



Department of Education & Training

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Mr Danny Pearson MP
Chair
Public Accounts and Estimates Committee
Parliament House
Spring Street
East Melbourne 3002

BRI012541

Dear Mr Pearson

Thank you for the email from the PAEC Secretariat on 30 May 2017 in regards to verifying the transcript for the hearing into the Families and Children portfolio.

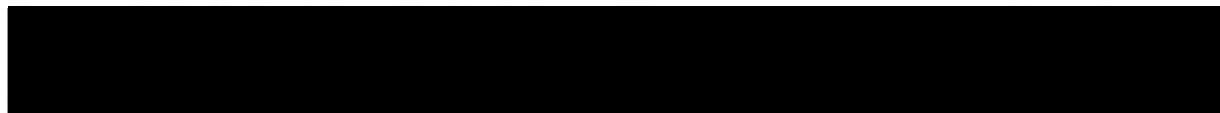
I wish to clarify the response to the question raised by the Member for Kew, Mr Tim Smith, on the 2018-19 appropriation for Early Childhood Development facilities. The question *"could you outline what the 6.3 million will be for, and where will it be spent?"* refers to Budget Paper 3, page 59. I misunderstood the question, believing you were seeking an update on the Children's Facilities Capital Program, which is part of the early childhood output statements on page 167 of Budget Paper 3 as opposed to the \$10 million capital program for Early Childhood Development facilities. I wish to clarify the response on page 13 of the transcript.

The total \$10 million for Early Childhood Development facilities has been fully appropriated in the 2017-18 State Budget. This funding will be used for the planning and construction of three Early Childhood Development facilities co-located at new primary school sites, enabling a stable transition for children from early learning services to primary schooling and contributing to improved educational and health outcomes for students.

The cash flows across four years in Budget Paper 3 follow standard project delivery timelines for projects of this nature:

- First year – typically taken up by planning, including extensive consultation with the school and local community, design and tenders. Approximately seven percent of total costs are expended.
- Second year – construction begins. Approximately 70 percent of total costs are expended.
- Third year – construction is typically completed and external works and furniture and fittings are completed. Approximately 20 percent of costs are expended in the third year of a project.
- Fourth year – a one year defects liability period follows construction completion, ensuring that any potential defects are identified and appropriately managed. Approximately three percent of total costs are expended.

The phasing of the \$10 million allocation for Early Childhood Development facilities, including the \$6.3 million outlined as allocated for 2018-19 in Budget Paper 3, page 59, is consistent with the aforementioned construction timeline and reflects business as usual.



Yours sincerely

A handwritten signature in black ink, appearing to be 'C. Keating'.

Chris Keating
Chief Executive Officer
Victorian School Building Authority
1 / 6 / 2017