398

4. Output and asset initiative funding

Question 9 *Development of the Department's budget*

- (a) Please list the factors by which the Department developed its overall budget, in terms of total income from transactions, relating to total income from transactions for 2017-18. Please include explanations for all items.

	Amount		Explanation
	(per cent)	(\$ million)	
Total income from transactions 2017-18	N/A	14,122	Published 2017-18 Budget
New output initiative funding ¹	4	673	Initiatives approved in the 2018-19 State Budget.
Lapsing or reducing programs	-1	-212	Refer to Question 2 for breakdown.
External (e.g. Commonwealth) funding for new initiatives	1	126	Primarily reflects contributions to the 2018-19 State Capital Program from the <i>Growth Areas Infrastructure Contribution Fund</i> announced since May 2018.
Savings and efficiency measures	0	-7	Newly allocated 2018-19 Budget savings
Inflation adjustment	2	253	Indexation for the delivery of frontline services.
Output resource allocation reviews	0	0	N/A
Base reviews	0	0	N/A
Other (please specify):			Please refer to breakdown below.
Carryover impact	-1	-160	Drop between the \$215m May 2017 forecast for 2017-18 and the \$55m forecast for 2018-19.
Teacher Salary increases	1	139	Reflects additional budget supplementation provided due to the commencement of the Teachers Enterprise Bargaining Agreement (<i>2017 Victorian Government School Agreement</i>) from August 2017.

¹ This is the 2018-19 total from the Department's 'output initiatives' table plus the Department's share of any whole-of-government initiatives released in Budget Paper No.3.

Capital Asset Charge increases	1	104	Reflects an increase in capital asset charges (notional interest) driven by increases in the Department's State Capital Program.
Additional supplementation released from Government contingency	1	90	Funds released post the 2017-18 State Budget primarily for the <i>Education State in 2018</i> and <i>Inclusive Education Package</i> .
Pre-2018 Enrolment growth	0	68	Primarily reflects enrolment growth in schools and kindergartens for the six months between July and December 2017.
DET's contribution to the whole-of-government reprioritisation of existing sources	0	-47	Reflects decisions announced in the 2018-19 State Budget and matches amount in Question 8.
Other	1	151	Mainly relates to Treasurer approved re-cashflow of initiatives across financial years and the implementation schedule of previously approved government decisions.
Total income from transactions 2018-19	N/A	15,312	Published 2018-19 Budget

- (b) If this is not the way the Department developed its overall budget, please provide a description of the process that was followed.

N/A

5. Public private partnership expenditure

Question 10 *PPP expenditure on operating statement*

For each line item in the Department's comprehensive operating statement or statement of cash flows (as indicated in the Statement of Finances budget paper) which includes expenditure on all PPP projects in 2018-19 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.).

Line item	2017-18 revised (\$ million)	2018-19 (\$ million)	2019-20 (\$ million)	2020-21 (\$ million)	2021-22 (\$ million)	Explanation
PPPs under construction (including in planning)*						
*The second tranche of schools delivered through the New Schools PPP Project completed construction in December 2017. There is no projected interest in the forward estimates period as there are no PPPs under construction. Projected interest in the forward estimates period for the existing PPPs is captured in PPPs in operation .						
New Schools PPP						
Interest	3.6					Commissioned 01 Jan 2018
PPPs in operation						
Partnership Victoria in Schools Project						
Amortisation	3.9	3.9	3.8	3.5	3.2	Amortisation
Interest	11.7	14.2	14.4	14.5	14.6	Finance Lease Interest and Contingent rental
Other Operating Expenses	9.0	9.0	9.0	9.2	9.9	Service Payments
State Based Costs	4.5	4.5	4.5	4.5	4.5	Contract Management Costs. Salaries, Insurance, Consultants
New Schools PPP						
Depreciation	5.1	6.3	6.3	6.3	6.3	Depreciation

Interest	14.6	18.5	18.2	17.7	17.3	Finance Lease Interest
Other Operating Expenses	5.9	7.3	7.6	8.1	8.6	Service payments
Other State based costs	3.8	6.1	8.4	10.6	12.9	Relocatable costs, consultants, salaries and insurance

Question 11 *Schools-related PPP projects (Department of Education and Training only)*

Currently, there are two PPP projects relating to school construction: *New Schools PPP – Tranche 1* and *New Schools PPP – Tranche 2*. Tranche 1 was commissioned during 2016-17 and Tranche 2 is still in procurement.

Note: *New Schools PPP – Tranche 2* was commissioned during 2017-18 and is no longer in procurement.

(a) Please advise:

- (i) the most recent public sector comparator for the two tranches of the *New Schools PPP* project

Only one procurement activity was undertaken for the Project, with all 15 schools tendered in 2014 and Government entering into contracts with Learning Communities Victoria (LCV) consortium on 15 October 2015.

The tranches relate to construction activity only. Nine tranche 1 schools opened for Term 1, 2017 and six tranche 2 schools opened for Term 1, 2018.

No commissioning activity has occurred on the Project since October 2015. The Public Sector Comparator was completed as part of the procurement process.

The Public Sector Comparator is set out in the table below.

Components of the PSC	Net Present Cost (\$m)
Capital costs	232
Lifecycle and asset service costs	74
Operating costs (maintenance over 25 years)	170
Raw PSC	476
Transferred risks	45

PSC (excluding retained risk)	521
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Note 1: All values are expressed in net present values as at 29 October 2015 and discounted at a nominal discount rate of 2.85% per annum in accordance with the Infrastructure Australia guidance that applies under the Partnerships Victoria framework.

Note 2: The transferred risk totalling \$45 million Net Present Cost refers only to those capital, lifecycle and operating risks transferred to the private sector under the Partnerships Victoria arrangements (i.e. those risks that the State would otherwise assume) and excludes the State's estimates of the cost of retained risks.

Fifteen schools were delivered as part of the Project. The schools were constructed across two tranches, with tranche 1 schools opening for operation in January 2017 and tranche 2 schools opening in January 2018.

- (ii) what were the nature and extent of scope changes made to the project since the most recent public sector comparators were estimated.

As part of the detailed design phase of the Project, and in order to clarify the Project design requirements, a number of minor modifications were made to the Project scope.

No significant changes have been made to the project scope since the Public Sector Comparator was completed as part of the tendering process in 2015.

As part of the PPP bid process, a variant bid was proposed by Learning Communities Victoria, which is standard in PPPs procured under The Department of Treasury and Finance's *Partnerships Victoria* framework. The variant bid included a number of additional facilities and services at no cost to the State. The additional facilities and services include:

- Six Early Learning Centres offering Long Day Care services provided by the YMCA;
- Eleven 'Community Hubs' which provide additional area above each school's standard entitlement. The 'Community Hubs' are flexible, multi-purpose spaces for school use during school hours and for YMCA use outside of school hours;
- One hydrotherapy pool at Hamlyn Views Special Developmental School to provide hydrotherapy support for students with disabilities; and
- Expansion of eleven gymnasiums to meet Netball Australia and Netball Victoria competition standards.

As part of the Project, the LCV consortium includes the Centre for Education and Research in Environmental Strategies (CERES) as a community partner, which will deliver its ResourceSmart sustainability education program in the schools for the first 5 years of operation.

- (b) Apart from these two projects, please advise what plans there are to open new schools in Victoria over the forward estimates period:
- (i) through PPP arrangements

No new PPP arrangements are planned at this stage or have been funded.
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- (ii) through direct asset investment.

The Victorian Government has 70 new school projects underway – with land being acquired, designs being developed, or construction underway.

- (c) Please advise which new schools are planned:

- (i) in growth areas

Funding has been provided in the 2018-19 Budget for land acquisition for new schools in the municipalities of Casey, Wyndham, Hume, Melton, Whittlesea and Cardinia.

Funding has been provided in the 2018-19 Budget for new school construction at the following sites:

- Beveridge West Primary School (Mitchell)
- Botanic Ridge Primary School (Casey)
- Casey Fields (Five Ways) Primary School (Casey)
- Clyde North East Primary School (Casey)
- Craigieburn South Secondary College (Hume)
- Davis Creek Primary School (Wyndham)
- Point Cook South Senior Secondary School (Wyndham)
- Wyndham South (Riverwalk) Primary School (Wyndham)

Funding has also been provided for additional stages of school buildings at the following sites:

- Aitken Hill Primary School (Hume)
- Burnside Primary School (Melton)
- Pakenham North East Primary School (Cardinia)
- Sanctuary Lakes P9 (Wyndham)
- Truganina East P9 (Wyndham)
- Yarrambat Park Primary School (Whittlesea)

- (ii) in other areas.

Funding as part of the 2018-19 Budget has been provided for land acquisition in Melbourne, Maribyrnong and Yarra.

Funding has been provided for new school construction at the following sites:

- Armstrong Creek West Primary School (Greater Geelong)
- Footscray Learning Precinct - Seddon Secondary Campus (Maribyrnong)
- Keysborough South Primary School (Greater Dandenong)
- Lucas Primary School (Ballarat)

Funding has also been provided for additional stages of school buildings at the following sites:

- Preston High School (Darebin)

Funding has been provided for design and early works at:

- Armstrong Creek Secondary College (Greater Geelong)
- Docklands Primary School (Melbourne)
- McKinnon Secondary College – additional campus (Glen Eira)

Additionally, master planning, detailed design and early works will be undertaken at the following current and future sites:

- Fishermans Bend Secondary School (Port Phillip)
- Fitzroy Gasworks – new senior campus (Yarra)
- Leneva (Frederic Street) Proposed Primary School Wodonga East (Wodonga)
- Miners Rest Primary School (Ballarat)
- North Melbourne Hill (Melbourne)
- Endeavour Hills Special School (Glen Eira)

(d) Please advise the amount of total expenditure on new schools provided through PPPs and those provided through direct investment (including both capital and operating) anticipated:

- (i) in each year of the forward estimates period
- (ii) in present value terms for the whole of the project life.

Expected investment expenditure over the forward estimates period	2018-19	2019-20	2020-21	2021-22
New schools expected to be provided through PPP procurement	69.8	72.2	74.4	77.3
New schools expected to be provided through direct asset investment	545.4	223.6	27.2	8.5

*There is no commitment by DET to deliver any new schools via the PPP procurement model.

Present value of expected expenditure over the whole of the project life	(\$ million, 2018-19 values)
New schools expected to be provided through PPP procurement	293.7
New schools expected to be provided through direct asset investment	804.6

(e) Please describe how operating schools are managed, highlighting differences (such as the maintenance of school buildings) between operating schools provided through PPP arrangements and schools procured through direct investment.

Schools procured through the Partnerships Victoria framework are delivered by a private sector consortium formed to deliver the project. The consortium is responsible for the finance, design, construction, and maintenance of the schools.

The consortium includes a facilities maintenance provider who provides the ongoing services, including maintenance to standards defined under the contract and lifecycle replacement of buildings and furniture. The contract has a twenty five year operating term.

The design, construction, and maintenance risk is transferred from the State to the private sector under the arrangement.

Schools procured through non-PPP procurement are responsible for the maintenance of their asset, including general cleaning and capital works. Each school receives funding via a Student Resource Package (SRP) that is calculated based on enrolment numbers. SRP funding is used by schools to meet operating costs, including staff salaries, learning and development programs, and asset maintenance.

Under both procurement models, school staff are responsible for the delivery of the curriculum.

- (f) Please describe the planning process for new schools that are to be developed, including
- (i) the use of population projections and other data analysis undertaken by either the department or external contractors or consultants.

Developing a new school is a significant investment and involves a number of stages to ensure that public money is invested in the right place at the right time. These stages include demographic assessment, site selection and a site suitability assessment, land acquisition, school design and, finally, construction.

The Department plans for new schools through the regular monitoring of residential growth, demographic change, and enrolment trends and considers this together with the capacity of existing schools across Victoria and consultation with key stakeholders including local government. This ensures that current and future demand for schools is planned and prioritised appropriately.

The population projections and/or demographic demand data, provided by external consultants, is used to forecast demand for government schools, based on school aged children populations for both primary and secondary schools. These population forecasts are then adjusted to account for government market share.

Currently these demand forecasts are available at a Small Area Model (SAM) level (smaller than the Australian Bureau of Statistics smallest statistical areas in most cases) and is aligned with Victoria In Future (VIF) population projections.

- (ii) the involvement of education agencies such as the Victorian Schools Building Authority

The Victorian School Building Authority is part of the Department of Education and Training and is engaged in the planning processes for new schools and provides specific input on site availability and land acquisition costs and processes. The Victorian School Building Authority also provides a cost estimate for the construction of new schools.

- (iii) the involvement of other Victorian Government departments and agencies e.g. the Department of Treasury and Finance

The Department works in collaboration with the Victorian Planning Authority and local government to determine the number and location of proposed schools to meet the needs of growing communities.

Regular consultation is undertaken with local government and other planning agencies to accurately forecast growth at a local level. This ensures that current and future demand for education services is assessed consistently across Victoria.

Consultation is focused on:

- reviewing input data with local 'on the ground' knowledge;
- working through the local priority of new schools; and
- validation of the draft priorities.

- (iv) community engagement activities.

The Victorian School Building Authority uses an online community engagement platform to undertake online surveys as well as leading community workshops and forums to seek community views about new schools that are being planned and delivered across Victoria.

6. Revenue

Question 12 *Revenue raising initiatives*

In relation to 2018-19, please outline any new revenue-raising initiatives released in the 2018-19 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
N/A					

Question 13 *Changes to existing revenue initiatives*

In relation to 2018-19, 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 that are used in the budget papers.

Initiative	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
N/A						

Question 14 *New or changed tax expenditures/concession/subsidy initiative*

In relation to 2018-19, 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
N/A					

Question 15 Growth in income categories

For the Department's income categories (as they appear in the Department's operating statement in the Statement of Finances budget paper), please provide a description of the income category, an explanation for any items that have a variance of greater than ± 10 per cent or \$100 million between the revised estimate for 2017-18 and the budget for 2018-19.

Income category	Description of income category	Revised estimate for 2017-18 (\$ million)	Estimate for 2018-19 (\$ million)	Explanation
Output appropriations	Annual appropriation revenue. Income in the form of a Parliamentary appropriation on an annual basis through the <i>Appropriation Act and Financial Management Act 1994</i> .	12,899	13,848	The variance (7%) reflects the commencement of the Teachers Enterprise Bargaining Agreement (Victorian Government Schools Agreement 2017) in August 2017, re-profiling of programs to align with revised implementation plans, enrolment growth and new funding approved as part of the 2018-19 State Budget. This increase is partially offset by a reduction in carry-forward from 2017-18 to 2018-19.
Special appropriations	Income received through special appropriations that are generally instituted for payments, which need to be made on an ongoing basis independent of the Government's annual budget priorities.	18	0	The variance reflects the completion of Commonwealth initiatives.
Interest	Interest earned on financial assets.	22	17	The variance reflects a decrease in projected interest earnings by schools.

Sales of goods and services	Recognises revenue earned from the sale of goods and services (e.g. student fees).	592	651	The variance reflects expected increases in TAFE enrolments and industry engagement.
Grants	Grants received from the Commonwealth, Victorian government entities/agencies and local governments.	44	132	The increase primarily reflects inter-departmental contributions from the <i>Growth Areas Infrastructure Contribution Fund</i> for the 2018-19 State Capital Program, offset by the 2017-18 conclusion of contributions to meet half the cost of land purchases of eight schools in six growth areas.

Question 16 Commonwealth – State relations

What impact have developments at the Commonwealth level had on the Department’s component of the 2018-19 State Budget?

There is ongoing uncertainty about the future of Commonwealth funding in the education portfolio.

In relation to early childhood, funding under the current National Partnership on the National Quality Agenda for Early Childhood Education and Care ends in December 2018. The Commonwealth has not committed to a new National Partnership on the National Quality Agenda. The National Partnership on Universal Access to Early Childhood Education ends in December 2019. The Commonwealth Government had not committed further funding for Universal Access beyond 2019 at the time of the State Budget.

For schools, Victoria and the Commonwealth signed an interim school funding agreement for 2018. This was effectively a roll-over of the 2017 arrangements.

Victoria is currently negotiating new school funding agreements with the Commonwealth.

It is expected that 2019 will be the first year of a new school funding agreement with the Commonwealth. This Budget provides to the Department an additional \$1.55 billion in funding for Victorian schools. This funding will contribute towards Victoria achieving expenditure targets for 2019.

Negotiations with the Commonwealth are continuing. Any commitments for school funding for future years arising from these negotiations will be announced in future budgets.

In relation to training and TAFE system, the Commonwealth projected as part of the Mid-Year Economic and Fiscal Outlook an estimated payment of \$385 million to Victoria, under the National Agreement for Skills and Workforce Development. This was \$6 million higher than estimated in the Commonwealth 2017-18 budget, and \$7 million higher than forecast in the 2017-18 Victorian Budget.

The (former) National Partnership Agreement on Skills Reform expired in 2016-17 and provided \$434.8 million to Victoria over 5 years (\$127 million in 2016-17). As part of the 2017-18 Budget, the Commonwealth announced the establishment of the Skilling Australia Fund, which is to be overseen by a National partnership Agreement. Commonwealth government and State and Territory governments are currently in the process of negotiating on this agreement.

7. Performance measures

Question 17 *New performance measures*

For each quality, quantity or timeliness performance measure newly introduced in the 2018-19 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 2018-19 Budget
- (h) how the department intends to evaluate the effectiveness of the measure in the future.

New Measure 1/10: Aboriginal children funded to participate in kindergarten in the year before school

Sub-Question	Answer
(a) A description of the measure, including the data that support it, assumptions made, and how the data are collected and transformed	Number of Aboriginal children that participate in a funded kindergarten program in the year before school. Data is collected from service providers via the Kindergarten Information Management (KIM) system as part of the annual kindergarten census.
(b) If the measure is a ratio (including a percentage), please include a description of the numerator and denominator series that provide the ratio	Not applicable
(c) How the measure evaluates the performance of the Department or the task faced by the Department	The measure aligns with Marrung, the Department's 10-year Aboriginal Education Plan which underpins the delivery of the Education State for Koorie learners and includes actions to achieve improved participation and achievement of Koorie children. This measure directly counts participation of Koorie children in early learning. The measure also aligns with overall participation measures currently included in the suite of BP3 output performance measures.
(d) The process the Department employed to set a target or anticipated result for this measure	The target was set using historical trend and future population estimates, and takes into account the impact that policies and initiatives designed to address these targets are expected to have.
(e) A description of what constitutes good performance and how the performance measure indicates this	Good performance is indicated by an increase from previous year in line with expected population growth and towards the established target.
(f) Any shortcomings of the measure.	There is a known issue of under-identification as Aboriginal in data collections. Parents may choose not to identify as Aboriginal when providing enrolment information for their child.
(g) How the department intends to estimate the 'expected outcome' of the measure at the time of the 2018-19 Budget.	The performance measure relates to the calendar year, and the Department will report information based on kindergarten participation data collected in the 2018 calendar year.
(h) How the department intends to evaluate the effectiveness of the measure in the future.	The Department will review targets on an annual basis and work closely with service providers to ensure the accuracy of data provision.

New Measure 2/10: Kindergarten participation rate for Aboriginal children (year before school)

Sub-Question	Answer
(a) A description of the measure, including the data that support it, assumptions made, and how the data are collected and transformed	Proportion of Aboriginal children in the year before school that participate in a funded kindergarten program. Child count is derived from data collected from service providers via the Kindergarten Information Management (KIM) system as part of the annual kindergarten census.
(b) If the measure is a ratio (including a percentage), please include a description of the numerator and denominator series that provide the ratio	N: Number of Aboriginal children that participate in a funded kindergarten program in the year before school as recorded in KIM. D: 4 year old ATSI population estimate from ABS Estimates and Projections Aboriginal and Torres Strait Islander Australians, 2001 to 2026 (cat. 3238.0).
(c) How the measure evaluates the performance of the Department or the task faced by the Department	The measure aligns with Marrung, the Department's 10-year Aboriginal Education Plan which underpins the delivery of the Education State for Koorie learners and includes actions to achieve improved participation and achievement of Koorie children. This measure directly measures participation of Koorie children in early learning. The measure also aligns with overall participation measures currently included in the suite of BP3 output performance measures.
(d) The process the Department employed to set a target or anticipated result for this measure	The target was set using historical trend and future population estimate data and takes into account the impact that policies and initiatives designed to address these targets are expected to have.
(e) A description of what constitutes good performance and how the performance measure indicates this	Good performance is indicated by an increase from previous year moving towards the established target.
(f) Any shortcomings of the measure.	Due to the small size of the population, any small error in the population estimate can have a large impact on the participation rate. The rate could also be impacted by under-identification of Aboriginal status.
(g) How the department intends to estimate the 'expected outcome' of the measure at the time of the 2018-19 Budget.	The performance measure relates to the calendar year, and the Department will report information based on kindergarten participation data collected in the 2018 calendar year.
(h) How the department intends to evaluate the effectiveness of the measure in the future.	The Department will review targets on an annual basis and work closely with service providers to ensure the accuracy of data provision.

New Measure 3/10: Children funded to participate in kindergarten in the year two years before school

Sub-Question	Answer
(a) A description of the measure, including the data that support it, assumptions made, and how the data are collected and transformed	Number of children that participate in a funded kindergarten program in the year two years before school through the Early Start Kindergarten program. Children known to Child Protection and Aboriginal children are eligible for this program, which provides a free or low cost 15 hour a week kindergarten program. Data is collected from service providers via the Kindergarten Information Management (KIM) system.
(b) If the measure is a ratio (including a percentage), please include a description of the numerator and denominator series that provide the ratio	Not applicable
(c) How the measure evaluates the performance of the Department or the task faced by the Department	The measure aligns with the Early Childhood Reform Plan which underpins the delivery of the Education State for the early childhood sector and includes actions to improve participation for vulnerable children. The Early Start Kindergarten program will improve kindergarten participation for children who need it most and provide culturally relevant support for Koorie parents and children. This will support sustained participation in quality education and care to establish strong connections to lifelong learning.
(d) The process the Department employed to set a target or anticipated result for this measure	The target was set using historical trend and future population estimate data and takes into account the impact that policies and initiatives designed to address these targets are expected to have.
(e) A description of what constitutes good performance and how the performance measure indicates this	Good performance is indicated by an increase from previous year in line with expected population growth and towards the established target.
(f) Any shortcomings of the measure.	Known issues of under-identification of the target cohorts (Aboriginal and Children known to child protection) in data collections.
(g) How the department intends to estimate the 'expected outcome' of the measure at the time of the 2018-19 Budget.	The performance measure relates to the calendar year, and the Department will report information based on kindergarten participation data collected in the 2018 calendar year.
(h) How the department intends to evaluate the effectiveness of the measure in the future.	The Department will review targets on an annual basis and work closely with service providers to ensure the accuracy of data provision.

New Measure 4/10: Number of students enrolled in government subsidised courses in the TAFE network

Sub-Question	Answer
(a) A description of the measure, including the data that support it, assumptions made, and how the data are collected and transformed	<p>The number of student enrolments reported for the TAFE Network (includes TAFE Institutes and Dual-Sector providers). Enrolments are restricted to:</p> <ul style="list-style-type: none"> • Government-funded • Onshore- domestic students • VET courses. <p>Data are from the <i>Skills Victoria Training System</i> administrative data collection, on a calendar year basis.</p>
(b) If the measure is a ratio (including a percentage), please include a description of the numerator and denominator series that provide the ratio	Not applicable.
(c) How the measure evaluates the performance of the Department or the task faced by the Department	<p>The <i>Skills First</i> reforms identify a specific role for the TAFE Network "... as public providers who partner with industry and Government on key economic priorities, lead the training system in excellence and innovation, provide essential life skills and support services, and help disadvantaged students and communities."</p> <p>This measure provides information on the contribution of the TAFE Network to Vocational Education and Training in Victoria, and supplements the overall enrolment measures currently included in the suite of BP3 output performance measures.</p>
(d) The process the Department employed to set a target or anticipated result for this measure	<p>The 2018-19 BP3 targets are based on 2017-18 expected outcomes. The target setting method will be reviewed for the 2019-20 Budget following an evaluation of the <i>Skills First</i> reforms as described in point (h).</p>
(e) A description of what constitutes good performance and how the performance measure indicates this	<p>The <i>Skills First</i> reforms task the TAFE system with leading "the training system in excellence and innovation, [by providing] essential life skills and support services, and [helping] disadvantaged students and communities". This measure identifies increased participation in the TAFE network by measuring the volume of student enrolments.</p>
(f) Any shortcomings of the measure.	<p>There are known issues of scope (such as inclusion of module only enrolments, which inflates the number). These will be addressed in a review of all BP3 measures for the 2019-20 Budget following completion of an evaluation of the <i>Skills First</i> reforms as described in point (h).</p>
(g) How the department intends to estimate the 'expected outcome' of the measure at the time of the 2018-19 Budget.	<p>Expected outcomes for 2018-19 are based on existing administrative data as described in point (a).</p>
(h) How the department intends to evaluate the effectiveness of the measure in the future.	<p>The Department will undertake an evaluation of the first year implementation of the <i>Skills First</i> reforms in 2018. This evaluation will provide a useful guide to evaluate the effectiveness of all BP3 measures in the Training, Higher Education and Workforce development output.</p>

New Measure 5/10: Number of schools able to access the Digital Assessment Library

Sub-Question	Answer
(a) A description of the measure, including the data that support it, assumptions made, and how the data are collected and transformed	The measure is the number of schools able to access the Digital Assessment Library (DAL). This was calculated based on the number of Government, Catholic and Independent schools operating in Victoria, and assumes provision to schools across all sectors.
(b) If the measure is a ratio (including a percentage), please include a description of the numerator and denominator series that provide the ratio	Not applicable.
(c) How the measure evaluates the performance of the Department or the task faced by the Department	The measure provides a count of the number of schools able to access and use the DAL.
(d) The process the Department employed to set a target or anticipated result for this measure	The DAL has been designed to provide comprehensive and widespread coverage of the Victorian curriculum across key learning areas and capabilities for F-10 across all schools and sectors.
(e) A description of what constitutes good performance and how the performance measure indicates this	The availability of quality, validated assessment tools to all Victorian schools will significantly strengthen teaching practice through the development and use of leading assessment tools.
(f) Any shortcomings of the measure.	Not applicable.
(g) How the department intends to estimate the 'expected outcome' of the measure at the time of the 2018-19 Budget.	For 2018-19, the Department will provide an estimate of the expected outcome in April 2019.
(h) How the department intends to evaluate the effectiveness of the measure in the future.	The Department will ensure that the digital assessment library continues to be available to all Victorian schools across the Government, Catholic and Independent sectors, and will amend targets on an annual basis to reflect school openings, closures and mergers.

New Measure 6/10: Number of Digital Assessment Library items developed

Sub-Question	Answer
(a) A description of the measure, including the data that support it, assumptions made, and how the data are collected and transformed	The measure is the number of items developed for the Digital Assessment Library (DAL). This was calculated based on other assessment items and tools developed by the VCAA, their expertise in utilising external contractors and internal expertise. It will be a measure of the content available to schools via the DAL.
(b) If the measure is a ratio (including a percentage), please include a description of the numerator and denominator series that provide the ratio	Not applicable.
(c) How the measure evaluates the performance of the Department or the task faced by the Department	The measure indicates how successful the Department has been in developing and deploying assessment items for the DAL.
(d) The process the Department employed to set a target or anticipated result for this measure	The DAL has been designed to provide comprehensive and widespread coverage of the Victorian curriculum across key learning areas and capabilities for F-10 across all schools and sectors.
(e) A description of what constitutes good performance and how the performance measure indicates this	The DAL delivering the proposed number of items for the specified learning areas will constitute good performance and the measure proposed will indicate this.
(f) Any shortcomings of the measure.	Not applicable.
(g) How the department intends to estimate the 'expected outcome' of the measure at the time of the 2018-19 Budget.	For 2018-19, the Department will provide an estimate of the expected outcome in April 2019.
(h) How the department intends to evaluate the effectiveness of the measure in the future.	The Department will evaluate the effectiveness of the measure by reviewing the number of assessment items for the DAL delivered across the nominated key learning areas on an ongoing basis.

New Measure 7/10: Number of schools supported with strategic business and financial support

Sub-Question	Answer
(a) A description of the measure, including the data that support it, assumptions made, and how the data are collected and transformed	This measure is based on the number of schools that have been supported by a Strategic Financial Management Advisor (SFMA), Technical Leadership Coach (TLC) or School Finance Liaison Officer (SFLO). Data will be collected from the SFMAs, TLCs and SFLOs regarding school visits and will be aggregated for reporting purposes.
(b) If the measure is a ratio (including a percentage), please include a description of the numerator and denominator series that provide the ratio	Not applicable
(c) How the measure evaluates the performance of the Department or the task faced by the Department	This measure reports on DETs performance in providing the necessary support and building the capability of principals and school administrators in relation to the management of school finances and physical assets.
(d) The process the Department employed to set a target or anticipated result for this measure	Targets are based on a progressive increase in the current support provided by the existing Strategic Financial Management Advisor, Technical Leadership Coach and School Finance Liaison Officer programs.
(e) A description of what constitutes good performance and how the performance measure indicates this	<p>The deployment of resources within schools, in the best interests of student learning, is central to DET efforts to improve student learning outcomes.</p> <p>In order to maximise the benefit of current resources and ensure schools are deploying their financial and physical resources appropriately the Department needs to provide support mechanisms for schools in relation to the management of school operations.</p> <p>The performance measure indicates the number of schools supported by DET in effectively managing financial and physical resources.</p>
(f) Any shortcomings of the measure.	The measure does not quantify the level of support provided to each school and is not an indicator of quality.
(g) How the department intends to estimate the 'expected outcome' of the measure at the time of the 2018-19 Budget.	DET will report an expected outcome for the measure on the extrapolation of the data collected in the first 6 months of the initiative.
(h) How the department intends to evaluate the effectiveness of the measure in the future.	DET will review targets on an annual basis, and work closely with schools to ensure an appropriate level of the support is provided.

New Measure 8/10: Number of school staff attending strategic business and financial support training

Sub-Question	Answer
(a) A description of the measure, including the data that support it, assumptions made, and how the data are collected and transformed	This measure is based on the number of attendances at the Finance Matters and School Council training. Data will be collected through the ITD online training calendar which records the number of attendances at each training session.
(b) If the measure is a ratio (including a percentage), please include a description of the numerator and denominator series that provide the ratio	Not applicable
(c) How the measure evaluates the performance of the Department or the task faced by the Department	This measure reports on performance in building the capability of principals, school administrators and school councils in relation to the management of school finances.
(d) The process the Department employed to set a target or anticipated result for this measure	Targets are based on a progressive increase in the current support provided by the existing training programs.
(e) A description of what constitutes good performance and how the performance measure indicates this	<p>The deployment of resources within schools, in the best interests of student learning, is central to efforts to improve student learning outcomes.</p> <p>In order to maximise the benefit of current resources and ensure schools are deploying their financial and physical resources appropriately the Department needs to provide training for schools administrators and school councils in relation to the management of school finances.</p> <p>The performance measure indicates the number of school administrators and school councillors supported by the Department through the provision of training.</p>
(f) Any shortcomings of the measure.	The measure does not quantify the level of support provided to each school and is not an indicator of quality
(g) How the department intends to estimate the 'expected outcome' of the measure at the time of the 2018-19 Budget.	The Department will report an expected outcome for the measure on the extrapolation of the data collected in the first 6 months of the initiative.
(h) How the department intends to evaluate the effectiveness of the measure in the future.	The Department will review the target on an annual basis and review participant feedback in order to ensure training is meeting the requirement of participants.

New Measure 9/10: Number of students participating in the Victorian Young Leaders program

Sub-Question	Answer
(a) A description of the measure, including the data that support it, assumptions made, and how the data are collected and transformed	The student participation target has been set based on demand and capacity for the program identified through the existing Victorian Young Leaders (VYL) China Program, particularly within the latter, more established years of the program.
(b) If the measure is a ratio (including a percentage), please include a description of the numerator and denominator series that provide the ratio	Not applicable
(c) How the measure evaluates the performance of the Department or the task faced by the Department	The VYL program will develop students' language, intercultural and leadership capabilities and strengthen engagement through in-country immersion, and increase access to immersion programs for disengaged and socioeconomically and geographically disadvantaged students. The measure demonstrates effective delivery of the program to students at an overall level.
(d) The process the Department employed to set a target or anticipated result for this measure	Target was set through analysis of historical student participation levels in the existing VYL China program, which set a benchmark for demand and capacity within each program delivery model.
(e) A description of what constitutes good performance and how the performance measure indicates this	Good performance against the target, and progress towards the overall four-year target, will be measured as annually meeting or exceeding the annual student participation target.
(f) Any shortcomings of the measure.	The measure does not demonstrate the specific student level outcomes of the program. However, these will be captured and reported on through the evaluation of the program, as per the evaluation strategy.
(g) How the department intends to estimate the 'expected outcome' of the measure at the time of the 2018-19 Budget.	The outcomes of the program will be captured and reported on through the evaluation of the program, as per the evaluation strategy. Student participation levels will be recorded and reported annually (by financial and calendar year).
(h) How the department intends to evaluate the effectiveness of the measure in the future.	The Department will continue to analyse student participation levels in the VYL Program, to assess demand and capacity within each program delivery model to determine the effectiveness of the measure.

New Measure 10/10: Percentage of Year 9 students with a Careers e-Portfolio

Sub-Question	Answer
(a) A description of the measure, including the data that support it, assumptions made, and how the data are collected and transformed	This new measure represents the percentage of students enrolled in Year 9 in Victorian government schools, who have a Careers e-Portfolio, assessed via the August School Census.
(b) If the measure is a ratio (including a percentage), please include a description of the numerator and denominator series that provide the ratio	N: Number of Year 9 students in Victorian government schools who have a Careers e-Portfolio D: Total number of Year 9 students in Victorian government schools (assessed via the August School Census)
(c) How the measure evaluates the performance of the Department or the task faced by the Department	Ensuring that all students receive high quality career education is critical to securing Victoria's economic and social future, and to achieving the Victorian Government's Education State agenda to support all Victorians to live the lives they want to live, and get the jobs they need. This measure has been included to reflect investment in transforming career education in Victorian government schools, including significant investment at Year 9, which is a critical time for career planning and decision-making. The Careers e-Portfolio will support Year 9 students to develop Career Action Plans and facilitate career conversations with their teachers and parents.
(d) The process the Department employed to set a target or anticipated result for this measure	The targets are incremental, reflecting progressive rollout of the initiative with Department support for school participation.
(e) A description of what constitutes good performance and how the performance measure indicates this	Good performance will constitute an increase each calendar year in the percentage of Year 9 students who have a Careers e-Portfolio, building to a target of 95 per cent by 2022.
(f) Any shortcomings of the measure.	This performance measure will not facilitate assessment of the quality and usability of the Careers e-Portfolio.
(g) How the department intends to estimate the 'expected outcome' of the measure at the time of the 2018-19 Budget.	Data collection will occur in August each year, which will inform calculations of expected outcome in the out years. For 2018-19, the Department will provide an estimate of the expected outcome in April 2019.
(h) How the department intends to evaluate the effectiveness of the measure in the future.	The Department will commission an independent evaluation of the suite of career education reform initiatives to examine perceptions of the quality and value of these initiatives and to inform improvements to delivery and review targets on an annual basis. This evaluation will provide a useful guide to evaluate the effectiveness of the measure and inform target setting in future years.

8. Staffing matters

Question 18 *FTE by employment category*

- (a) Please fully complete the table below, providing actual FTE staff numbers at 30 June 2017 and estimates of FTE staff numbers (broken down by the categories listed below) at 30 June 2018 and 30 June 2019 for the Department. Please provide figures consolidated on the same basis (that is, including the same entities) as is reported in the Department's most recent annual report.

Grade	30 June 2017 (Actual FTE number)	30 June 2018 (Expected FTE number)	30 June 2019 (Forecast FTE number)
Secretary	1.0	1.0	1.0
EO-1	5.0	4.0	4.0
EO-2	46.0	49.6	49.6
EO-3	36.6	38.9	39.9
VPS Grade 7 (STS)	27.3	25.4	25.7
VPS Grade 6	450.3	544.7	546.6
VPS Grade 5	912.9	1,112.0	1,237.3
VPS Grade 4	463.0	549.6	536.2
VPS Grade 3	348.5	377.8	365.1
VPS Grade 2	98.8	98.0	98.8
VPS Grade 1	0.9	5.0	5.0
Principals and Teachers	44,218.2	44,588.0	45,549.0
Education Support	15,427.2	15,440.0	15,789.0
Allied health professionals	449.6	470.6	519.0
Nurses	193.1	185.9	196.0
Other (Graduate Recruits)	14.0	14.0	14.0
Total	62,692.4	63,504.5	64,976.2

- (b) Please list the entities that contribute to the table above

Department of Education & Training central, regional (including VCAA, VRQA) and Government schools

Question 19 Ongoing, fixed term or casual staff

- a) Please break down the actual staff numbers in your department as at 30 June 2017 and the estimates as at 30 June 2018 and 2019 according to the number of staff that are ongoing, fixed-term or casual.

	30 June 2017 actual		30 June 2018 expected		30 June 2019 forecast	
	(FTE number)	(head count)	(FTE number)	(head count)	(FTE number)	(head count)
Ongoing	45,927.2	52,046	54,608.1	61,883	56,079.9	63,461
Fixed-term	16,746.6	20,866	8,883.9	11,069	8,883.8	11,159
Casual	18.5	42	12.5	31	12.5	31
Total	62,692.3	72,954	63,504.5	72,983	64,976.2	74,651

- b) Please break down the actual staff numbers in your department as at 30 June 2017 and the estimates as at 30 June 2018 and 2019 according to gender and indicate if the Department has employees identifying as indigenous or having a disability.

	30 June 2017 actual		30 June 2018 expected		30 June 2019 forecast	
	(FTE number)	(head count)	(FTE number)	(head count)	(FTE number)	(head count)
Male	15,721.1	16,901	15,924.8	16,908	16,293.6	17,294
Female	46,971.2	56,053	47,577.7	56,073	48,680.6	57,355
Self-defined	0	0	2	2	2	2
Total	62,692.3	72,954	63,504.5	72,983	64,976.2	74,651

	30 June 2017 actual		30 June 2018 expected		30 June 2019 forecast	
	(FTE number)	(head count)	(FTE number)	(head count)	(FTE number)	(head count)
People who identify as having a disability ¹	N/A	N/A	N/A	N/A	N/A	N/A
People who identify as having indigenous status	207.1	224	210.2	227	213.5	231

¹ The Department does not collect this data

Question 20 Use of consultants, contractors and labour hire

- (a) What are the main gaps in the department’s capability and capacity identified in 2017-18, 2018-19 and 2019-20?

There is expected to be a continued need to employ contractors in the Information Technology and capital program areas due to specific and specialist skill sets required in and in some cases the requirement to pay market rates above VPS levels. Contractor roles in these areas account for a large proportion of the contractor workforce in DET.

- (b) How does the department define the terms ‘contractor’, ‘consultant’ and ‘labour hire’?

The Department defines consultancy, contractor and labour hire in accordance with Financial Reporting Direction (FRD) 22H.

- (c) What are the key drivers for the use of consultants, contractors and labour hire in the department in 2017-18, 2018-19 and 2019-20?

Key drivers include:

- Need for independent advice/evaluation.
- Need for specialist capability/skills not always available within existing workforce
- Pressure to deliver in short timeframes
- Difficulty in recruiting suitably qualified VPS employees

These factors can often operate in combination

- (d) Please provide a table of consultancy expenditure for contracts over \$10,000 from 1 July 2017 to 31 March 2018, as set out below:

Consultant	Purpose of consultancy	Start date	End date	Total approved project fee (\$ ex GST)	Expenditure 1 July 2017 to 31 March 2018 (\$ excluding GST)	Future expenditure (\$ excluding GST)
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As has been the reporting practice in previous years, an approved version of requested information will be available to Parliament under the Other information on request section of the Department’s annual report. This information about consultancies and contractors will include:

- consultants/contractors engaged
- services provided
- expenditure committed to for each engagement

- (e) Please provide a table of contractor expenditure from 1 July 2017 to 31 March 2018 as set out below:

Contractors engaged	Services provided	Expenditure (\$ excluding GST)	Start date
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As has been the reporting practice in previous years, an approved version of requested information will be available to Parliament under the Other information on request section of the Department’s annual report. This information about consultancies and contractors will include:

- consultants/contractors engaged
- services provided
- expenditure committed to for each engagement

- (f) What guidance material and advice does the department utilise in making a decision to use a consultant, contractor or labour hire? How could this guidance and advice be improved to support the decision making of the department?

- DET ProcureNet website (intranet) 'Temporary Staff Hire' assists users to determine whether the use of temporary labour is the best option for their circumstances. The inclusion of a workflow diagram would further assist users in choosing the most relevant resource (employee v. non-employee) for their circumstances.
- DET's 'Recruitment and Selection in the PS' policy guide refers to the various employee modes of employment including Ongoing, Fixed Term and Casual employment. The use of temporary staff is also referenced although the policy makes it clear that an appropriate employee mode is to be the user's first choice.
- WoVG purchasing policy can be viewed on the Victorian Government Purchasing Board (VGPB) website. This site lists all State Purchase Contracts including the Staffing Services (Temporary Staffing hire) contract. Departmental contact persons and a comprehensive User Guide are key elements of assistance for users of the contract.
- Assistance and advice from Corporate People Services is available to all staff.

The Department ensures continuous improvement of guidance and advice to support decision making. Information is reviewed and updated on a regular basis, with appropriate consultation across the Department and Government.

- (g) What are the benefits of the use of consultants, contractors and labour hire in delivering outcomes for the department? What impact did contractors, consultants and labour hire have on the capability and capacity of the department in 2017-18?

Benefits include the time-limited (often project based) tenure of appointment and the capacity for managers to tap into an immediate yet particular or specialist and/or technical skill-set. In particular, the impact of contractors and labour hire was significant in enabling complex Information Technology deliverables and in supporting the significant school capital program managed by the VSBA.

- (h) What risks have been identified in relation to the use of consultants, contractors and labour hire? How are these risks managed?

Higher costs and the potential erosion of internal capability are the key risks that can be associated with use of consultants, contractors and labour hire. Consultants and project based contractors are generally engaged where appropriate capabilities do not exist within the VPS workforce and are required for urgent time limited projects. Mitigation of identified risks is achieved through encouragement of managers to hire VPS staff wherever possible except in situations where market rates are beyond VPS salary scales, urgency and expertise requirements render VPS hire unviable or where project based employment is required (e.g. delivery of capital program).

- (i) How is labour hire reported by the department with reference to the Department of Treasury and Finance's guidance note on FRD 22H?

Consistent with Financial Reporting Direction (FRD) 22H, with respect to labour hire, the Department maintains details of contractors including labour hire firms, direct engagements or outsourced contracts.

(j) Please advise, for the entities reported in the Department's most recent annual report:

(i) the amount spent by the Department on labour hire staff during 2016-17 and amounts expected to be spent during 2017-18 and 2018-19.

Expenditure on labour hire staff	2016-17 (\$ million)	2017-18 (\$ million)	2018-19 (\$ million)
	46.3	55.45 ¹	56.84 ²

¹ Annualised estimate; based on actual value up to 31 March 2018

² Annualised estimate; based on actual value up to 31 March 2018 + CPI 2.5%

(ii) the amount of labour hire staff (FTE and headcount) used by the Department on the last working day of 2016-17, and the numbers expected on the last working days of 2017-18 and 2018-19

30 June 2017 actual		30 June 2018 expected		30 June 2019 forecast	
(FTE number)	(head count)	(FTE number)	(head count)	(FTE number)	(head count)
480 ^{1,2}	480 ²	440 ^{1,2}	440 ²	440 ^{1,2}	440 ²

¹ Department information does not differentiate between FTE and headcount. Labour hire staff are assumed to be 1.0 FTE.

² Estimate; Department information does not formally forecast labour hire staff requirements, however DET anticipates the number of labour hire staff will remain relatively consistent.

9. Enterprise Bargaining Agreements

Question 21 *EBAs anticipated to be completed during 2018-19*

- (a) Please list EBAs that are expected to be completed during the year that affect the Department, along with an estimate of the proportion of your Department's workforce (EFT) covered by the EBA.

Name of EBA under negotiation	Proportion of Department's EFT covered
N/A	N/A

- (b) Please describe the effect the EBAs listed above have had on estimates of 2018-19 employee benefits.

N/A

10. Government actions to combat homelessness (Questions for the Department of Health and Human Services only)

Question 22 *Cost and sources of funds*

- (a) *Victoria's Homelessness and Rough Sleeping Action Plan* contains a series of spending initiatives and programs to prevent homelessness and rough sleeping. This is in addition to a series of output and asset initiatives announced in the 2017-18 Budget for housing support for Victorians in need and people affected by family violence, as well as the Towards Home package announced in January 2017.

Please complete the table below as it relates to people at risk of homelessness, rough sleepers and people fleeing family violence.

Date of announcement	Initiative/output program		Amount allocated	Length of program or initiative	Amount spent (at March 31 2017)	Anticipated expenditure for 2018-19	Details of the asset initiative/output program
2017-18 Budget	Whole of Government Homes for Victorians initiative - Victorians in Need	<i>Rooming house upgrades</i>	\$20 million	2017-18			
		<i>Victorian property fund</i>	\$12 million	2017-18 to 2020-2021			
	Whole of Government Homes for Victorians initiative – Increasing and renewing social housing stock	<i>Financial backing for the community housing sector</i>	\$2.0 million	2016-17			
		<i>Increasing the capacity of the community housing sector</i>	\$3.0 million	2016-17			
		<i>Head leasing</i>	\$2.0 million	2017-18			

	Whole of Government <i>Family Violence</i> initiative – <i>Housing support for family violence victims</i>						
		<i>Improved crisis accommodation response</i>	\$83.1 million	2017-18 to 2020-21			
		<i>Long term housing</i>	\$48 million	2017-18			
January 2017	<i>Towards Home package</i>		\$9.8 million	January 2017 to January 2019			
January 2018 <i>Victoria's Homelessness and Rough Sleeping Action Plan</i>	Package to prevent homelessness		\$109 million				
	Investment to increase the supply of social housing		\$120 million				
	Family Violence Housing Blitz		\$152 million				
	Private rental brokerage to assist people maintain long term accommodation in the private rental market		\$33.2 million				
Other (please specify)							

Question 23 Measuring the impact of Victoria's Homelessness and Rough Sleeping Action Plan

- (a) In relation to *Victoria's Homelessness and Rough Sleeping Action Plan* and other spending initiatives announced by the Government related to homelessness, please advise of any
- (i) targets associated with the programs
 - (ii) relevant data intended for regular publication (such as in the department's annual report)
 - (iii) performance measures developed to assess the programs' effectiveness.

Whole-of-government questions (Department of Treasury and Finance only)

Question 24 *Alterations to previous estimates for 2018-19*

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 2018-19 published in the 2017-18 budget papers, and the budget forecasts for 2018-19 shown in the 2018-19 budget papers.

Line item	Reason for variation

Question 25 *Changing estimates of PPP and other investment*

In regard to the figure in the 2018-19 budget papers for ‘PPP and other investment’ (if provided) (see 2017-18 State Capital Program budget paper, p.19), please provide a revised estimate for this figure for 2017-18 and an explanation for the changes between last year’s estimates and those for 2018-19:

	2017-18 (\$ million)	2018-19 (\$ million)	2019-20 (\$ million)	2020-21 (\$ million)	2021-22 (\$ million)
2017-18 budget papers	4,196.5	4,925.6	5,518.3	4,557.1	na
2018-19 budget papers					
Explanation					

Question 26 *Other grants for specific purposes*

In the tables relating to grants for specific purposes in the Statement of Finances budget paper, if any line item labelled ‘other’ has a value exceeding \$10 million in 2018-19, please provide details of the grants which have been included in the line item.

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Question 27 Changes in general purpose grants estimates

- (a) Please give reasons for the changes in general purpose grants estimates from the 2017-18 Budget, including those over the forward estimates.

	2018-19 (\$ million)	2019-20 (\$ million)	2020-21 (\$ million)
2017-18 estimates (2017-18 BP5 p.22)	16,142	17,036	18,001
2018-19 estimates (2018-19 budget papers)			
Explanation for variances			

- (b) What has been the impact of these changes to Victoria for 2018-19 and beyond?

- (c) Please detail any actions that the State Government has taken in response to expected changes in the value of general purpose grants in 2018-19 and the forward estimates period.

Question 28 Equity funding from the Commonwealth

Does the Government expect to receive equity funding as an alternative to traditional grants payments made by the Commonwealth for transport or other projects over 2018-19 and the forwards estimates? If so, which projects will receive this funding and how much?

Question 29 Net debt by PNFC/PFC entity

In relation to the net debt projections for the non-financial public sector for 2018-19 and over the forward estimates to 2021-22 (as published in the Statement of Finances budget paper), 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 2018	Net debt, 30 June 2019	Net debt, 30 June 2020	Net debt, 30 June 2021	Net debt, 30 June 2022

Question 30 *Reasons for changes to borrowings / net debt estimates*

What specific factors or assumptions (for example, new or changed major asset or output initiatives) have led to changes to the estimates of borrowings and net debt as at 30 June 2017 and the forward estimates between the 2017-18 Budget and the 2018-19 Budget?

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Question 31 *Investments in financial assets for policy purposes*

Please disaggregate the item ‘net cash flows from investments in financial assets for policy purposes’ (on GGS cash flow statement) showing:

- (a) Net cash flows (other than capital repayments²) between entities
- (b) Capital repayments received from entities outside the general government sector

Department/entity	Reason for cash flow (including any related projects or entities)	Expected net cash flow 2018-19 (\$ million)
Cash flows other than capital repayments		
Capital repayments		
Total (to equal net cash flows from investments in financial assets for policy purposes in GGS cash flow statement)		

² Defined in Department of Treasury and Finance, *Corporate Planning and Performance Reporting Requirements: Government Business Enterprises* (2009), s.7.2.1, p.14

- (c) Please provide a list of major projects that contribute to net cash flows from investments in financial assets for policy purposes for the State of Victoria, including anticipated inflows and outflows for 2018-19.

Project	Expected cash inflow	Expected cash outflow	Expected net cash flow
Total			

11. Corporate planning and performance reporting

Question 32 *Performance measurement and reporting requirements review*

The Committee was informed in the *Government Responses to the Recommendations of the PAEC's Report in the 2016-17 Budget Estimates* that 'the Department of Treasury and Finance is undertaking a holistic review of performance measurement and reporting requirements. This review will result in extensive modifications to the Performance Management Framework and performance measurement in the State Budget, rolling out from Budget 2018-19'.

- (a) What are the recommendations of this review?
- (b) As a result of the review, what modifications have been made to
 - (i) the performance management framework?
 - (ii) reporting of performance measurement by departments and agencies in the State Budget?
- (c) What is the timeframe for the full rollout of the review?