



**PUBLIC ACCOUNTS AND ESTIMATES COMMITTEE**

**2017-18 BUDGET ESTIMATES QUESTIONNAIRE**

# 1. Strategic priorities

## Question 1

- (a) What are the Department's key strategic priorities underpinning its budget for 2017-18 and over the forward estimates to 2020-21?

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

The Education State reform agenda aims to build a world-class education and training system to provide all Victorians with equal access to the benefits and opportunities that come from education, regardless of background or circumstance.

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 for 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 2016-17 and 2017-18 on funding and resource allocation in the 2017-18 Budget?

The 2017-18 Budget continues the Government's focus on rolling out the Education State reform agenda. The key strategic priorities are broadly the same as the previous year.

- (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 2016-17 and 2017-18. In describing the programs or initiatives, please use the same names as are used in the budget papers where applicable.

N/A

## Question 2

Please identify any programs or initiatives (including asset or output initiatives) that have lapsed in 2016-17 (that is, they will not be continued in 2017-18). For each program or initiative, please indicate the expenditure on this program/initiative in 2016-17. 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 2017-18 Budget that replace the lapsing initiative. Please also identify the effect on the community of the lapsing (*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 that there is no effect. 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 2016-17 (\$ million)	If it is to be extended into 2017-18, 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 or actions taken by the Department to ensure there is no effect
Access to Quality Early Childhood Education and Care	1.140	N/A	<p>Educators wishing to upgrade their vocational early childhood qualification will still be able to access VET student loans, and Government-subsidised training depending on their eligibility.</p> <p>Those educators seeking to upgrade to an undergraduate or post-graduate qualification may be eligible for a Commonwealth supported place. Students may also be eligible for additional Centrelink payments.</p> <p>As part of the Early Childhood Reform Plan, the 2017-18 Budget will provide \$22.8 million to significantly increase the support that is provided to kindergarten services to improve their quality. Included in this investment is \$4.6 million for quality improvement grants that will ensure that the kindergarten services that need the most support (for example, as assessed against the National Quality Standard) will be able to access intensive coaching, training and advice to improve their professional practice and outcomes for children.</p>

Navigator	4.415	Extension of Navigator Pilot Program (2017-18 Budget initiative)	N/A
Mentoring program	0.300	Extension of the Student Mentoring program (2017-18 Budget initiative)	N/A
School Maintenance Fund	8.900	N/A	No impact – additional funding for maintenance was provided as part of the 2016-17 budget.
National Partnership on Skills Reform	128.500	N/A	The Skills Reform NP expires in June 2017, but Victoria will continue negotiating with the Commonwealth to secure future funding arrangements, ensuring the national training system meets future workforce needs.

### Question 3

The new *Performance Management Framework* (March 2016) provides guidance for planning requirements for the Department.

- (a) Please provide a copy of the Department's corporate (four-year) plan as described in *Performance Management Framework for Victorian Government Departments* (March 2016) pp.8-9. Please note that plans that are not made public by the Department will not be published on the PAEC's website. If the Department does not supply a corporate plan, please explain why.

The Department's 2016-2020 Strategic Plan is publicly available and a copy is attached to this questionnaire.

- (b) Regarding long-term planning for the Department (described in *Performance Management Framework for Victorian Government Departments* p.10), please describe:
- (i) the long-term planning horizon used for the Department's long-term plans, and why this horizon was chosen;

The Department undertakes longer-term planning over multi-year timeframes for its asset program, workforce planning and its overall financial outlook. These plans are developed for internal purposes.

The Department's Asset Strategy has a ten-year outlook, and provides the long-term strategic framework for developing and maintaining a high performing asset base to support world-leading education and development outcomes.

Workforce planning is also undertaken over a ten-year horizon for both the maternal and child health, and school workforces.

Consistent with whole-of-government requirements, the Department undertakes medium-term financial planning as per the forward estimates period.

Under the Government's Education State reform agenda, longer-term strategic planning (of up to ten years) is undertaken across the Department's three sectors:

- Early Childhood: The Government is developing a long-term reform plan to improve the quality of, participation in, and access to early childhood education and care.
- School Education: The Government has committed to building excellence and equity in schools, including through increased equity funding, a new Victorian curriculum, and a new Framework for Improving Student Outcomes supported by locally based staff. The Education State in schools reform agenda includes a set of ambitious, long-term targets for improving student outcomes by 2020 and 2025. The targets cover academic excellence, wellbeing, equity and engagement.
- Training and Skills: The Government is overhauling Victoria's training and TAFE system through Skills First, which is implementing a new approach to training focussed on the provision of high quality training and courses that are most likely to lead to employment.

- (ii) significant risks and challenges identified by the Department for service delivery over the planning horizon;

Victoria's economy is shifting rapidly in ways that will affect the nature of work and types of careers available to Victorians throughout their lives. These shifts, including from a traditional manufacturing base to knowledge and service-based industries, means the Victorian education and training system will need to adapt to continue to meet the State's training needs in a globalised environment.

At the same time, a strongly growing population is placing pressure on our systems to respond to increasing demand, both from established and new communities. The changing nature of engagement with education and training services means we will need to better utilise communications technology and easy-to-access online information so that all Victorian learners are prepared for the modern, connected world.

Similarly, the challenges of increasing divergence in educational outcomes between learners from different backgrounds means it is more important than ever to give all Victorians, regardless of background or circumstances, the opportunity to shape and reshape their lives through education.

The key risks that may impact on achieving our goal of making Victoria a world leader in learning and development can be summarised as follows:

1. Failure to deliver Education State learning and development outcomes and targets as a result of being unable to provide access to and participation in high-quality early childhood, school, higher education and training system services
2. Failure to create an integrated education system that connects sectors and settings, and delivers lifelong involvement in learning for Victorians
3. Failure to deliver safe, equitable and inclusive early childhood, school and training services for vulnerable learners
4. Failure to maximise the capability of corporate departmental staff, educators, leaders and employers to deliver quality education outcomes
5. Failure of policy makers, educators, support staff and other service providers to act with integrity, accountability and transparency
6. Education system fails to effectively implement policy and strategy
7. Failure to engage key stakeholders effectively.

(iii) strategies considered by the Department to deal with these identified risks and challenges.

To mitigate and/or manage the seven high-level risks outlined in the response to the previous question, the Department has developed the following areas of focus (listed respective to each risk):

1. Deliver on reform agendas to pursue excellence and equity through quality education and training services and infrastructure development
2. Improve system connections and engagement and retention including through the National Quality Framework and new Vocational Education and Training (VET) funding model
3. Close the gaps for disadvantaged children and young people regardless of personal or social circumstance through system reform, including more targeted funding and data sharing to help identify those at risk of disengagement
4. Deliver an education system that has strong strategies to promote professional development and leadership
5. Undertake an organisational reform program including improved governance and processes, and leadership initiatives
6. Increase focus on effective change and program management
7. Build partnerships with stakeholders, communities and industry in a changing economy to ensure stakeholder engagement, including opportunities to contribute to the Education State agenda.

## 2. Spending

### Question 4

Please explain any variations of more than  $\pm 10$  per cent (or greater than \$100 million) between the revised estimate for 2016-17 and the budget for 2017-18 for the following line items in the Department's operating statement in the Statement of Finances budget paper:

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

	<b>2016-17 (revised estimate)</b>  (\$ million)	<b>2017-18 (Budget)</b>  (\$ million)	<b>Explanation for any variances greater than <math>\pm 10\%</math> (or greater than \$100 million)</b>
Employee benefits	6,971	7,147	The variation is primarily driven by indexation and new funding for initiatives approved as part of the 2017-18 State Budget.
Grants and other transfers	999	1,018	N/A
Other operating expenses	3,615	3,814	This is primarily due to estimated carryover from 2016-17 into 2017-18 and new funding for initiatives approved as part of the 2017-18 State Budget. This is offset by corporate efficiencies and the conclusion of the Commonwealth's Universal Access National Partnership in December 2017 for five hours of kindergarten per week.
Major components of 'other operating expenses' (please supply categories):	As outlined below.		
Other operating supplies and consumables	1,493	1,750	This is primarily due to estimated carryover from 2016-17.
Information communication technology - purchase of services	73	81	The variation is primarily driven by new funding for initiatives approved as part of the 2017-18 State Budget.
Staff related expenses (non-labour related)	10	15	The variation is primarily driven by new funding for initiatives approved as part of the 2017-18 State Budget.

- (e) If the Department is unable to provide estimates for the components of 'other operating expenses' in 2017-18, please explain how the amount of 'other operating expenses' listed for 2017-18 in the budget papers was calculated.

N/A

### Question 5

For the line item 'payments for non-financial assets' for 2017-18 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 2016-17.

NIL

### Question 6

In relation to the break-down of expenses from transactions disaggregated by government purpose classification in the budget papers (if provided in the 2017-18 budget papers – see Note 12(a) to the general government sector consolidated operating statement the 2016-17 Statement of Finances budget paper, p.32), please provide details of the Department's component of the expenses in each category for 2016-17 and 2017-18. Please explain any variations between the years that are greater than  $\pm 10$  per cent or greater than \$100 million between 2016-17 and 2017-18 estimates.

<b>Government purpose classification</b>	<b>2015-16 actual (\$ million)</b>	<b>2016-17 revised estimate (\$ million)</b>	<b>2017-18 Budget (\$ million)</b>	<b>Explanation for any variances greater than <math>\pm 10\%</math> (or greater than \$100 million) between 2016-17 and 2017-18 estimates.</b>
General public services	N/A	N/A	N/A	N/A
Public order and safety	N/A	N/A	N/A	N/A
Education	13,257.4	14,477.9	15,025.9	The increase is primarily due to indexation, additional funding for student enrolment growth in 2016-17 and new funding announced as part of the 2017-18 Budget.
Health	119.0	122.0	126.1	N/A
Social security and welfare	79.5	73.7	74.2	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

### 3. Expenditure reduction measures

#### Question 7

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 2017-18 to meet the various savings targets
- (b) any impact that these actions will have on the delivery of services during 2017-18
- (c) the Department's savings target for 2017-18, 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 2017-18	Impact of these actions on service delivery in 2017-18	Savings target for 2017-18 (\$ million)	Explanation for variances to the original target
Efficiency and expenditure reduction measures in 2014-15 Budget (2014-15 BP3 p.79)	General Efficiency Dividend – efficiency dividend applied to non-frontline departmental expenditure	Negligible – the government efficiency dividend will affect only back office/corporate staff and not frontline service delivery	\$2.88	N/A
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 firms and reduce the number of executive officers	Negligible – the government efficiency dividend will affect only back office/corporate expenditure and not frontline service delivery	\$2.25	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	\$5.0	N/A
Any efficiency and expenditure reduction measures in 2017-18 Budget	The 2017-18 Budget announced a Whole of Government efficiencies initiative. Allocations for all departments will be formalised over the coming months. These allocations will be applied to appropriate areas, ensuring that there is no impact on service delivery.			

### Question 8

In relation to any programs or initiatives that have been reprioritised, curtailed or reduced for 2017-18 (including lapsing programs), please identify:

- (a) the amount expected to be spent under the program or initiative during 2017-18 at the time of the 2016-17 Budget
- (b) the amount currently to be spent under the program or initiative during 2017-18
- (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	The amount expected to be spent under the program or initiative during 2017-18:		The use to which the funds will be put
	at the time of the 2016-17 Budget	at the time of the 2017-18 Budget	

Training, Higher Education & Workforce Development	\$2,477.5 million <sup>1</sup>	\$2,432.0 million	Expenditure reductions in the Training, Higher Education and Workforce Development Output in line with expected demand. Funds will be returned to consolidated revenue to support new initiatives in the education and training portfolio.
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<sup>1</sup> Reflects the 2016-17 output cost target.

### Question 9

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 2017-18 Budget new output initiatives' table.

<b>Amount reprioritised for 2017-18 (\$ million)</b>	<b>Amount reprioritised for 2018-19 (\$ million)</b>	<b>Amount reprioritised for 2019-20 (\$ million)</b>	<b>Amount reprioritised for 2020-21 (\$ million)</b>
14.9	9.0	2.5	2.5

## 4. Output and asset initiative funding

### Question 10

- (a) Please identify the guidance documentation reference that describes the setting of the Departmental budget (previously BFMG-05 and BFMG-06).

Budget Operations Framework for Victorian Government Departments, updated February 2017.

- (b) 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 2016-17. Please include explanations for all items.

	Amount		Explanation
	(per cent)	(\$ million)	
Total income from transactions 2016-17	NA	13,578.5	NA
New output initiative funding	1%	106.3	2017-18 budget initiatives
Savings and efficiency measures	-1%	-36.5	Corporate efficiencies
Inflation adjustment	2%	248.8	Indexation for delivery of frontline services
Output resource allocation reviews	-	-	NA
Base reviews	-	-	NA
Other (please specify)	2%	224.6	Mainly relates to additional budget supplementation for capital asset charges and depreciation relating to the Department's upward revaluation of buildings, funding for additional school enrolments and higher estimated carryover, offset by a \$50 million reduction in the Training, Higher Education and Workforce Development Output reflecting expected demand.
Total income from transactions 2017-18	NA	14,121.7	NA

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

N/A

## Question 11

In relation to the asset initiatives released in the 2017-18 Budget for the Department (as detailed in the Service Delivery budget paper), please quantify the amount of funding for those initiatives that is expected to come from the Department's own sources (such as depreciation, applied appropriations which have not been spent or other sources) and the amount of new funding provided specifically for these initiatives in this budget.

	<b>2016-17</b> <b>(\$ million)</b>	<b>2017-18</b> <b>(\$ million)</b>	<b>2018-19</b> <b>(\$ million)</b>	<b>2019-20</b> <b>(\$ million)</b>	<b>2020-21</b> <b>(\$ million)</b>	<b>TEI</b> <b>(\$ million)</b>
Funding from the Department's own sources	NIL	NIL	318.1	88.1	4.6	410.8
New funding specifically for these initiatives in 2017-18 Budget	20.0	254.2	NIL	NIL	NIL	274.2
<b>Total asset initiatives (as in Service Delivery budget paper)</b>	<b>20.0</b>	<b>254.2</b>	<b>318.1</b>	<b>88.1</b>	<b>4.6</b>	<b>685.0</b>

## Question 12

- (a) Please quantify the Department's balance of applied appropriations unspent as at 30 June 2016 (as defined in the notes to Section 8.2.1 of the 2015-16 Financial Report for the State), along with estimates for the equivalent figures as at 30 June 2017 and 2018.

	<b>2016</b> <b>(\$ million)</b>	<b>2017</b> <b>(\$ million)</b>	<b>2018</b> <b>(\$ million)</b>
Applied appropriations unspent as at 30 June	720.4	377.4	NIL

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

The intended uses of the 2016 applied appropriations unspent of \$720.4 million were (from DET AFR, Note 6, p.125) as follows:

- An amount of \$702.4 million, which primarily reflects a \$246.0 million carryover of provisions of outputs appropriation, was intended for non-government schools and early childhood grants (\$40.0 million), schools infrastructure including maintenance related projects (\$37.8 million), reform activities (\$29.9 million), IT systems licencing and maintenance payments (\$22.5 million), TAFE Structural Adjustment Fund (\$17.9 million), early childhood and education programs (\$14.2 million), and other departmental programs (\$83.6 million). In addition, savings of \$91.3 million, lapsed prior year's appropriation and carryover, treasurer's advances and VTG funding totalling \$365.1 million also contributed to the amount remaining unspent
- An additional amount of \$18.0 million in additions to net assets variance intended for the Commonwealth's Trade Training Centres initiative was also carried forward into 2017-18.

The intended uses of the 2017 applied appropriations unspent of \$377.4 million were as follows:

- \$215.0 million intended to support the Department's 2016-17 service delivery, now planned for 2017-18 for a range of projects due to timing issues.
- \$161.1 million re-cash flow of the capital program into future years, intended for delivery of prior year approved state construction programs, Shared Facilities Fund, Land Acquisition and Tech Schools programs due to the revision of implementation plans.



## 5. Public private partnership expenditure

### Question 13

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 2017-18 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	2016-17 revised (\$ million)	2017-18 (\$ million)	2018-19 (\$ million)	2019-20 (\$ million)	2020-21 (\$ million)	Explanation
PPPs under construction (including in planning)						
<b>New Schools PPP Project (the project is partly commissioned and partly uncommissioned)</b>						
Depreciation and amortisation (operating statement)	-	6.294	6.294	6.294	6.294	Amortisation
Interest expense (operating statement)	5.581	15.283	18.547	18.152	17.742	Finance lease interest
Other operating expenses (operating statement)	2.114	5.964	7.378	7.660	8.156	Recurrent/operating costs- FM, Lifecycle and school initiated works
State Based Costs (operating)	10.01	5.85	-	-	-	Project management costs (including salaries and consultant costs); site establishment grants, ICT and ICT project manager; furniture, fittings & equipment; construction of Heather Grove road and Retained risk.
PPPs in operation						
<b>Partnerships Victoria in Schools Project</b>						
	2016-17 revised (\$ million)	2017-18 (\$ million)	2018-19 (\$ million)	2019-20 (\$ million)	2020-21 (\$ million)	

<b>Amortisation</b>	3.89	3.89	3.89	3.83	3.51	Amortisation
<b>Interest</b>	11.217	10.914	10.591	10.275	9.881	Finance lease interest
<b>Other Operating Expenses</b>	8.644	8.694	8.707	8.726	8.759	Recurrent/operating costs- FM, Lifecycle and modification costs
<b>State Based Costs (Operating)</b>	-	-	-	-	-	Contract Management Costs (including salaries & consultants)

## 6. Revenue

### Question 14

Please disaggregate the Parliamentary Authority for the Department for 2017-18 as in the table below.

	<b>Provision of outputs</b>	<b>Additions to the net asset base</b>	<b>Payments made on behalf of the State</b>	<b>Total</b>
Annual appropriations	12,021 <sup>(b)</sup>	326 <sup>(b)</sup>	-(b)	12,347 <sup>(a)</sup>
Receipts credited to appropriations	531 <sup>(b)</sup>	41 <sup>(b)</sup>	-(b)	572 <sup>(a)</sup>
Unapplied previous years appropriation	215 <sup>(b)</sup>	-(b)	-(b)	215 <sup>(a)</sup>
Accumulated surplus – previously applied appropriation	-	-	-	-(a)
Gross annual appropriation (sum of previous 4 rows)	12,767	367	-	13,134 <sup>(a)</sup>
Special appropriations	6	-	-	6 <sup>(a)</sup>
Trust funds	3,218	-	-	3,218 <sup>(a)</sup>
Total parliamentary authority (sum of previous 3 rows)	15,991	367	-	16,358 <sup>(a)</sup>

- (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 15

In relation to 2017-18, please outline any new revenue-raising initiatives released in the 2017-18 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 16

In relation to 2017-18, 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
N/A					

### Question 17

In relation to 2017-18, 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 18

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  $\pm 10$  per cent or \$100 million between the revised estimate for 2016-17 and the budget for 2017-18.

Income category	Description of income category	Revised estimate for 2016-17 (\$ million)	Estimate for 2017-18 (\$ million)	Explanation
Output appropriations	Annual appropriation revenue. Income in the form of a Parliamentary appropriation on an annual basis through the <i>Appropriation Act</i> and <i>Financial Management Act 1994</i> .	12,348	12,767	The variation is primarily driven by indexation and new funding approved as part of the 2017-18 State Budget.
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.	22	6	The reduction is primarily due to Commonwealth funding for <i>Support for Students with a Disability</i> being budgeted for 2016-17 only and the re-cash flow of the <i>Digital Education Revolution</i> funds for on-cost expenses including installation and maintenance.
Interest	Interest earned on financial assets.	22	22	N/A
Sales of goods and services	Recognises revenue earned from the sale of goods and services (e.g. student fees).	626	721	The forecast variation is primarily driven by increases in TAFE fee revenue.

Grants	Grants received from the Commonwealth, Victorian government entities/agencies and local governments.	6	13	The variation is primarily driven by an increase in TAFE grants from other departments and new funding for <i>Resource Smart Schools</i> approved as part of the 2017-18 State Budget.
Other income	Other revenue includes miscellaneous income from schools such as locally raised funds from school fetes, fundraising events and voluntary contributions made by parents.	580	593	N/A

## Question 19

What impact have developments at the Commonwealth level had on the Department's component of the 2017-18 State Budget?

The 2017-18 State Budget was released before the 2017-18 Federal 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 Universal Access to Early Childhood ends in December 2017 and the Commonwealth Government had not committed further funding at the time of the State Budget.

In relation to schools, the 2016-17 Federal Budget outlined proposed funding parameters for national school funding arrangements for 2018 onwards. This funding represents a shortfall (over 2018 and 2019) of around \$1 billion in Commonwealth funding compared to what Victoria would have received under existing arrangements. While the Commonwealth Government has provided some information on its proposed policy and funding parameters, at the time of preparing this response it is yet to share detailed information on proposed new funding arrangements and the process and timeline for resolving arrangements through COAG in 2017.

In relation to training and TAFE, the National Partnership Agreement on Skills Reform (Skills Reform NP) expires in June 2017 and the Commonwealth Government had not committed further funding at the time of the State Budget. The Skills Reform NP requires the Victorian Government to make annual contributions towards the cost of the Commonwealth's income contingent loan scheme (VET FEE-HELP replaced by VET Students Loans from 1 January 2017) for those students that undertake Victorian Government subsidised training. No agreement has yet been reached regarding state contributions to VET Students Loans beyond the expiry of the current Skills Reform NP.

## 7. Performance measures

### Question 20

For each quality, quantity or timeliness performance measure newly introduced in the 2017-18 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 Measure 1/20: Parent satisfaction with kindergarten services (Early Childhood Development)***

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 measure is obtained from the Kindergarten Parent Opinion Survey, conducted for the first time in 2016. The survey comprises the core question about parental satisfaction, with a further 12 questions relating to:</p> <ul style="list-style-type: none"> <li>the Victorian Early Years Learning and Development Framework and National Quality Framework</li> <li>parental views on themes such as early childhood development, parental engagement / support, child engagement, quality of services, and cultural competence / inclusivity.</li> </ul> <p>The survey was carried out by an external, expert provider and conducted online in Term 4 2016. All funded kindergarten providers, including long day care centres and independent schools were asked to provide details of the survey to parents of enrolled children. A total of 8,593 parents participated in the survey.</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	<p>N: Number of respondents satisfied with kindergarten services D: Total respondents</p>
(c) How the measure evaluates the performance of the Department or the task faced by the Department	<p>Parental satisfaction measures are currently included in the School Education outputs, and provide important information on the level of family satisfaction and engagement with the school system. The inclusion of this equivalent measure was recommended as part of a review of the suite of Department of Education and Training BP3 performance measures conducted by KPMG in 2014.</p>
(d) The process the Department employed to set a target or anticipated result for this measure	<p>The target of 85% for 2017-18 was based on results from the inaugural 2016 survey (88%), as well as results for equivalent surveys conducted in the school education system.</p>
(e) A description of what constitutes good performance and how the performance measure indicates this	<p>Based on results for equivalent surveys conducted in the school education system, satisfaction (at the system level) is stable over time, and typically ranges between 75% and 85%.</p>
(f) Any shortcomings of the measure.	<p>The measure is derived from a sample survey, and is therefore subject to sampling and other measurement errors associated with survey-based measures.</p>
(g) How the department intends to estimate the 'expected outcome' of the measure at the time of the 2018-19 Budget.	<p>The expected outcome for the 2017-18 budget cycle will be based on survey results obtained from the 2017 survey, which will become available in February 2018.</p>
(h) How the department intends to evaluate the effectiveness of the measure in the future.	<p>DET will work closely with funded kindergarten providers and the survey provider to ensure the effectiveness of the survey and data quality in future survey years.</p>

***New Measure 2/20: Contribution to National Disability Insurance Scheme costs paid on time (Early Childhood Development)***

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 Bilateral Agreement between the Commonwealth and Victoria: Transition to a National Disability Insurance Scheme (the Bilateral Agreement) was signed on 16 September 2015. In the Bilateral Agreement, Victoria committed to a funding scheme for the NDIS in which Victoria will pay its contributions to the NDIS in arrears, based on actual client transition.</p> <p>A Memorandum of Understanding (MoU) to guide arrangements to pay NDIS invoices for transitioned Early Childhood Intervention Services (ECIS) clients has been signed by DET, DHHS and DTF.</p> <p>Under the MoU, the NDIS issues invoices within 15 days of the end of every month to DHHS as the lead Victorian Department. DHHS then invoices DET for its share of the invoice payment, which DET must transfer to DHHS within 10 business days.</p> <p>This measure relates to the total number of monthly NDIS invoices paid by DET to DHHS on time.</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	<p>N: Number of months payment transmitted to DHHS within 10 working days</p> <p>D: 12 months in a financial year</p>
(c) How the measure evaluates the performance of the Department or the task faced by the Department	The measure reflects the rollout of the NDIS in Victoria and the Memorandum of Understanding between DET, DTF and DHHS.
(d) The process the Department employed to set a target or anticipated result for this measure	The target of 100% for 2017-18 is based on the need to ensure DET has sufficient funding to cover DET's monthly financial commitment to DHHS for the NDIS.
(e) A description of what constitutes good performance and how the performance measure indicates this	It is expected that the target will remain at 100% ensuring DET complies with the MOU with DTF and DHHS.
(f) Any shortcomings of the measure.	The measure is dependent upon a timely invoicing and transfer of interdepartmental funding between DHHS and DET.
(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 (based on 6 months ended December 2017 data) in February 2018, and provide full-year performance reporting against the measure in July 2018.
(h) How the department intends to evaluate the effectiveness of the measure in the future.	DET will monitor the effectiveness of this measure as clients transition into the NDIS.

***New Measure 3/20: Timely transfer of client data that complies with the agreed schedule and the NDIA data standard to the NDIA (Early Childhood Development)***

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 relates to the timely transfer of client data complying with the National Disability Insurance Agency (NDIA) data standard from DET to NDIA within a minimum of six months' timeframe before an area phases into the NDIS.
(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 accepted data transmissions made within 6 months of an area phasing to NDIS.  D: Number of data transmissions made within 6 months of an area phasing to NDIS.
(c) How the measure evaluates the performance of the Department or the task faced by the Department	DET has an obligation under the bilateral agreement between Victoria and the Commonwealth to submit client level data six months before an area transitions to the NDIS.
(d) The process the Department employed to set a target or anticipated result for this measure	DET has an obligation under the bilateral agreement between Victoria and the Commonwealth to submit client level data six months before an area transitions to the NDIS.
(e) A description of what constitutes good performance and how the performance measure indicates this	It is expected that the target will remain at 100% ensuring DET complies with the bilateral agreement between Victoria and the Commonwealth.
(f) Any shortcomings of the measure.	The measure is derived from successful transmission of client data to the NDIA that meets the agreed area phasing schedule and the NDIS data standards all of which are subject to change at the NDIA's discretion.
(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 (based on 6 months ended December 2017 data) in February 2018, and provide full-year performance reporting against the measure in July 2018.
(h) How the department intends to evaluate the effectiveness of the measure in the future.	DET will monitor the effectiveness of the measure as the NDIA adapts its rollout schedule and data standards.

***New Measure 4/20: Average days lost due to absence for Aboriginal students in Years Prep to 6 (School Education – Primary)***

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 average or mean absence rate shows the average number of days of absence lost for Aboriginal primary students in government schools over the calendar year. Average days lost covers all student absences, including those due to illness, approved family holidays and unapproved absences. However, the measure excludes any absences taken in the course of delivering the curriculum (camps, excursions, work-experience, etc.).</p> <p>The average absence rate can be reported for specific student cohorts (such as Aboriginal students), and can be used to compare trends in student absenteeism over calendar years.</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	<p>N: Total number of days of absence among Aboriginal primary students</p> <p>D: The number of Full Time Equivalent (FTE) Aboriginal primary students</p> <p>The number of days of absence taken is calculated in either half-day units or school periods (if the school is using period-level absence recording).</p>
(c) How the measure evaluates the performance of the Department or the task faced by the Department	<p>In 2016, DET launched Marrung, a 10-year Aboriginal Education Plan developed in partnership with the Aboriginal community. Marrung underpins the delivery of the Education State for Koorie learners and includes actions to achieve improved attendance and achievement of Koorie students.</p> <p>The measure also aligns with overall absence 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 2017–18 target has been established based on absence data for Aboriginal students over the period 2013 – 2016.</p>
(e) A description of what constitutes good performance and how the performance measure indicates this	<p>A lower figure is more desirable, as it indicates that students are having fewer days away from school. Absence rates for Aboriginal students are substantially higher than those for the overall primary school student cohort.</p>
(f) Any shortcomings of the measure.	<p>Data on student absence is limited by the quality of its collection. Absence data needs to have been recorded promptly and accurately, and inaccuracies in school data input can influence the accuracy of aggregated absence data.</p>
(g) How the department intends to estimate the 'expected outcome' of the measure at the time of the 2018-19 Budget.	<p>The performance measure relates to the calendar year, and DET will report information on the average absence rates in February 2018.</p>
(h) How the department intends to evaluate the effectiveness of the measure in the future.	<p>DET will review targets on an annual basis, and work closely with schools to ensure the accuracy of absence data provision.</p>

***New Measure 5/20: Number of teachers completing mentoring training (School Education – Primary)***

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>This performance measure reflects planned delivery of professional practice training on a calendar year basis based upon participant registration.</p> <p>The Department coordinates management of the Effective Mentoring Program (EMP) in partnership with the Victorian Institute of Teaching (VIT).</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 Victorian Excellence in Teacher Education reforms build on the national reforms to initial teacher education to be introduced commencing 2017 following the Teacher Education Ministerial Advisory Group's review of initial teacher education.</p> <p>The Department delivers EMP in partnership with VIT across all Victorian schools to ensure that experienced teachers are equipped with mentoring skills. These skills ensure mentors can support provisionally registered teachers to build their practice skills and guide them through the VIT process to become fully registered.</p> <p>This measure will assess the implementation of evidence-based strategies to improve induction into the teaching profession, and mentoring through the development of a more consistent, state-wide approach that establishes new teachers as lifelong learners.</p>
(d) The process the Department employed to set a target or anticipated result for this measure	The 2017–18 target has been established based on historical data of the EMP across Victoria. It is based on implementation planning undertaken by DET to deliver high quality mentoring training over the life of the program.
(e) A description of what constitutes good performance and how the performance measure indicates this	Good performance will constitute successful delivery of the training to the planned number of teachers.
(f) Any shortcomings of the measure.	The measure assesses the number of teachers completing mentoring training, allowing the Department to assess the volume of professional practice training delivered. There is not currently an accurate measure of the distribution of trained mentor teachers across the state or within sectors. This means the Department is unable to target the training to reflect the system needs. A broader program evaluation will consider the impact of the reforms in equipping future teachers with the qualities of effective teaching, and the success of the reforms in contributing to the Education State targets.
(g) How the department intends to estimate the 'expected outcome' of the measure at the time of the 2018-19 Budget.	<p>The performance measure relates to the calendar year, and DET will report performance information in February 2018.</p> <p>The performance measure is directly related to historical trend data.</p>

(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 stakeholders (including the VIT in its regulatory role) to review the quantity of professional development training delivered and subsequent outcomes through future budget cycles.
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***New Measure 6/20: Number of Victorian schools participating as a 'lead school' for the Respectful Relationships initiative (School Education – Primary)***

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 measure relates to the total number of 'leading schools' participating in the Respectful Relationships initiative. The measure includes government and non-government primary and secondary schools.</p> <p>Leading Schools are involved in the first phase of Respectful Relationships implementation, leading communities of practice and working closely with partner schools to further implementation statewide.</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	The measure has been included to reflect investment in the Respectful Relationships initiative, and to reflect the Government's commitment to acquit recommendation 217 of the Royal Commission into Family Violence (RCFV), which calls for increased family violence output performance measures.
(d) The process the Department employed to set a target or anticipated result for this measure	<p>The target number of Leading Schools has been selected based on:</p> <ul style="list-style-type: none"> <li>• Baseline requirements to meet the Royal Commission into Family Violence (RCFV) recommendation to implement Respectful Relationships in all Government schools by 2021.</li> <li>• Recommendations following the evaluation of the 2015 Respectful Relationships in Schools pilot to scale-up implementation incrementally over 5 years.</li> <li>• An achievable number of Leading Schools to train within the current two years of funding.</li> <li>• A feasible ratio of Leading Schools to Partner Schools and Respectful Relationships staff to schools.</li> </ul>
(e) A description of what constitutes good performance and how the performance measure indicates this	Recommendation 189 in the RCFV report, released on 30 March 2016, specifically recommends the Government mandate respectful relationships education in every government school and that it delivers this education through a whole school approach, consistent with best practice and building on the evaluation of the Our Watch model.
(f) Any shortcomings of the measure.	The number of partner schools involved in the initiative will also be assessed, but not reported against as an output performance measure. Work is underway to collect relevant data to inform a potential new student-based measure for future budget cycles.
(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 DET will report information on the number of participating lead schools in February 2018.
(h) How the department intends to evaluate the effectiveness of the measure in the future.	The Respectful Relationships Initiative will be subject to ongoing evaluation and monitoring to inform improved performance measurement, with both the quantity of professional development training delivered and subsequent outcomes to be monitored through future budget cycles.

***New Measure 7/20: Number of school-based staff who have participated in whole-school Respectful Relationships professional learning initiative (School Education – Primary)***

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 represents the total number of school staff participating in the Respectful Relationships initiative. The measure includes government and non-government primary and secondary schools.
(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 has been included to reflect investment in the Respectful Relationships initiative, and to reflect the Government's commitment to acquit recommendation 217 of the Royal Commission into Family Violence (RCFV), which calls for increased family violence output performance measures.
(d) The process the Department employed to set a target or anticipated result for this measure	<p>The target for number of participating school staff has been selected based on:</p> <ul style="list-style-type: none"> <li>• Baseline requirements to meet the Royal Commission into Family Violence (RCFV) recommendation to implement Respectful Relationships in all Government schools by 2021.</li> <li>• Recommendations Our Watch made following the 2015 pilot to scale up implementation incrementally over 5 years.</li> <li>• An achievable number of school staff to train within the current two years of funding.</li> </ul>
(e) A description of what constitutes good performance and how the performance measure indicates this	Recommendation 189 in the RCFV report, released on 30 March 2016, specifically recommends the Government mandate respectful relationships education in every government school and that it delivers this education through a whole school approach, consistent with best practice and building on the evaluation of the Our Watch model.
(f) Any shortcomings of the measure.	Work is underway to collect relevant data to inform a potential new student-based measure for future budget cycles.
(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 DET will report information on the number of participating school staff in February 2018.
(h) How the department intends to evaluate the effectiveness of the measure in the future.	The Respectful Relationships Initiative will be subject to ongoing evaluation and monitoring to inform improved performance measurement, with both the quantity of professional development training delivered and subsequent outcomes to be monitored through future budget cycles.



***New Measure 8/20: Schools that underwent a priority review increase the proportion of School Improvement Measure threshold standards met***

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 performance of all government schools is assessed against the School Improvement Measures (SIM) to determine the type of review to which each school should be subject. Priority reviews are undertaken where schools are not demonstrating sufficient progress, not meeting standards or have experienced relevant regionally identified contextual circumstances.</p> <p>The current SIM suite provides analysis of school performance against up to 40 measures across four outcome areas. Schools are deemed to have not met the threshold if they are more than one standard deviation from the expected mean for intake-adjusted measures or in the lowest 15% of school results for absolute measures.</p> <p>The performance of schools is assessed using a subset of the SIM, based on analysis regarding the measures with the strongest relationship with priority review intervention, provided by an external consultant.</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	<p>For each priority review school, the proportion of threshold measures met will be calculated on an annual basis over a three-year period:</p> <p>N: Number of selected threshold standards met</p> <p>D: Number of selected threshold standards applicable</p> <p>The measure will be calculated as performance in the year prior to review versus performance in the year following review.</p>
(c) How the measure evaluates the performance of the Department or the task faced by the Department	<p>The new performance measure reflects Government priorities regarding the Education State and investment in creating a high performance learning culture. The Framework for Improving Student Outcomes (FISO) uses the latest research on student learning and global best-practice to assist schools to focus their efforts on key areas that are known to have the greatest impact on school improvement, and supports the achievement of the Education State targets.</p> <p>The school review process is fundamental to the FISO Improvement cycle, and is intended to help schools evaluate their performance, set appropriate strategic goals and targets for the next four years, and identify improvement strategies and actions to achieve those goals. The school's Annual Implementation Plan (AIP) monitors and addresses how the school is performing against the goals and targets.</p>
(d) The process the Department employed to set a target or anticipated result for this measure	<p>The 2017–18 target has been established based on performance data for schools participating in priority reviews in the 2014 and 2015 review cycles.</p>
(e) A description of what constitutes good performance and how the performance measure indicates this	<p>Priority reviews are tailored to the school's circumstances through clearly defined terms of reference and an intensive diagnosis and analysis of school practices and performance using a rigorous methodology. As schools are identified for priority review on the basis of student performance, interventions are expected to generate improvements in student achievement, engagement and wellbeing in the short- and long-term.</p>
(f) Any shortcomings of the measure.	<p>There is the potential for significant lag between the intervention (priority review) and changes in school and student performance (SIM outcomes). The use of performance data for the school year following review may result in the underestimation of the impact of the review on school performance (although this is recognised in the current target).</p>

(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 DET will report on 2017 performance among 2016 priority review schools in February 2018.
(h)	How the department intends to evaluate the effectiveness of the measure in the future.	DET is currently undertaking a review of the SIM as part of a broader consultancy examining the school review process. DET will incorporate any relevant recommendations from the consultancy into the SIM and performance measure calculations in future budget years.

***New Measure 9/20: Average days lost due to absence for Aboriginal students in Years 7 to 12 (School Education – Secondary)***

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 average or mean absence rate shows the average number of days of absence lost for Aboriginal secondary students in government schools over the calendar year. Average days lost covers all student absences, including those due to illness, approved family holidays and unapproved absences. However, the measure excludes any absences taken in the course of delivering the curriculum (camps, excursions, work-experience, etc.).</p> <p>The average absence rate can be used to compare trends between different student cohorts and in student absenteeism over calendar years.</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	<p>N: Total number of days of absence among Aboriginal students in years 7-9</p> <p>D: The number of Full Time Equivalent (FTE) Aboriginal students in years 7-9</p> <p>The number of days of absence taken is calculated in either half-day units or school periods (if the school is using period-level absence recording).</p>
(c) How the measure evaluates the performance of the Department or the task faced by the Department	<p>In 2016, DET launched Marrung, a 10-year Aboriginal Education Plan developed in partnership with the Aboriginal community. Marrung underpins the delivery of the Education State for Koorie learners and includes actions to achieve improved attendance and achievement of Koorie students.</p> <p>The measure also aligns with overall absence 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 2017–18 target has been established based on absence data for Aboriginal students over the period 2013 – 2016.</p>
(e) A description of what constitutes good performance and how the performance measure indicates this	<p>A lower figure is more desirable, as it indicates that students are having fewer days away from school. Absence rates for Aboriginal students are substantially higher than those for the overall secondary school student cohort.</p>
(f) Any shortcomings of the measure.	<p>Data on student absence is limited by the quality of its collection. Absence data needs to have been recorded promptly and accurately, and inaccuracies in school data input can influence the accuracy of aggregated absence data.</p>
(g) How the department intends to estimate the 'expected outcome' of the measure at the time of the 2018-19 Budget.	<p>The performance measure relates to the calendar year, and DET will report information on average absence rates in February 2018.</p>
(h) How the department intends to evaluate the effectiveness of the measure in the future.	<p>DET will review targets on an annual basis, and work closely with schools to ensure the accuracy of absence data provision.</p>

***New Measure 10/20: Percentage of students in out-of-home care receiving targeted supports in school (LOOKOUT Education Support Centres) (School Education – Secondary)***

Sub-Question	Answer
(i) A description of the measure, including the data that support it, assumptions made, and how the data are collected and transformed	The measure is a composite indicator reflecting the proportion of out-of-home care students having all three Partnering Agreement elements (an Individual Education Plan, Student Support Group and Learning Mentor) in place. This composite indicator is designed to represent the importance of students having multiple supports in place in order to achieve optimal education outcomes.
(j) 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 out-of-home care students having all three Partnering Agreement elements D: Number of out-of-home care students
(k) How the measure evaluates the performance of the Department or the task faced by the Department	In February 2016 KPMG developed a LOOKOUT Centre benefits logic map, including key performance indicators, measures and targets, informed by: <ul style="list-style-type: none"> <li>• performance measures included in the Department's Outcomes and Performance Framework</li> <li>• outcomes measures included in the National Standards for Out-of-home Care (2011)</li> <li>• DET's obligations under the Partnering Agreement</li> <li>• consultation with LOOKOUT Centre Steering Committee members.</li> </ul>
(l) The process the Department employed to set a target or anticipated result for this measure	The 2016 benchmark was estimated at 48%, reflecting the proportion of students expected to have all three elements of the Partnering Agreement in place. The establishment of LOOKOUT Centres in all DET regions in 2017 and the introduction of the Designated Teacher function in government and Catholic schools by the end of the year is expected to lead to a lift in schools' compliance with the Partnering Agreement, with a target of 60% established for 2017.
(m) A description of what constitutes good performance and how the performance measure indicates this	Current targets are projected to increase progressively until 2019-20, although the target should always remain less than 100%. This is in recognition that at any given time there will be a small percentage of school-aged young people whose complexity of needs is such that attending school or training will not be possible.
(n) Any shortcomings of the measure.	The measure quantifies the supports that are available to students; it is not an indicator of quality. It is the role of the LOOKOUT Centre, designated teachers in schools and regional multidisciplinary teams to quality assure the supports.
(o) How the department intends to estimate the 'expected outcome' of the measure at the time of the 2018-19 Budget.	DET will report information on 2017 performance against the measure in February 2018.
(p) How the department intends to evaluate the effectiveness of the measure in the future.	DET will work closely with LOOKOUT Centres and other stakeholders to review targets on an annual basis.

***New Measure 11/20: Proportion of Navigator program participants re-engaged in schooling (School Education – Secondary)***

Sub-Question	Answer
(q) A description of the measure, including the data that support it, assumptions made, and how the data are collected and transformed	<p>The Navigator service draws on the expertise of eight service providers in the community sector, working in partnership with schools to ensure that intensive support is provided to the most disengaged by those best placed to deliver it.</p> <p>As part of the formal service plan for the Navigator program, providers will report on the number of Navigator clients re-engaging in school, as part of regular reporting on the outputs and outcomes for the service, including targets for caseloads for Navigator clients.</p>
(r) If the measure is a ratio (including a percentage), please include a description of the numerator and denominator series that provide the ratio	<p>N: Number Navigator clients successfully re-engaged in a school setting D: Total number of clients supported by the Navigator program</p> <p>‘Successful re-engagement in school’ is defined as a young person returning to an education setting with an approved curriculum. It is demonstrated by having at least 70% attendance for a minimum of 26 weeks whilst being supported by the Navigator service.</p>
(s) How the measure evaluates the performance of the Department or the task faced by the Department	<p>The Education State vision articulates the Victorian Government’s strong commitment to, and central role in, ensuring more young people stay in education and eliminating the connection between outcomes and disadvantage</p> <p>In order to deliver the Education State target of halving the number of young people who leave school early, the most vulnerable and disengaged young people require support for re-engagement into education.</p>
(t) The process the Department employed to set a target or anticipated result for this measure	<p>Each of the eight Navigator providers proposed target levels of re-engagement into education or training of between 50% and 80%, informing the system level target of 70%. Each Navigator provider is required to provide a Service Plan to the Department, which sets out outputs and outcomes for the Navigator service, including targets for caseloads for Navigator clients.</p> <p>Additional capacity available under the funded proposal has also been factored into the 2017-18 target.</p>
(u) A description of what constitutes good performance and how the performance measure indicates this	<p>It is expected that the target will remain around 70%, as Navigator clients will have varying levels of disengagement from school and some barriers to their re-engagement in education.</p>
(v) Any shortcomings of the measure.	<p>Although the measure reflects re-engagement targets applicable to service providers, this represents only a single measure of the effectiveness of the Navigator program. As part of the broader program evaluation, other measures to be examined will include attendance data, as well as entry and exit surveys that assess learners’ connectedness to school, level of engagement in learning and socio-emotional development.</p>
(w) How the department intends to estimate the ‘expected outcome’ of the measure at the time of the 2018-19 Budget.	<p>DET will report information on 2017 performance against the measure in February 2018.</p>

(x)	How the department intends to evaluate the effectiveness of the measure in the future.	Targets will be refined through the current evaluation of the pilot program and used to establish performance indicators for future phases of the program.
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**New Measure 12/20: Number of government subsidised apprenticeship enrolments (Training, Higher Education and Workforce Development)**

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 is proposed to replace the 2016–17 performance measure ‘Number of apprenticeship/ traineeship commencements by new employees’.  The measure is based on administrative data collected as part of the enrolment process under nationally agreed data guidelines.
(a) 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
(b) How the measure evaluates the performance of the Department or the task faced by the Department	The replacement measure more accurately reflects priorities regarding apprentices as part of the Skills First reforms.
(c) The process the Department employed to set a target or anticipated result for this measure	The 2017–18 target has been established based on data for the period 2015-16. The expected impact of past policy changes and the suite of Skills First reforms has also been considered in developing the 2017–18 target.
(d) A description of what constitutes good performance and how the performance measure indicates this	The proposed targets reflect the expected skills needs of the economy and the impact that policies and initiatives designed to address these targets are expected to have. Good performance is progress made towards achieving the target for commencements.
(e) Any shortcomings of the measure.	The measure provides one perspective to Apprenticeship training activity, this is part of a broader set of measures — including other BP3 measures and information reported in the Victorian Training Market Report. This measure must be interpreted within the broader set of measures to provide a comprehensive understanding of Apprenticeship training performance.
(f) How the department intends to estimate the ‘expected outcome’ of the measure at the time of the 2017-18 Budget.	DET will provide an expected outcome on 2017-18 performance against the measure in March 2018.
(g) How the department intends to evaluate the effectiveness of the measure in the future.	The Department will monitor the overall performance of the Victorian Training and TAFE Sector, as well as the reforms introduced under <i>Skills First</i> .

***New Measure 13/20: Proportion of government subsidised enrolments related to qualifications that will lead to jobs and economic growth (Training, Higher Education and Workforce Development)***

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 measure is based on administrative data collected as part of the enrolment process under National NCVER data guidelines and the Funded Course List (FCL). The latter identifies why particular qualifications are a priority for government funding. High(er) priority courses on the FCL are those that relate to:</p> <ul style="list-style-type: none"> <li>• apprentice and pre-apprentice training</li> <li>• high value traineeships</li> <li>• specified NDIS and family violence training</li> <li>• foundation and VCAL/VCE</li> <li>• training for priority sectors (medical technology and pharmaceuticals; new energy technology; food and fibre; transport, defence and construction technology; international education and professional services).</li> </ul>
(b) If the measure is a ratio (including a percentage), please include a description of the numerator and denominator series that provide the ratio	<p>N: Number of high priority course enrolments</p> <p>D: Number of course enrolments</p>
(c) How the measure evaluates the performance of the Department or the task faced by the Department	<p>This new measure reflects the Government's commitment to focusing of real training for real jobs, and maximising returns on training investment.</p> <p>The link between training and jobs is established by the method underpinning the FCL, which is based on a broad criteria including Deloitte Skills/Jobs needs forecasts and qualitative input from the Skills Commissioner.</p>
(d) The process the Department employed to set a target or anticipated result for this measure	<p>The 2017-18 target has been established based on data for the period 2011-16. The expected impact of past policy changes and the suite of Skills First reforms have also been considered in developing the 2017-18 target.</p>
(e) A description of what constitutes good performance and how the performance measure indicates this	<p>The target reflects the priority areas identified in the FCL. This list reflects priorities to address skills needs of the economy, the specific needs of specialised and niche markets, and government equity objectives. Progress towards the established target levels of proportion of enrolments in priority areas will indicate good performance.</p>
(f) Any shortcomings of the measure.	<p>The methodology underpinning the 2017 FCL harnessed the best available data and information available at the time it was developed. As additional/better information becomes available on labour demand, priority sectors and economic growth, this will be incorporated into the methodology as part of the annual FCL review.</p>
(g) How the department intends to estimate the 'expected outcome' of the measure at the time of the 2017-18 Budget.	<p>DET will provide an expected outcome on 2017-18 performance against the measure in March 2018.</p>



(h)	How the department intends to evaluate the effectiveness of the measure in the future.	The Department will monitor the overall performance of the Victorian Training and TAFE Sector, as well as the reforms introduced under <i>Skills First</i> .
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***New Measure 14/20: Number of government subsidised enrolments by students living in regional Victoria (Training, Higher Education and Workforce Development)***

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 based on administrative data collected as part of the enrolment process under National Centre for Vocational Education Research (NCVER) data guidelines and relates to student residential address (not Training Delivery Location).
(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 new measure reflects the Government's commitment to support jobs in regional Victoria.
(d) The process the Department employed to set a target or anticipated result for this measure	The 2017-18 target has been established based on data for the period 2015-16. The expected impact of past policy changes and the suite of Skills First reforms has also been considered in developing the 2017-18 target.
(e) A description of what constitutes good performance and how the performance measure indicates this	The proposed targets reflect the expected skills needs of regional Victoria and the impact that policies and initiatives designed to address these targets are expected to have. Progress towards the established targets will indicate good performance.
(f) Any shortcomings of the measure.	Regional loading funding is linked to training delivery address, and there could be some data quality issues (reporting or postal versus residential address), particularly for younger people.  In 2016, 83% of people who reported living in regional areas (Hume, Loddon Mallee, Gippsland, Barwon South West, Grampians), were also studying in those areas. The remaining 17% either commuted or misreported their residential address. For example, 6% of students reporting Barwon (mainly Geelong) as their residence, studied in Western Melbourne.
(g) How the department intends to estimate the 'expected outcome' of the measure at the time of the 2017-18 Budget.	DET will provide an expected outcome on 2017-18 performance against the measure in March 2018.
(h) How the department intends to evaluate the effectiveness of the measure in the future.	The Department will monitor the overall performance of the Victorian Training and TAFE Sector, as well as the reforms introduced under <i>Skills First</i> .

***New Measure 15/20: Proportion of government subsidised enrolments by students eligible for fee concession (Training, Higher Education and Workforce Development)***

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 based on administrative data collected as part of the enrolment process under National NCVER data guidelines. Providers enter students' eligibility for concessions following the departmental guidelines that stipulate fee concession availability.
(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 enrolments eligible for fee concession D: Number of enrolments
(c) How the measure evaluates the performance of the Department or the task faced by the Department	This new measure reflects the Government's commitment to make training accessible to all Victoria's, regardless of economic circumstances
(d) The process the Department employed to set a target or anticipated result for this measure	The 2017-18 target has been established based on data for the period 2015-16. The expected impact of past policy changes and the suite of Skills First reforms has also been considered in developing the 2017-18 target.
(e) A description of what constitutes good performance and how the performance measure indicates this	The measure provides one perspective of equitable access to training, this is part of a broader set of measures — including other BP3 measures and information reported in the Victorian Training Market Report. This measure must be interpreted within the context of these broader set of measures to provide a comprehensive understanding of equitable access to training.
(f) Any shortcomings of the measure.	Registered Training Organisations may provide concessions and exemptions on their own initiative. While these would not be captured in the data, the concession would also not be funded by government.
(g) How the department intends to estimate the 'expected outcome' of the measure at the time of the 2017-18 Budget.	DET will provide an expected outcome on 2017-18 performance against the measure in February 2018.
(h) How the department intends to evaluate the effectiveness of the measure in the future.	The Department will monitor the overall performance of the Victorian Training and TAFE Sector, as well as the reforms introduced under <i>Skills First</i> .

**New Measure 16/20: Number of students with low prior education in government subsidised training at Certificate III or above (Training, Higher Education and Workforce Development)**

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 based on administrative data collected as part of the enrolment process under National NCVER data guidelines. For this measure, low prior education is defined as "Highest prior education of year 11 or lower".
(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 new measure reflects the Government's commitment to encourage labour market participation among the most disadvantaged Victorians.
(d) The process the Department employed to set a target or anticipated result for this measure	The 2017-18 target has been established based on data for the period 2015-16. The expected impact of past policy changes and the suite of Skills First reforms has also been considered in developing the 2017-18 target.
(e) A description of what constitutes good performance and how the performance measure indicates this	Expected outcomes and proposed targets are informed by Departmental modelling projections undertaken as part of the Skills First reform proposals.  Progress towards the established targets for low prior education students in training will indicate good performance.
(f) Any shortcomings of the measure.	The measure provides one perspective to training for high-needs learners, this is part of a broader set of measures — including other BP3 measures and information reported in the Victorian Training Market Report. This measure must be interpreted within the context of these broader set of measures to provide a comprehensive understanding of training for high-needs learners.
(g) How the department intends to estimate the 'expected outcome' of the measure at the time of the 2017-18 Budget.	DET will provide an expected outcome on 2017-18 performance against the measure in February 2018.
(h) How the department intends to evaluate the effectiveness of the measure in the future.	The Department will monitor the overall performance of the Victorian Training and TAFE Sector, as well as the reforms introduced under <i>Skills First</i> .

**New Measure 17/20: Number of government subsidised enrolments in TAFE network (Training, Higher Education and Workforce Development)**

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 based on administrative data collected as part of the enrolment process under National NCVER data guidelines.
(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 has been proposed for inclusion to reflect the Government's commitment to a central role for the TAFE network as a market leader, as identified in the <i>Skills First - TAFE Strategy 2017-2022</i> .
(d) The process the Department employed to set a target or anticipated result for this measure	The 2017-18 target has been established based on data for the period 2016-2017. The expected impact of past policy changes and the suite of Skills First reforms has also been considered in developing the 2017-18 target.
(e) A description of what constitutes good performance and how the performance measure indicates this	Expected outcomes and proposed targets are informed by Departmental modelling projections undertaken as part of the Skills First reform proposals.  Progress towards the established targets for TAFE network enrolments will indicate good performance.
(f) Any shortcomings of the measure.	The measure provides one perspective to TAFE Network training activity, this is part of a broader set of measures — including other BP3 measures and information reported in the Victorian Training Market Report. This measure must be interpreted within the context of this broader set of measures to provide a comprehensive understanding of TAFE Network training performance.
(g) How the department intends to estimate the 'expected outcome' of the measure at the time of the 2017-18 Budget.	DET will provide an expected outcome on 2017-18 performance against the measure in February 2018.
(h) How the department intends to evaluate the effectiveness of the measure in the future.	The Department will monitor the overall performance of the Victorian Training and TAFE Sector, as well as the reforms introduced under <i>Skills First</i> .

***New Measure 18/20: Proportion of employers of apprentices and trainees who are satisfied with training (Training, Higher Education and Workforce Development)***

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 proposed measure “Proportion of employers of apprentices and trainees who are satisfied with training” is to be introduced as a replacement measure for the 2016-17 measure “Proportion of employers satisfied with the training provided by the Registered Training Organisation for apprenticeship and traineeship completers”. This improved measure will reflect views from employers of apprentices and trainees in training or completed a training contract.
(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 respondents satisfied with training D: Total respondents
(c) How the measure evaluates the performance of the Department or the task faced by the Department	When the former measure was introduced in 2015-16, it was based on data collected as part of the trial Victorian Employer Satisfaction Survey of 10,700 employers of apprentices and trainees who completed a training contract. The new measure encompasses those in training as well as those who have completed training, allowing for a better understanding of employer satisfaction. This is an important measure of the success of the Training and TAFE Sector in meeting the quality and skill needs of employers and industry.
(d) The process the Department employed to set a target or anticipated result for this measure	The 2017–18 target has been established based on results of the top 25% of the best performing RTOs from the 2016 survey. Good performance will be defined progress toward the target for employer satisfaction.
(e) A description of what constitutes good performance and how the performance measure indicates this	Good performance will be defined progress toward the target for employer satisfaction. Based on results for equivalent surveys conducted in the school education system, satisfaction (at the system level) is stable over time, and typically ranges between 75% and 85%.
(f) Any shortcomings of the measure.	The measure provides one perspective to training quality, this is part of a broader set of measures — including other BP3 measures and information reported in the Victorian Training Market Report. This measure must be interpreted within the context of these broader set of measures to provide a comprehensive understanding of training quality performance.
(g) How the department intends to estimate the ‘expected outcome’ of the measure at the time of the 2017-18 Budget.	DET will provide an expected outcome on 2017-18 performance against the measure in February 2018.
(h) How the department intends to evaluate the effectiveness of the measure in the future.	The Department will monitor the overall performance of the Victorian Training and TAFE Sector, as well as the reforms introduced under <i>Skills First</i> .

***New Measure 19/20: Proportion of VET completers who achieved their main reason for training (Training, Higher Education and Workforce Development)***

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>Data are provided by the annual DET Student Satisfaction Survey. Results for this measure will be derived from the following questions:</p> <ul style="list-style-type: none"> <li>• What was your main reason for doing this course?</li> <li>• To what extent would you agree or disagree that you achieved your main purpose for doing the course?</li> </ul> <p>The measure is based on the responses to the second question where the response was: "Agree more than disagree", "Mostly agree", or "Agree completely".</p> <p>The 2017-18 result will refer to the 2017 survey result of 2016 VET graduates and early leavers.</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	<p>N: Number of respondents who agreed that they had achieved their main purpose for doing the course</p> <p>D: Total respondents</p>
(c) How the measure evaluates the performance of the Department or the task faced by the Department	<p>This new performance measure reflects the Governments' commitment to being responsive to student needs and to better assess the impact of Skills First reforms on training sector students.</p>
(d) The process the Department employed to set a target or anticipated result for this measure	<p>The 2017-18 target has been established based on results of the top 25% of the best performing RTOs from the 2016 survey.</p>
(e) A description of what constitutes good performance and how the performance measure indicates this	<p>The proposed targets reflect the expectation that training responds to the needs of students. While all students should have their main reason for training met, this needs to be tempered by government priorities that target training to areas that benefit the community and economy as a whole. Thus, a performance level of 100% is likely to represent over-servicing.</p> <p>Good performance will be defined as progress toward the target for completers achieving their main reason for training.</p>
(f) Any shortcomings of the measure.	<p>The measure provides one perspective to training effectiveness and quality, this is part of a broader set of measures — including other BP3 measures and information reported in the Victorian Training Market Report. This measure must be interpreted within the context of these broader set of measures to provide a comprehensive understanding of training effectiveness and quality performance.</p>
(g) How the department intends to estimate the 'expected outcome' of the measure at the time of the 2017-18 Budget.	<p>DET will provide an expected outcome on 2017-18 performance against the measure in February 2018.</p>

(h)	How the department intends to evaluate the effectiveness of the measure in the future.	The Department will monitor the overall performance of the Victorian Training and TAFE Sector, as well as the reforms introduced under <i>Skills First</i> .
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**New Measure 20/20: Number of government subsidised course completions  
(Training, Higher Education and Workforce Development)**

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 current measure 'Successful training completions as measured by module load completion rate' has a number of conceptual and measurement issues, and has consequently been generally discontinued as a performance measures for national reporting purposes, including within the COAG Report on Government Services.</p> <p>The replacement measure 'Number of government subsidised course completions' is proposed as a more robust measure of quality and the success of the Training and TAFE Sector.</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	This measure provides reliable and conceptually robust data on the link between training, jobs and skill needs in the Training and TAFE Sector.
(d) The process the Department employed to set a target or anticipated result for this measure	The 2017–18 target has been established based on data for the period 2016–2017. The expected impact of past policy changes and the suite of Skills First reforms has also been considered in developing the 2017–18 target.
(e) A description of what constitutes good performance and how the performance measure indicates this	The proposed target reflects the expected skill needs of Victoria and the impact that policies and initiatives designed to address these targets are expected to have. Good performance is progress made towards achieving the target for course completions.
(f) Any shortcomings of the measure.	The measure provides one perspective to training effectiveness, this is part of a broader set of measures — including other BP3 measures and information reported in the Victorian Training Market Report. This measure must be interpreted within the context of these broader set of measures to provide a comprehensive understanding of training effectiveness performance.
(g) How the department intends to estimate the 'expected outcome' of the measure at the time of the 2017-18 Budget.	DET will provide an expected outcome on 2017-18 performance against the measure in February 2018.
(h) How the department intends to evaluate the effectiveness of the measure in the future.	The Department will monitor the overall performance of the Victorian Training and TAFE Sector, as well as the reforms introduced under <i>Skills First</i> .

## Question 21

### (a) **Department of Economic Development, Jobs, Transport and Resources only**

Performance measure: 'Major sporting and cultural events facilitated'

- (i) Please list the number of sporting and cultural events facilitated by the department over the last five years.
- (ii) What were the facilitation costs of each of these events?

### (b) **Department of Health and Human Services only**

Performance measure: 'Number of households assisted with long-term social housing (public, Aboriginal, and community long-term tenancies at the end of the year)'.

- (i) How will the transfer of properties from the Director of Housing to Aboriginal Housing Victoria affect both agencies?
- (ii) How will this transfer be treated in the DHHS and State budgets?
- (iii) What is the intended social outcome?
- (iv) Will a dedicated performance measure be created to monitor the impact of this transfer on levels of Aboriginal public housing assistance?

### (c) **Department of Justice and Regulation only**

Performance measures: 'Infringement notices processed'

- (i) Please provide an update of the fines reform program.
- (ii) Is the tender process for the new infringements ICT system now complete?
- (iii) When does the Department anticipate the new ICT system to be fully implemented?

### (d) **Department of Environment, Land, Water and Planning only**

Performance Measure: 'Property transfers, discharge of mortgages and registration of new mortgages'

- (i) How do improvements in the property market affect the Department's Electronic conveyancing and Landata services?
- (ii) Does the Department monitor movements in the property market?
- (iii) Does the Department use forecasts for the property market as a tool to plan the workload and activity for the Electronic conveyancing and Landata services area?

### (e) **Department of Education and Training only**

Performance measures: All performance measures within the Higher Education and Skills output:

- (i) When does the Department anticipate the impact of past policy changes to the VET Sector (such as tightened eligibility for subsidised training and foundation courses, and reduction in subsidies) will be reflected in improving performance measurement levels in VET sector enrolments and participation and satisfaction with training and improved employment status by VET completers?

### **Response:**

The policy changes such as subsidy and eligibility cuts between 2012 and 2014 reduced training volumes.

The Quality Blitz that commenced in 2015 removed a significant number of low quality and fraudulent private registered training organisations (RTOs). The introduction of more robust contract measures, stronger auditing regimes (including the Quality Blitz) and tighter selection of providers delivering in 2016 and 2017 has reduced previous practices that over-inflated student demand. Together with improved information for students, these reforms have led to a better indication of genuine demand for training. The removal of poor quality training providers from the Victorian VET market, as well as higher subsidies (from 2017) to better reflect the cost of training, has enabled TAFEs and good quality private and community providers to operate more sustainably and on a more level playing field.

Since 2015 the TAFE Rescue Fund and Back to Work programs preceding Skills First have also contributed to the relative stabilisation of TAFE training activity. Skills First, which commenced in January 2017, is expected to stabilise overall training demand and further improve TAFE market share from 2017. Satisfaction and employment outcomes are expected to improve from 2018–2019.

**(f) Department of Premier and Cabinet only**

Performance measure ‘Timely delivery of State events and functions’

- (i) Please list the number state events and functions the department has undertaken over the last five years.
- (ii) Is there a regular calendar of state events and functions the Department delivers each year?
- (iii) What were the costs of each of these events?

**(g) Department of Treasury and Finance only**

Performance measure ‘Develop and implement policies, procedures and training to govern and build capability to deliver infrastructure investment’

- (i) Please break down the target for this performance measure (45) in terms of policies implemented, procedures developed and training undertaken.
- (ii) Please give the actual number of each of the policies, procedures and training undertaken to govern and build capability to deliver infrastructure investment for the last three years.

## 8. Staffing matters

### Question 22

- (a) Please fully complete the table below, providing actual FTE staff numbers at 30 June 2016 and estimates of FTE staff numbers (broken down by the categories listed below) at 30 June 2017 and 30 June 2018 for the Department. Please provide figures consolidated on the same basis (that is, including the same entities) as the employee benefits expenditure for the Department in the budget papers.

<b>Grade</b>	<b>30 June 2016 (Actual FTE number)</b>	<b>30 June 2017 (Expected FTE number)</b>	<b>30 June 2018 (Forecast FTE number)</b>
Secretary	1.0	1.0	1.0
EO-1	4.0	5.0	5.0
EO-2	40.0	43.6	43.6
EO-3	28.2	35.5	35.5
VPS Grade 7 (STS)	19.1	24.3	24.3
VPS Grade 6	375.2	440.2	440.2
VPS Grade 5	697.6	880.7	880.7
VPS Grade 4	358.2	440.4	440.4
VPS Grade 3	295.8	332.8	332.8
VPS Grade 2	104.1	94.2	94.2
VPS Grade 1	2.9	-	-
Government Teaching Service	43,334.3	44,269.0	45,280.0
Education Support Staff	14,991.8	15,219.0	15,609.0
Nurses	192.2	187.6	187.6
Allied health professionals	343.5	416.5	416.5
Other (Senior Medical Advisor, Graduate Recruits)	11.8	17.8	17.8
<b>Total</b>	<b>60,799.7</b>	<b>62,407.6</b>	<b>63,808.6</b>

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

Department of Education & Training central and regional office, VCAA, VRQA and government schools
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### Question 23

Please break down the actual staff numbers in your department as at 30 June 2016 and the estimates as at 30 June 2017 and 2018 according to the number of staff that are ongoing, fixed-term or casual.

	30 June 2016 actual		30 June 2017 expected		30 June 2018 forecast	
	(FTE number)	(head count)	(FTE number)	(head count)	(FTE number)	(head count)
Ongoing	46,051.7	52,353	46,103.0	52,297	47,108.0	53,444
Fixed-term	14,722.1	18,401	16,280.6	20,231	16,676.6	20,722
Casual	25.9	51	24.0	48	24.0	48
<b>Total</b>	<b>60,799.7</b>	<b>70,805</b>	<b>62,407.6</b>	<b>72,576</b>	<b>63,808.6</b>	<b>74,214</b>

### Question 24

- (a) Please describe how the Department identifies skills areas it is deficient in.

As a learning organisation, the Department is committed to continuously improving the skill base and expertise of its workforce. To better understand the workforce current state and future needs, the Department has deployed an online performance and development process as well as a learning management system. Once fully operational, these systems will provide a data set and evidence base from which to better understand our current employee cohort and assist in future workforce planning.

- (b) Please provide a list of any identified areas of skills shortages for the Department.

The work described above will enable the Department to better understand the skills and capabilities of its workforce and to identify any specific areas of skills shortages.

- (c) What actions is the Department taking in order to address identified areas of skills shortages?

To better understand the workforce current state and future needs, the Department has deployed an online performance and development process as well as a learning management system. Once fully operational, these systems will provide data and an evidence base from which to better understand our current employee cohort and assist in future workforce planning.

- (d) Please advise how much the Department has spent on labour recruitment firms, including payment to employees.

For the March 2017 year-to-date, the Department has spent a total of \$47.9 million on labour recruitment firms, including payment to employees.

## 9. Managing Telecommunications Usage and Expenditure (follow-up of VAGO report, 2014)

### Question 25 *Expenditure on telecommunications*

- (a) Please provide details of telecommunications estimates and actual expenditure for each of the years as presented in the following table:

Year	Data (\$)	Fixed voice (\$)	Mobile (\$)	Internet (\$)	Unified communications (\$)
2014-15	41,942,000	1,542,000	1,078,000	6,903,000	n/a
2015-16	43,256,000	1,856,000	1,281,000	6,087,000	n/a
2016-17*	32,992,000	1,605,000	1,149,000	4,403,000	n/a

Includes centrally purchased data and internet services for Victorian Government schools, excludes locally purchased telecommunications by schools.

\*2016-17 year-to-date expenditure.

### Question 26 *Monitoring and review*

- (a) Please describe the management framework in place to ensure a consistent approach to the usage and control of telecommunications expenditure across the department.

DET utilises the Whole of Victorian Government Telecommunications Purchasing and Management Strategy (TPAMS) Telecommunications Carriage Services (TCS), Internet Services Government Approved Telecommunications Suppliers (IS GATS) and Victorian Office Telephony Services (VOTS) agreements and contracts.

DET provides centralised telecommunications procurement/provisioning for corporate central and regional data and schools data services, corporate CBD based fixed voice, corporate mobile, corporate internet, school internet.

Data services, provided by Telstra under a TCS, are provisioned on the basis of FTE regardless of geographic location. Current provisioning for Victorian Government schools is a minimum bandwidth (75Kbps) per student.

Corporate CBD-based fixed voice services are predominately analogue PABX provided by NEC (VOTS) and OPTUS for fixed voice carriage (TCS). Regional offices currently operate under local procurement arrangements with OPTUS for the fixed voice carriage, a number of offices having transitioned from legacy PABX's to the NEC VOIP offering under VOTS.

Corporate mobiles services, provided by Telstra, have been standardised through the establishment of a standard operating environment for smartphones and tablets. This standardisation includes a default cost benchmark and data plan for cellular mobile data devices.

DET Corporate smartphones and tablets are registered on the DET's mobile device management solution (MobileIron). Any cellular service regardless of device is recorded on the mobile phone register.

Corporate internet, provided by Netspace and EFTEL, and schools' internet, provided by Netspace, are procured as fixed price fixed bandwidth services; this approach ensures DET is not exposed to excess usage costs. Both the Corporate and schools' internet services are filtered internet services.

Access to DET-funded telecommunications services is provided under the auspices of DET policies and guidelines including DET's Acceptable Use policy.

- (b) What processes are in place to assist the department in its monitoring of fixed voice and mobile usage and expenditure across the department/agency?

DET's eProcurement system (ProcureNet) has a custom developed Mobile Phone module that is used for the approval of requests for and provisioning of mobile phones/services, validating monthly bills and maintaining the mobile phone register.

Mobile telephony approval, reconciliations and monitoring is devolved to the divisional financial delegates (executive directors).

Users seeking the provision of a DET funded mobile device/service must request this through the ProcureNet system. Their financial delegate must approve the request for the device and/or service before it can be ordered.

Users must reconcile their monthly bills; bills that exceed the monthly cost benchmark require a documented explanation and approval by the user's financial delegate.

DET conducts regular periodic auditing of fixed voice services: DET conducted an audit of Corporate CBD fixed voice services in 2014 resulting in cancelling of unused services. With the significant growth and change of DET's corporate footprint, it is intended to conduct a new audit late in 2017.

- (c) Which specific aspects/factors of use are monitored?

Mobile service: the financial delegate is able to monitor that the mobile service is being used within the agreed cost parameters (monthly cost benchmark).

The financial delegate is also able to monitor the share of business and personal calls.

Fixed line: we currently have no mechanism in place beyond the periodic audits.

- (d) Does the department/agency use electronic information systems/programs to monitor trends and identify anomalies in telecommunications expenditure?

Mobile service: the financial delegate actively monitors mobile usage, the ProcureNet mobile phone module has a range of reports available for telephony unit to assist with investigating anomalies.

Fixed line: the telephony unit utilises the NEC Nebula billing portal along with MA4000 to investigate any anomalies within the fixed line services.

The whole-of-Victorian-Government category managers also monitor billing under the TPAMS agreements and will draw anomalies to the attention of the relevant Department or Agency.

- (e) Please describe the reporting regime in place to oversight fixed voice and mobile usage and expenditure across the department/agency.

Business units use the ProcureNet mobile phone module and the Oracle Financials reporting to monitor their mobile services usage and expenditure.

The business unit responsible for the Corporate CBD fixed voice use the Oracle Financials reporting to monitor expenditure.

- (f) How does the department/agency verify the accuracy of all its fixed voice and mobile telecommunications invoices? What validation processes are in place at a local level to verify accuracy of usage and costs?

Mobile services: under the delegated model, the user electronically validates their invoice line by line. Where a user identifies an anomaly it will be investigated by the Telephony unit.

Fixed voice: Corporate CBD invoices are processed via the Telephony unit, which checks each invoice; most invoices are at a certain level of expenditure each month. Where there is a spike, this is investigated.

- (g) Has the department/agency undertaken any reviews of telecommunications usage and expenditure across the organisation in recent years? How have these reviews been used to improve practices?

Mobile services: leveraging the contractual arrangements available with Telstra, DET established the standard operating environment for smartphones and tablets. This standardisation and approval process has reduced exposure to costs for underspecified and over specified services.

The ProcureNet mobile phone system allows financial delegates to review the continued provision of mobile services to users under their delegation.

Fixed voice: DET conducted an audit of Corporate CBD fixed voice services in 2014 resulting in cancelling of unused services. With the significant growth and change of the Department's corporate footprint, it is intended to conduct a new audit late in 2017.

## Question 27 **Mobile Phones**

- (a) Does the department/agency have a policy or guidelines in place for the allocation and use of mobile phones, including their use when overseas?

DET has a policy and guidelines for the allocation and use of mobiles phones for Corporate users.

By default, no Corporate mobile services are enabled for global roaming or premium services.

To use a DET-funded mobile service overseas, a separate approval process is required to be completed, approved by the user's financial delegate and the Executive Director, ITD.

Global roaming is only enabled for the duration of the approved period; the business unit is consulted and advised on the appropriate overseas plan for the locations they are visiting.

Users are strongly encouraged to use WiFi and/or purchase a local SIM to minimise their exposure to global roaming costs.

- (b) Are User guidelines provided to staff in possession of an agency mobile and are the terms and conditions of use formally agreed to by staff members?



All users have access to DET's Intranet, which includes policies, guidelines and support documents.

Users requesting the provision of a mobile device/service are required to acknowledge "I acknowledge that the device(s) and resources requested by me are provided by DET for business purposes and to enhance effectiveness and efficiency at work. I also agree to conform to all departmental policies and guidelines, including and not limited to, the DET ICT (Information, Communications and Technology) Resources Acceptable Use Policy and the DET ICT Portable Storage Device Policy." as part of process.

- (c) How does the department establish limits or thresholds for allowable personal use of mobile phones provided to staff?

DET has a \$0 threshold for personal calls on Corporate mobile services. Users provided with a DET issued mobile service are required to pay for all personal calls.

- (d) What timeframes have been established by the department for cost recovery for personal use of mobile phones?

DET's corporate mobile services provider (Telstra) provides an electronic copy of the mobile service monthly billing data; this is used to populate the mobile phone system's monthly 'mobile phone statement' for each mobile user.

Once this data load is completed, the user receives an email directing them to complete the reconciliation of their monthly 'mobile phone statement'.

As part of this process, the mobile phone user identifies personal calls. The identified personal calls are automatically recovered through the payroll system.

The system has a structured escalation process that will commence escalations to a mobile user's financial delegate for un-submitted 'mobile phone statements' after 35 days.

It is the responsibility of the financial delegate to follow up any escalations.

## Question 28 *Identifying cost savings*

- (a) How does the department/agency ensure that any cost savings available through whole-of-government agreements are taken advantage of promptly?

The product and pricing savings opportunities presented to DET through TPAMS have delivered cost avoidances for DET.

These opportunities have allowed DET to continue to grow and address demand, especially in the higher demand areas of schools' data and internet.

DET anticipates that TPAMS2025 outcomes will maintain this trend. Further, the opportunity for a quantum leap in services, especially in centralised data and internet services provided to schools, is expected to be achievable with considerably less budget supplementation that would otherwise be required if this whole-of-Victorian-government arrangement were not available.

- (b) Please provide details of variations/changes made to the department's telecommunications arrangements to take advantage of savings available under the new TPAMS20125 agreements.

DET is currently reviewing the TPAMS2025 offerings to determine a course of action to take advantage of the service towers matched against DET's requirements.

- (c) How does the department/agency monitor data usage to identify potential savings available in data plans?

As part of evaluation of TPAMS2025, DET will examine the current standard operating environment for potential improvements in the data plan.

- (d) What processes are in place to enable the department/agency to identify and cancel any fixed voice and/or mobile services which are not being fully utilised?

Mobile services: under the delegated model, the financial delegate can determine if a mobile service is no longer required. The ProcureNet mobile phone module provides a simple electronic interface for the cancellation to be facilitated.

Fixed voice: in addition to the periodic audits, business units can request for any fixed voices no longer required to be cancelled. During accommodation changes, the responsible business unit will identify and request cancellation of services no longer required.

- (e) Has the department/agency undertaken action to remove redundant landlines and replace inefficient analogue lines with ISDN lines?

DET is currently piloting an enterprise voice solution based on Microsoft Skype for Business (VOIP technology) with the intention to move from analogue services provided by NEC under VOTS and to standardise on a contemporary digital telephony solution across all Corporate central and regional offices.

ISDN is not considered a strategic technology as the PTSN copper networks and ISDN is being replaced by the NBN.

DET's enterprise voice solution will access appropriate available telecommunications products and technologies to interact with the PSTN network.

- (f) Does the department/agency set savings targets for telecommunications expenditure?

DET has set a target for modest efficiencies at the corporate level for 2017-18. However, at a whole of enterprise level, taking the school system into account, DET is growing – there continues to be strong growth in student numbers and support services are growing accordingly. All of this puts significant demand growth pressure on the provision of telecommunications products and services.

The opportunities afforded through telecommunications product and pricing improvements have allowed, to-date, demand to be addressed without requiring significant budget supplementation.

- (g) Has the department/agency quantified savings made on telecommunications expenditure over the past 3 years?

The product and pricing savings opportunities presented to DET through TPAMS over the past years have enabled DET to continue to grow services to address demand.

Product and pricing improvements in the Data Services agreement have allowed DET, within a flat budget environment, to deliver multiple bandwidth initiatives over the past ten years,

thereby growing bandwidth provision to Victorian Government schools and keeping Victoria at the forefront of bandwidth provision in Australia.

Under the IS GATS (Internet Services), the Department has been able to maintain provision of an effective and growing centralised Internet Service, which is available at no cost to all Victorian Government schools.

Product and pricing improvements in the mobile telephony agreements have allowed business units and schools to continue to operate mobile services with a growing emphasis on access to smart technology and digital content within available budgets.

## 10. Implementation of the Government Risk Management Framework

### Question 29 *Questions for all Departments/agencies*

- (a) Does the department/agency have a Risk Management Framework (RMF) in place?

Yes. The current RMF was approved by the DET Executive Board in June 2016.

- (b) Does the department's RMF comply with the minimum requirements articulated in the *Victorian Government Risk Management Framework* (released in May 2015)?

Yes

- (c) How does the framework link to the department's strategic plan/strategic objectives?

The Department's RMF states that the department must manage risk appropriately to meet the expectations of the community and to achieve its strategic objectives. The RMF also highlights that risk management is a management responsibility, and an integral part of all organisational processes, including strategic planning.

Strategic risk management plays a key role in the development of DET's strategic plan by identifying the treatments required to mitigate the Department's strategic risks and informing resource prioritisation at a departmental level.

- (d) In relation to the department's budget across the forward estimates period, how are risks identified across the department/agency?

The Department identifies and manages risks to outputs and capital investments funded across the forward estimates through the Department's ongoing risk management processes under the department's RMF.

The Department's Enterprise Program Management Office supports the Department's governance committees to monitor high value/high risk programs and projects that are funded across the forward estimates period.

- (e) How are risk treatments/risk mitigation strategies developed?

Risk treatments are developed through the DET risk management process which is consistent with ISO:31000. They are developed in the context of the relevant Departmental objectives, risks and respective risk ratings. The development of appropriate treatments is part of the DET planning process and treatments appear in business plans as actions.

- (f) What processes are in place for identifying and managing interagency and/or state wide risks?

Business areas are supported to identify risks that have inter-agency impacts as part of the process of identifying strategic and operational risks to Departmental objectives. In addition, Departmental actions and activities that interact with other agencies are identified, along with the relevant risk that these activities mitigate.

The Department also participates in interdepartmental committees, such as the Government Sector Resilience Network. The Department plays an active role in the identification and

management of state-significant risks, through risk discussions at the Victorian Secretaries Board and representation on the State Significant Risk Interdepartmental Committee.

- (g) Has the Department developed risk performance indicators? If so, how are they used by the organisation?

The Department has a range of performance indicators that are monitored regularly. These are not explicitly articulated as risk performance indicators.

The Department's Executive Board also considers a Quarterly Strategic Review that monitors the internal and external environment, relevant performance measures, and the strategic risk profile of the Department.

- (h) What actions have been taken to improve the risk capability of employees within the department? How are employees made aware of risk management? Please advise the extent of risk management training provided to employees?

In the past 12 months the following actions have been taken to improve the risk capability of employees:

- The Department's governance committees and business areas have been supported to have detailed discussions about their risks informed by improved analysis of risk data. This increased engagement has resulted in robust discussion at Executive Board and Group/Division Leadership Team meetings.
- upskilling support was provided to risk co-ordinators within each of the Divisions/Regions of the Department. Risk co-ordinators facilitate the update of the risk management information for the respective DET Divisions/Regions.
- risk training was enhanced so it was more strategically focused for corporate staff, regional staff and school principals.

Risk management awareness occurs through the ongoing implementation of the RMF. Risk management is also integrated into strategic and operational business planning documents/processes, as well as the Enterprise Program Management Office procedures, practices and tools.

The Department offers monthly risk management training to corporate staff and to school leaders (through the "Strategic Management for School Leaders" program) to continually increase risk capability.

- (i) What use has the department made of services available through the VMIA to improve risk management (i.e. VMIA training sessions and seminars)?

Relevant DET staff attend VMIA training sessions and seminars, most recently in relation to inter-agency risk, collaboration and resilience. The Department has also worked closely with the VMIA and other departments to develop education and support materials to better manage inter-agency risks. The Department has extensively used the VMIA risk management practice guides, including the VMIA risk maturity assessment framework.

The Department is currently working with the VMIA on its government wide "Risk and Insurance Stocktake".

In addition, the VMIA has also worked with DET on the following major insurance projects:

- establishment of the School Council Insurance Program

- establishment of a Travel Insurance facility for schools
- establishment of a separate Community Service Organisations (CSO) Insurance program for Kindergartens and other funded CSOs

The VMIA has facilitated DET insurance requirements and made its facilities and staff available to assist DET. As examples, DET has used VMIA's facilities to provide training to CSO clients, and its staff have assisted DET in facilitating presentations to peak bodies where required.

**Question 30 Questions for Department of Treasury and Finance only**

- (a) Please describe the revised attestation requirements for Risk Management across the VPS. When did the new requirements come into effect?

- (b) What is the role of DTF and the VMIA in the revised attestation process?

- (c) What actions have been taken by DTF to improve the identification and management of interagency and state wide risks across the VPS?

- (d) Does the *Whole-of-Victorian Government Statewide Risks Interdepartmental Committee* still operate? If so, what is this Committee's terms of reference? What is its membership? How often does it meet? If not, when was the Committee disbanded and why was it disbanded? What has the Committee been replaced with?

**Question 31 Questions for Victorian Managed Insurance Authority (VMIA) only**

- (a) What activities have been undertaken by the VMIA since the release of the revised *Victorian Government Risk Management Framework* in May 2015 to support agencies in improving their risk management practices?

- (b) How does the VMIA identify agencies requiring extra support with their risk management capability?

- (c) How does the VMIA evaluate the performance of its risk management client agency support programs and activities?

- (d) What types of risks do departments find most complex to manage?