



PUBLIC ACCOUNTS AND ESTIMATES COMMITTEE

2012-13 BUDGET ESTIMATES QUESTIONNAIRE

1. Strategic priorities

Question 1.11

- (a) What are the Department's key strategic priorities underpinning its budget for 2012-13 and over the forward estimates to 2015-16?

The Department of Education and Early Childhood Development's (DEECD's) key strategic priorities underpinning its 2012-13 Budget and forward estimates to 2015-16 are:

- implementation of Government election commitments and embedding the reform agenda, including the commitment to lifelong learning
- strengthen and continue delivery of core programs and services to meet increasing demand
- protecting vulnerable children and growing their opportunities, including responding to the *Protecting Victoria's Vulnerable Children Inquiry*
- higher standards and greater choice in early childhood and schools
- boosting economic growth and productivity through skills
- modernisation and upgrade of Victoria's education and training asset base, ensuring labour market and industry needs are met and modern teaching and learning practises are supported.

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

While key priorities remain unchanged, in 2011-12 priorities related largely to delivering Government commitments. In 2012-13, the priorities target the reform of key service delivery and meeting demand, while remaining cognisant of the current fiscal context.

- (c) What are the impacts of any differences in the Department's strategic priorities between 2011-12 and 2012-13 on funding and resource allocation in the 2012-13 Budget?

The focus on reform has seen the funding of the *Strengthening Student Support Services* initiative. Demand initiatives funded include *Students with Disabilities Transport Program* and *Program for Students with Disabilities*. Cognisant of the fiscal environment, funding has been allocated to ensure that key service delivery programs are continued, with a focus on reform to ensure they are being effectively targeted. Programs include:

- *Early Childhood Education and Care for Vulnerable Three Year Olds Known to Child Protection*
- *Sustaining the Universal Maternal Child Health Services*
- *Sustaining the Enhanced Maternal Child Health Services*
- *Engaging Vulnerable Families in Early Learning*
- *Refocussing Vocational Training in Victoria*

- (d) Please identify any programs or initiatives (asset or output) over \$2 million relevant to the Department that have been curtailed, deferred, discontinued or completed as a result of changes in strategic priorities between 2011-12 and 2012-13. In describing the programs or initiatives, please use the same names as are used in the budget papers where applicable.

School Reform Resourcing to Support the Forthcoming Blueprint - Funding for this initiative has lapsed and is no longer required under the Government's new school network model. Under the new network model, which returns control of networks to schools and principals, schools will be free to determine the networking arrangements that they believe will best support improved outcomes for their students.

Education Maintenance Allowance (EMA)– This program is being restructured so that school-based payments will be discontinued and increased payments will be made direct to parents. To assist schools to support students facing socio-economic challenges, savings from ceasing school-based payments will be partially used to increase equity-based payments to government schools through the Student Resource Package (SRP) and to non-government schools through the Family Assistance Model (FAM).

School Start Bonus (SSB) – Given the challenging fiscal climate, the Government is committed to better targeting investment to free up resources to support front-line services and ensure that funding targets those most in need. While the decision has been taken to discontinue the SSB, improvements will be made to the scope and spread of EMA funding which is provided to parents across all year levels to age 16 and direct more funding to the most needy schools through the equity component of the Student Resource Package and the Financial Assistance Model.

Eligibility exemptions – The Essential Services Commission's Review of Vocational Educational and Training (VET) Fees and Funding found that the current system of provider-administered eligibility exemptions lacked clarity, transparency and accountability. Funding will be redirected towards new measures that will better target assistance to those most in need and will reduce the administrative burden for providers.

Concession fees for young people undertaking diploma and above courses – Take up of the reintroduced concession places has been much higher than anticipated. All TAFEs are registered to provide income-contingent loans under VET FEE HELP. The availability of these loans for people studying at the Diploma and above level, provides an alternative avenue to ensure student fees do not form a barrier to participation in training for these people.

Question 1.2

Please identify any programs or initiatives that have lapsed in 2011-12 (i.e. will not be continued in 2012-13). For each program or initiative, please indicate the impact on the community of the lapsing. In describing the programs or initiatives, please use the same names as are used in the budget papers where applicable.

Program or initiative	Impact on the community
Free Fruit Friday	An evaluation of this program indicated that it had not lead to long term, improved healthy eating behaviour. Schools will continue to promote a broad, comprehensive approach to healthy eating.
Enhancing Disability Services and Outcomes (WoVG)	This initiative has been completed. It funded a whole-of-government 0-18 strategy to support children and young people with a disability or developmental delay and included a framework for a common assessment approach. A quality framework for Early Childhood Intervention Services, including new program standards and workforce strategy, has been completed and implemented. Funding was intended as a one-off to develop this strategy.
Digital Education Revolution	This funding was intended to supplement the National Secondary School Computer Fund to achieve the 1:1 target by 31 December 2011. It was not intended as ongoing funding. Schools have access to a range of funding sources to maintain their computer fleets, including ICT grants.

Greener Government Buildings (WoVG)	Greener Government Buildings aimed to reduce greenhouse gas emissions, energy costs and water use in government buildings. Energy and water efficiencies will continue to be incorporated into the design and construction of capital works projects.
Sustainable skills for industry (WoVG)	The initiative was in response to the Global Financial Crisis and is no longer required.
Improving the Quality of Graduate Teachers	Under the program, 79 associates were employed across a number of schools. Schools will continue to benefit from the above intake.
School Reform Resourcing to Support the Forthcoming Blueprint	Funding for this initiative has lapsed and is no longer required under the Government's new school network model. Under the new network model, which returns control of networks to schools and principals, schools will be free to determine the networking arrangements that they believe will best support improved outcomes for their students.

Question 1.3

- (a) What are the key sectoral policies applicable to the Department upon which budget allocations to new initiatives are based?

- 2011 Victorian Families Statement
- Victoria as a Learning Community
- Victorian Economic and Financial Statement
- Protecting Victoria's Vulnerable Children Inquiry

- (b) For the five largest initiatives released for your department in the 2012-13 Budget, please identify:

- (i) to which of the policies detailed above does each initiative relate; and
(ii) whether linkages are explicitly identifiable in the 2012-13 Budget Papers.

Please ensure that the initiatives are described using the same names as are used in the budget papers.

Initiative	Related policies	Where links are identifiable in the budget papers
Refocussing Vocational Training in Victoria	Victorian Families Statement Victorian Economic and Financial Statement	Skill development is the objective of this initiative. The related policies respectively emphasise the importance of skill development to Victoria's employment and economic growth. Linkages between this initiative and the policies are not explicitly identified in the budget papers. However, measures and targets relating to skill development are listed in the <i>Departmental Objectives and Outputs</i> section under <i>Higher Education and Skills</i> .

Sustaining the Universal Maternal and Child Health Service	Victorian Families Statement	The <i>Victorian Families Statement</i> highlights the importance of giving children a healthy start in life, which is the objective of this initiative. Linkages between this initiative and the <i>Victorian Families Statement</i> are not explicitly identified in the budget papers. However, measures and targets relating to child health services are listed in the <i>Departmental Objectives and Outputs</i> section under <i>Early Childhood Development</i> .
Engaging Vulnerable Families in Early Learning	Victorian Families Statement	This initiative supports the <i>Victorian Families Statement</i> , which recognises that nothing is more important for the future prosperity of families than a good education, starting in early childhood. Linkages between this initiative and the <i>Victorian Families Statement</i> are not explicitly identified in the budget papers. However, measures and targets relating to early childhood learning are listed in the <i>Departmental Objectives and Outputs</i> section under <i>Early Childhood Development</i> .
Sustaining the Enhanced Maternal and Child Health Services	Victorian Families Statement	The <i>Victorian Families Statement</i> highlights the importance of giving children a healthy start in life, which is the objective of this initiative. Linkages between this initiative and the <i>Victorian Families Statement</i> are not explicitly identified in the budget papers. However, measures and targets relating to child health services are listed in the <i>Departmental Objectives and Outputs</i> section under <i>Early Childhood Development</i> .
Students with Disabilities Transport Program	Victorian Families Statement Victoria as a Learning Community	This initiative, in line with the related policies, supports students with a disability and their families, providing greater choice for parents and support for students. Linkages between this initiative and the <i>Victorian Families Statement</i> are not explicitly identified in the budget papers. However, measures and targets relating to transport for special school students are listed in the <i>Departmental Objectives and Outputs</i> section under <i>Support for Students with Disabilities</i> .

Question 1.4 (Department of Treasury and Finance only)

Please identify any government-wide programs or initiatives that have been curtailed, deferred, discontinued or completed as a result of changes in strategic priorities between 2011-12 and 2012-13. In describing the programs or initiatives, please use the same names as are used in the budget papers where applicable.

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Question 1.5 (Department of Treasury and Finance only)

Please identify any government-wide programs or initiatives that have lapsed in 2011-12 (i.e. will not be continued in 2012-13). For each program or initiative, please indicate the impact on the community of the lapsing. In describing the programs or initiatives, please use the same names as are used in the budget papers where applicable.

Program or initiative	Impact on the community

Question 1.6 (Department of Treasury and Finance only)

Please outline how the recommendations made by the Independent Review of State Finances in its April 2011 Interim Report and 2012 Final Report have been reflected in:

- (a) strategic priority formulation;

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- (b) budget strategies; and

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- (c) the development of the 2012-13 Budget and forward estimates.

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Question 1.7 (Department of Treasury and Finance only)

In the 2011-12 budget papers,¹ the Government drew attention to a VCEC inquiry to identify the main elements of a state-based reform agenda that would focus on promoting productivity, competitiveness and labour force participation.

Please outline how the recommendations emanating from the VCEC inquiry have been reflected in:

- (a) strategic priority formulation;

¹ Budget Paper No.2, 2011-12 Strategy and Outlook, May 2011, p.16

(b) budget strategies; and

(c) the development of the 2012-13 Budget and forward estimates.

2. Budget preparation

Question 2.1

Please identify any reviews, inquiries, studies, audits or evaluations specifically requested by the new Government after the 2010 election relating to your department, indicating for each the impact that it has had on the formulation of the 2012-13 Budget for the Department.

Review, inquiry, study, audit or evaluation	Impact
Vocational education and training (VET) Fee and Funding review reports: <ul style="list-style-type: none"> (i) <i>VET Fee and Funding Review</i> undertaken by the Essential Services Commission (ii) <i>Public response to the Essential Services Commission's VET Fee and Funding Review Report and Recommendations</i> undertaken by an expert panel (iii) <i>Securing Victoria's Future Prosperity: A Reform Agenda</i> undertaken by Victorian Competition and Efficiency Commission 	<ul style="list-style-type: none"> • A review of vocational education fee and funding arrangements was a 2010 Election commitment. • In May 2011, the Government asked the Essential Services Commission (ESC) to review the fee and funding model arrangements for Vocational Education and Training in Victoria. • In October 2011, the Minister for Finance tabled the ESC's <i>VET Fee and Funding Review</i> (two volumes) in Parliament. The review examined the extent to which the current VET fee and funding arrangements contribute to producing the skills needed by the Victorian economy. This included examining the effectiveness and efficiency of government fee and funding mechanisms. • An expert panel of Professor Gerald Burke and Dr Peter Veenker then ran public feedback sessions on the ESC report and in December 2011 published a report, <i>Public response to the Essential Services Commission's VET Fee and Funding Review Report and Recommendations</i> • These two reports have informed the development of the 2012-13 Higher Education and Skills Portfolio Budget submission. • The VCEC report, <i>Securing Victoria's Future Prosperity: A Reform Agenda</i>, commissioned by the Treasurer, has informed the development of the 2012-13 Higher Education and Skills Portfolio Budget submission

Question 2.2

Please describe the five most significant projects or programs that the Department considers would have been worthwhile to undertake in 2012-13 but which cannot be undertaken due to resources being allocated elsewhere.

There are no projects or programs scheduled to be undertaken in 2012-13 which are required by the Government which will not be undertaken as a consequence of resource re-allocation. Departments do not set work priorities as distinct from that set by the Government of the day, consistent with the practice under successive governments.

Question 2.3 (Department of Treasury and Finance only)

In the Committee’s *Report on the 2011-12 Budget Estimates —Part Three* (Recommendation 12), the Committee recommended that the Department of Treasury and Finance ‘develop and implement processes for identifying the cost of producing the budget papers in future years’.

(a) What progress has been made in collecting this information?

(b) What is the cost of the development, preparation and publication of the 2012-13 Budget Papers? Please include details of the number of resources employed and hours or work entailed.

(c) What is the Department of Treasury and Finance’s view on publishing in future, as part of the budget papers, the cost of developing, preparing and publishing this key accountability document for the State or the reasons for not doing so?

(d) If cost information is not collected, how is the Department assured that the State Budget is prepared in an efficient manner?

Question 2.4 (Department of Treasury and Finance only)

Please detail the economic forecasts which had the most significant impact on framing the 2012-13 Budget, detailing for each the major items in the budget that have been affected.

Economic forecast	Affected items in the budget

Question 2.5 (Department of Treasury and Finance only)

In relation to the aggregate level of the operating contingency provision as shown in the line item ‘Contingencies not allocated to departments’ in the notes to the estimated financial statements (estimated operating statement) for the general government sector, please explain the reasons for any movement of greater than \$500,000 between the years 2012-13 to 2015-16.

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Question 2.6 (Department of Treasury and Finance only)

In relation to the estimated financial statements for the general government sector (estimated operating statement and estimated balance sheet), please explain any variations of more than 10 per cent between the estimates for 2012-13 published in the 2011-12 budget papers, and the budget forecasts for 2012-13 shown in the 2012-13 budget papers.

Line item	Reason for variation

Question 2.7 (Department of Treasury and Finance only)

(a) What new features have been incorporated in the budget papers for 2012-13 and why?

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(b) What features have been omitted and why?

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3. Spending

Question 3.1

For your department, please explain any variations of more than 10 per cent (or greater than \$100 million) between the revised estimate for 2011-12 and the target for 2012-13 for

expenses from transactions (as presented in the Department's operating statement in the Statement of Finances budget paper) that relate to the following line items:

- (a) 'Employee benefits';
- (b) 'Grants and other transfers'; and
- (c) 'Other operating expenses'.

	2011-12(Revised estimate)	2012-13(Budget)	Explanation for any variances greater than $\pm 10\%$(or greater than \$100 million)
	(\$ million)	(\$ million)	
Employee benefits			Not applicable
Grants and other transfers			Not applicable
Other operating expenses			Not applicable

Question 3.2

As the line item 'other operating expenses' in the Department's operating statement (as presented in the Statement of Finances budget paper) constitutes a large proportion of expenditure, please provide a break-down of the major components of this item, providing for each component:

- (a) the current estimate of expenditure for 2011-12;
- (b) the estimated expenditure for 2012-13; and
- (c) an explanation for any variations greater than ± 10 per cent (or greater than \$100 million) between the estimated expenditure for 2011-12 and the estimated expenditure for 2012-13.

	2011-12	2012-13	Explanation for any variances greater than $\pm 10\%$ (or greater than \$100 million)
	(\$ million)	(\$ million)	
Operating supplies and consumables	1 495.4	1 507.1	Not applicable
Purchase of Services	401.1	465.1	The variance is primarily due to an increase in Commonwealth National Partnerships funding for Early Childhood Development initiative.
Maintenance	515.7	532.4	Not applicable
Operating Leases	60.1	58.5	Not applicable

Other	19.3	17.5	Not applicable
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If the Department is unable to provide estimates for the expenditure on these components in 2012-13, please explain how the amount of 'other operating expenses' listed for 2012-13 in the budget papers was calculated.

Not applicable

Question 3.3

For each of the items listed in the table below, please provide details of:

- the current estimate of expenditure for 2011-12;
- the estimated expenditure for 2012-13; and
- an explanation for any variations greater than ± 10 per cent (or greater than \$100 million) between the expected outcomes for 2011-12 and the estimated expenditure for 2012-13.

Please provide details on the same basis of consolidation as is used to create the departmental operating statement in the budget papers.

	2011-12 (\$ million)	2012-13 (\$ million)	Explanation for any variances greater than $\pm 10\%$ (or greater than \$100 million)
Entertainment expenses	2.0	2.0	Not applicable
Overseas travel	0.4	0.4	Not applicable
Legal expenses	9.2	9.2	Not applicable
Consultants*	0.2	0.2	Not applicable
Contractors*	99.0	99.0	Not applicable
Grants to non-government organisations	1 200.0	1 230.0	Not applicable

* for the difference between consultants and contractors, please see FRD 22B – Standard Disclosures in the Report of Operations

If the Department is unable to provide estimates for the expenditure on any of these items, please explain why.

Please note the above figures **exclude** expenditure by other entities within the portfolio such as schools and TAFEs. Budgets have not yet been developed at the level of detail above for schools and TAFEs in 2012-13.

Question 3.4

If there are any output or asset initiatives released in the 2012-13 Budget for the Department where less than 20 per cent of the total funding is to be spent in 2012-13, please explain the reasons in each instance. In describing the initiatives, please use the same names as are used in the budget papers.

Initiative	Explanation
Early Child Education and Care for Vulnerable Three Year Olds	This initiative comprises two components: <i>Early Start Kindergarten</i> and <i>Access to Early Learning Pilot Programs</i> . Coverage and usage of both programs is projected to remain low during the program's establishment before growing significantly from 2013-14 onwards.

Question 3.5(Department of Treasury and Finance only)

With respect to the line item 'Net cash flows from investments in financial assets for policy purposes' in the general government sector cash flow statement, please identify:

- the main projects facilitated through this expenditure in 2012-13 and the forward estimates;
- the amount of funding for each of those projects; and
- what policy objectives underlie the choice of investments.

Project	Value of funding (\$ million)	Policy objectives

Question 3.6(Department of Treasury and Finance only)

Please prepare an analysis of the expected growth in public expenditure for the general government sector in 2012-13 and over each of the out-years to 2015-16 compared to the assumed trend growth in Gross State Product(GSP) between each year. Include in your analysis an explanation for any year in which expenditure growth rate exceeds the assumed growth rate in the GSP. For both expenditure and GSP, please provide nominal amounts.

Year	Estimated growth in expenditure (%)	Estimated growth in GSP (%)	Analysis
2012-13			
2013-14			
2014-15			

2015-16			
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4. Efficiencies and savings

Question 4.1

Please outline how the concept of 'operational efficiency' has been addressed in formulating the Department's budget for 2012-13.

DEECD introduced the Integrated Resourcing Strategy (IRS) in mid-2011, aimed at effectively and efficiently managing departmental resources and embedding an ongoing culture of review and reprioritisation. The IRS assists the Department in achieving operational efficiency by facilitating better decision making, including how resources should be allocated to improve outcomes and support Government goals.

Under the IRS, there is a greater focus at program level on identifying more efficient ways of delivering programs and services across the Department and ensuring all programs are strongly aligned with Department and Government objectives.

As part of the IRS, Budget priorities for 2012-13 were identified in addition to any scope for efficiencies, either within individual programs or across multiple programs.

Question 4.2

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 2012-13 to meet the savings targets;
- (b) any impact that these actions will have on the delivery of services; and
- (c) please identify the savings target for 2012-13, with an explanation for any variances between the current target and what was originally published in the budget papers when the initiative was released.

Initiative	Actions the Department will take in 2012-13	Impact of these actions on service delivery	Savings target for 2012-13 (\$ million)	Explanation for variances to the original target
General efficiencies (2009-10 Budget)	A range of strategies were implemented commencing in 2009-10 which delivered efficiencies of \$62.6m in 2011-12. The additional amount to be achieved in 2012-13 will stem from continued implementation of these strategies.	Negligible	\$63.7m (\$1.1m incremental increase from 2011-12)	Not applicable
Government election commitment savings (2011-12 Budget)	A range of strategies were implemented commencing in 2011-12 which delivered efficiencies of \$68.3m in 2011-12. The additional amount to be achieved in 2012-13 will stem from continued implementation of these strategies.	Negligible	\$69.7m (\$1.4m incremental increase from 2011-12)	Not applicable

Measures to offset the GST reduction (2011-12 Budget)	A range of strategies were implemented commencing in 2011-12 which delivered efficiencies of \$27.3m in 2011-12. The additional amount to be achieved in 2012-13 will stem from continued implementation of these strategies.	As far as practicable the strategies being pursued will not impact service delivery. Areas identified where further efficiencies will be achievable include procurement, research, professional development and energy costs. Non-critical support programs will continue to be reviewed and streamlined.	\$46.6m (\$19.3m incremental increase from 2011-12)	Not applicable
Capping departmental expenditure growth (2011-12 Budget Update)	Non-wage operating costs will be managed within 2011-12 funding level	Negligible	\$4.9m	Not applicable
Maintain a sustainable public service (2011-12 Budget Update)	These efficiencies will be achieved through critical management of attrition and the downsizing of non-front line staff. This strategy will be implemented over a two year period commencing in 2012-13.	Negligible	\$24.4m	Not applicable

Any savings or efficiency initiatives in the 2012-13 Budget	School Start Bonus (2012-13 Budget) The \$300 per child School Start Bonus payment (which is subject to eligibility) payable in respect of children commencing in Prep or Year 7 will cease from 2013.	This initiative will not impact school funding.	\$12.6m	Not applicable
	Education Maintenance Allowance (EMA) (2012-13 Budget) The EMA will be restructured producing net savings. The restructure will result in an increase in payments to parents but will remove the current school portion. Parents of Prep and Year 7 students will receive additional support.	School-based EMA payments will be discontinued from January 2013 and 50 per cent redirected as equity funding to schools.	\$6.5m	Not applicable

Question 4.3

For each of the expenditure areas targeted for savings in the 'Government election commitment savings' initiative released in the 2011-12 Budget, please detail the actual expenditure for 2009-10 and 2010-11 and the estimated expenditure for each year of 2011-12 to 2014-15. Please provide figures on the same basis of consolidation as the budget papers. Please provide explanations for any category that does not decrease by the savings target over the five-year period.

Area	2009-10 (\$ million)	2010-11 (\$ million)	2011-12 (\$ million)	2012-13 (\$ million)	2013-14 (\$ million)	2014-15 (\$ million)	Explanation for any area which does not decrease by the savings target
Ministerial staff	n/a	n/a					
Media and marketing positions	5.6	5.7					

Consultants	1.1	0.8					
Government advertising	7.7	3.9					
Political opinion polling	n/a	n/a					DEECD did not undertake any political opinion polling. Savings will be met from supplies and consumables.
External legal advice	8.4	10.0					
Senior public service travel	~	~					
Government office floor space	n/a	n/a					
Supplies and consumables	198.0	196.2					
Savings from shared services	~	~					
Head office staff	261.6	274.1					
Total	482.4	490.7					Please note expenditure and estimates for the items listed in the above table are in respect of the Department of Education and Early Childhood Development and its portfolio statutory agencies. This data does not include expenditure by other entities such as government schools and TAFE institutions which are consolidated in the Budget Papers.

For any categories for which information is not available, please explain:

- (a) why data are not available; and
- (b) how the Department will monitor whether or not it has achieved its savings target in that category.

Category	Why data are not available	How the Department will monitor whether or not it has achieved its savings target in this category
Senior public service travel	Senior public service travel cannot be separately identified within the overall Departmental travel category.	Savings can be identified across the overall Departmental travel category.
Savings from shared services	Savings from shared services cannot be separately identified.	Savings can be primarily identified across the overall Departmental supplies and consumables category.
<p>The Department does not produce forecasts of expenditure against these categories. Accurate actual expenditure is not possible to extract for a number of categories that do not have reliable definitions. The breakdown of operating costs in the Budget Papers adequately accounts for the Department's forecast expenditure and savings requirements in future years.</p>		

5. Asset and output initiative funding

Question 5.1

Please break down the Department's total output funding for 2012-13 (as provided in the Service Delivery budget paper) according to the amounts from:

- (a) output initiatives in the 2012-13 Budget;
- (b) non-ongoing initiatives released in previous budgets; and
- (c) base funding/ongoing funding.

Funding for initiatives released in the 2012-13 Budget (\$ million)	Funding for non-ongoing initiatives released in previous budgets (\$ million)	Base funding/ongoing funding (\$ million)	Total output cost (as in Service Delivery budget paper) (\$ million)
386.9 Please note the budget papers show \$404.9m representing the total funding approved for Output initiatives for 2012-13, including \$18.0m of funding for <i>Refocusing Vocational Training in Victoria</i> that is being held in central contingency by the Department of Treasury and Finance and has not been included in the DEECD's appropriation budget.	26.7	11 133.5	11 547.0

Question 5.2

If the Department's total output cost (as detailed in the Service Delivery budget paper) differs from the Department's total expenses from transactions (as detailed in the Statement of Finances budget paper), please explain the difference.

Not applicable

Question 5.3

The Department of Treasury and Finance has indicated to the Committee that *'the service benefits delivered through the asset investment are reflected in changes to the Budget Paper 3*

Performance Measures'.² Please list all performance measures that have been adjusted in 2012-13 as a result of recent asset investment by the Department.

Apart from total output costs, no output performance measures have been adjusted as a direct result of asset initiatives in 2012-13.

Question 5.4

In relation to any unapplied output and asset funding carried forward to 2012-13, please provide:

- (a) a break-down of the carried forward funding for both output and asset initiatives;
- (b) the underlying reasons for the Department's funding carryover for each category; and
- (c) the intended revised timing for use of the carried forward funds, including project-specific details for asset initiatives.

Category	Initiatives affected	Amount of carryover	Underlying reasons	Intended revised timing for use of the carried forward-funds
Output funding	Universal Access Program	\$30m	Commonwealth funding is not expected to be received until late in 2011-12 which will not provide sufficient time to allocate and disburse funding to prospective grantees.	All carried forward funding is expected to be expended in 2012-13.

² Department of Treasury and Finance, response on the Committee's 2009-10 and 2010-11 financial and performance outcomes Questionnaire — Part Two, received 24 January 2012, p.9

	Children's Capital Grants Program	\$15m	State output funding is available each year to enable capital grants to be made to upgrade and provide new kindergarten infrastructure across Victoria. The assessment of applications for the 2011-12 round of grants is currently in progress. Whilst announcements are anticipated shortly it is not expected that all available funding will be able to be distributed before June 2012.	All carried forward funding is expected to be expended in 2012-13.
	VicSmart	\$23m	<p>This project involves complex telecommunications delivery across the State. The existing service package has been substantially redesigned driven by large growth in internet usage. Implementation delays are due to:</p> <ul style="list-style-type: none"> • difficulty in accessing and upgrading common infrastructure • geographic and environmental factors • configuration necessary to provide the upgrades are outsourced to third party service providers. 	All carried forward funding is expected to be expended in 2012-13.

	Digital Education Revolution	\$30m	The Commonwealth provided this funding in a lump sum to Victoria however delivery of the program is anticipated to take well into 2012-13. Expenditure is dependent on the number and timing of take up by schools who are required to enter into a formal Memorandum of Understanding.	All carried forward funding is expected to be expended in 2012-13.
	Education scholarships and other staff programs	\$3m	Funding for a range of programs is managed on a school year basis. In many cases funding is not required to be disbursed until Terms 3 and 4.	All carried forward funding is expected to be expended in 2012-13.
	Positive Pathways for Victoria's Vulnerable Youth	\$6m	Established under National Partnerships arrangements, some programs have required the establishment of governance arrangements utilising local committees involving representatives of local agencies and several government departments. These are still being put in place. In addition, many projects involve calendar year funding commitments with some moneys not required to be released until Terms 3 and 4.	All carried forward funding is expected to be expended in 2012-13.

	Teacher Quality National Partnership	\$14m	Funding for this program is due to be received in late 2011-12 which will not enable the resulting program disbursements to be made prior to 30 June 2012.	All carried forward funding is expected to be expended in 2012-13.
	Empowering Local Schools	\$9m	Commonwealth funding for this initiative is not expected to be received until late in the financial year. Due to the potential for negotiations with the Commonwealth to delay the disbursement of this funding, the funds will need to be carried forward into 2012-13.	All carried forward funding is expected to be expended in 2012-13.
	Other	\$11m	Relates to various other initiatives that have smaller under expenditure that is required to be paid in 2012-13.	All carried forward funding is expected to be expended in 2012-13.
Asset funding	Regeneration	\$16m	The estimated carry forward is predominantly due to the revised implementation timeframes for the Altona Bayside Regeneration – Bayside P-12 College Stage 2, Beaufort Education Centre Regeneration, Knox Regeneration, Wantirna College and Western Heights Secondary College – Stage 2 projects.	All carried forward funding is expected to be expended in 2012-13.

	Modernisation and School Upgrades	\$31m	The estimated carry forward is due to flood damage and remedial works adversely affecting the project timeframe for Leongatha Secondary College, site access issues at several sites including Seymour P-12 College, revised project timeframes as a result of project scope to fit within budgetary constraints (including Ringwood Heights Primary School, Toorloo Arms Primary School, and Bendigo Senior Secondary College) and revised project timeframes to ensure value for money is achieved or due to the effect of extreme weather conditions.	All carried forward funding is expected to be expended in 2012-13.
	New and Replacement Schools	\$9m	The estimated carry forward is due to land acquisition and site access issues for several projects including Torquay Secondary College, Officer Special School and Tarneit Central P-9 School and construction timeframes being adversely affected by Aboriginal cultural heritage issues at the Glenroy Specialist School site.	All carried forward funding is expected to be expended in 2012-13.

	Special and Autistic Schools	\$13m	The estimated carry forward is due to a number of factors impacting project timelines. These factors included the need to re-scope projects to fit within budgetary constraints, site access issues, the provision of adequate decanting facilities for existing students and latent site conditions including soft spots and asbestos.	All carried forward funding is expected to be expended in 2012-13.
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6. Revenue initiatives, departmental income (fees, fines, taxation measures, concessions and subsidies) and tax expenditures

Question 6.1

In relation to 2012-13, please outline any new revenue-raising initiatives and/or major changes to existing revenue initiatives. For each initiative/change, please explain:

- (a) the reasons for the initiative/change;
- (b) the assumptions underlying the analysis;
- (c) alternative scenarios considered;
- (d) the impact of any changes on service delivery (i.e. please detail all programs/projects that have been revised as a result of changes to existing revenue initiatives);
- (e) any performance measures or targets altered as a result of the initiative/change; and
- (f) the anticipated total value of revenue gained/foregone as a result of the initiative/change.

In describing initiatives, please use the same names as are used in the budget papers where applicable.

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

Question 6.2

In relation to 2012-13, please outline any new tax expenditures or concession/subsidy initiatives and/or major changes to existing tax expenditures or concession/subsidy initiatives. For each initiative/change, please explain:

- (a) the reasons for the initiative/change;
- (b) the assumptions underlying the analysis;
- (c) alternative scenarios considered;
- (d) the impact of any initiatives/changes on service delivery (i.e. please detail all programs/projects that have been revised as a result of changes to existing revenue initiatives);
- (e) any performance measures or targets altered as a result of the initiative/change; and
- (f) the anticipated total value of revenue gained/foregone as a result of the initiative/change.

In describing initiatives, please use the same names as are used in the budget papers where applicable.

Initiative/ change	Reasons for the initiative/ change	Underlying assumptions	Alternative scenarios	Impact of changes on service delivery	Performance measures or targets altered	Anticipated total value of revenue gained/foregone
<p>Removal of the School Start Bonus (SSB) and restructuring of the Education Maintenance Allowance (EMA) from 2013.</p>	<p>Retarget financial assistance for families.</p> <p>The SSB will cease, and the EMA will be retargeted to provide increased education support directly to families on a low income.</p>	<p>From 2013, the SSB will cease, and the EMA retargeted to increase education support to families on a low income.</p> <p>Eligibility for the EMA will remain unchanged.</p> <p>EMA payments are currently split 50:50 between school based payments and payments made directly to parents. From the 2013 school year, school based payments will be discontinued and payments to eligible parents will be increased, particularly for students in Prep and Year 7.</p> <p>School-based EMA payments will be discontinued from January 2013 and 50 percent redirected as equity funding to schools.</p>	<p>Different options were considered which would provide support to families as well as providing budget savings. Other options considered included altering the eligibility criteria for EMA.</p>	<p>The School Start Bonus will cease from 1 January 2013.</p> <p>Changes to EMA to be incorporated into existing EMA system and processes from 1 January 2013.</p>	<p>SSB target will cease from 2012-13.</p> <p>It is estimated that the revised EMA program will provide assistance to families of approximately \$47.9m in 2012-13.</p>	<p>It is estimated that the revised EMA program will provide assistance to families of approximately \$47.9m in 2012-13.</p> <p>SSB funding of approximately \$13m annually will cease from 2013.</p>

Question 6.3

- (a) Please provide a list of any revenue measures (taxation, fees, fines etc.) or any concessions (or subsidies) where the rate has been changed for reasons other than keeping up with inflation.
- (b) Please provide an explanation for the changes.

Revenue measure/ concession/subsidy	2011-12 rate	2012-13 rate	Explanation
Education Maintenance Allowance (EMA)	\$235 Primary students \$470 Secondary students Payments are split equally between parents and schools.	EMA payments to parents will be changed to: \$200 for parents of EMA-eligible Prep students \$150 for parents of all other EMA-eligible primary school students (Years 1 – 6) \$300 for parents of EMA-eligible Year 7 students \$250 for parents of all other EMA-eligible secondary school students (up to age 16).	From 2013, the School Start Bonus will cease, and the EMA will be retargeted to better provide education support to families on a low income.

Question 6.4

For the Department's income categories (as appear in the Department's operating statement in the Statement of Finances budget paper), please provide an explanation for any items that have a variance of greater than 10 per cent between the revised estimate for 2011-12 and the budget for 2012-13.

Income category	Explanation
Special appropriations	The variance is primarily due to a one-off payment provided by the Commonwealth in 2008-09 to fund on-cost expenses, such as installation and maintenance, as a result of additional IT devices purchased under the Digital Education Revolution National Partnership. Residual funds will be fully expended in 2012-13.
Grants	The variance is primarily due to a Commonwealth Capital grant paid directly to TAFEs via the Education Investment Fund (EIF).

7. Grants from the Commonwealth

Question 7.1

- (a) What impact have developments at the Commonwealth level, including initiatives under the COAG Reform Agenda, had on the Department's component of the 2012-13 State Budget?

Objectives of the COAG Reform Agenda include developing a long term strategy for economic and social participation and a national economy driven by our competitive advantages. To meet these objectives, a number of agreements and partnerships have been put in place. As part of one of these partnerships, Victoria was awarded \$9.4m in rewards funding under the Literacy and Numeracy National Partnership. \$2.240m of this reward funding was made available to the Catholic and independent school sectors in the 2012-13 State Budget.

- (b) In describing the impact of these developments for 2012-13, please outline the Department's progress to date in transitioning to the COAG Reform Council's new performance reporting framework.

Victoria has now been assessed by the COAG Reform Council for two assessment periods for rewards funding under the Literacy and Numeracy National Partnership and one assessment period for rewards funding for the Improving Teacher Quality National Partnership. Victoria's performance under the National Education Agreement is also assessed annually by the COAG Reform Council.

Question 7.2 (Department of Treasury and Finance only)

Please explain how any major changes between financial agreements with the Commonwealth have impacted on the State's budget for 2012-13, e.g. new national health and hospitals reform.

Question 7.3 (Department of Treasury and Finance only)

What has been the impact of any changes to Victoria's share of the GST pool for 2012-13 and beyond?

8. Net debt

Question 8.1 (Department of Treasury and Finance only)

In relation to the net debt projections for the non-financial public sector for the 2012-13 budget year and over the forward estimates to 2015-16, please provide a break-down of the spread of net debt between the general government sector (GGS) and each of the main public non-financial corporations (PNFCs) concerned.

GGS/PNFC entity	Net debt, 30 June 2012	Net debt, 30 June 2013	Net debt, 30 June 2014	Net debt, 30 June 2015	Net debt, 30 June 2016

Question 8.2 (Department of Treasury and Finance only)

- (a) What plans are in place to reduce (in nominal dollar terms) the general government sector's net debt over time?

- (b) Does the Department have a target for the year in which the general government sector's net debt will start reducing (in nominal dollar terms)?

- (c) Does the Department have a target for the year in which there will be no debt for the general government sector?

Question 8.3 (Department of Treasury and Finance only)

- (a) What plans are in place to reduce (in nominal dollar terms) the general government sector's total liabilities over time?

- (b) Does the Department have a target for the year in which the general government sector's total liabilities will start reducing (in nominal dollar terms)?

(c) Does the Department have a long-term target for a sustainable level of total liabilities?

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9. Geographic considerations

Question 9.1

Please complete the following table for up to five of the Department's largest projects (in terms of expenditure) benefiting regional and rural Victoria:

Project	Budget allocation for 2012-13 (\$million)	New or existing project?	Purpose of the project	How is the funding to be spent?	What performance measures are in place?	Expected net benefits	Net present value (in 2012 dollars), where applicable
<p>Programs funded in 2012-13 are either of a universal nature and/or delivered throughout the state.</p>							

Question 9.2

Please complete the following table for up to five of the Department's largest projects (in terms of expenditure) benefiting metropolitan Melbourne:

Project	Budget allocation for 2012-13 (\$million)	New or existing project?	Purpose of the project	How is the funding to be spent?	What performance measures are in place?	Expected net benefits	Net present value (in 2012 dollars), where applicable
Programs funded in 2012-13 are either of a universal nature and/or delivered throughout the state.							

10. Performance measures

Question 10.1

For each initiative (asset or output) in the 2012-13 Budget with a total cost over the forward estimates greater than \$20 million (or a TEI over \$20 million), please list all new and existing performance measures in the budget papers related to the initiative. In describing initiatives, please use the same names as are used in the budget papers.

Initiative	Related performance measures
Sustaining the universal Maternal and Child Health Service	<ul style="list-style-type: none"> • Total number of Maternal and Child Health Service clients (aged 0 to 1 year) • Children aged 0 to 1 month enrolled at maternal and child health services from birth notifications • Total output cost (Early Childhood Development)
Refocusing Vocational Training in Victoria	<ul style="list-style-type: none"> • Annual government funded module enrolments • Number of pre-accredited module enrolments government funded through the Adult, Community and Further Education (ACFE) Board and adult community education (ACE) organisations and adult education institutions (AEIs) • Government funded student contact hours of training and further education provided • Number of apprenticeship/traineeship commencements by new employees • Number of Government funded course enrolments in qualifications at Diploma level or above • Participation rate of 15-24 year olds in training and further education in Victoria • Participation rate of 25-64 year olds in training and further education in Victoria • Percentage of VET graduates who rate quality of training as four or more out of five • Successful training completions as measured by module load completion rate • VET graduates in employment six months following graduation • Total output cost (Higher Education and Skills)
New school construction, land acquisition and school upgrades	There are no output performance measures (apart from total output costs) that are directly related to this asset initiative.
Regional TAFE Projects - Education Investment Fund	There are no output performance measures that are directly related to this asset initiative.

Question 10.2

Please indicate any changes that the Department has made since the 2011-12 Budget to increase the number of its performance measures that are outcomes-based.

DEECD has created the following outcomes-based performance measure since the 2011-12 Budget Papers –

“Stakeholder satisfaction with the Victorian Registration and Qualifications Authority and its services”.

Question 10.3 (Department of Treasury and Finance only)

In preparing the budget papers, please outline the steps taken by the Department of Treasury and Finance to ensure that performance targets for all departments are appropriately challenging.

Question 10.4 (Department of Treasury and Finance only)

Please detail the processes undertaken by the Department of Treasury and Finance to ensure that the ‘2011-12 expected outcome’ for each performance measure published in the budget papers is a reasonable estimate.

Question 10.5 (Department of Treasury and Finance only)

In considering targets for performance measures for all departments in the budget papers and assessing the expected outcomes for the previous year to be published in the budget papers:

- (a) describe to what extent the Department considers historical trends of actual results for each performance measure; and

- (b) indicate how many years of data are considered.

11. Staffing matters

Question 11.1

Please fully complete the table below, providing actual FTE staff numbers at 30 June 2011 and estimates of FTE staff numbers (broken down by the categories listed below) at 30 June 2012 and 30 June 2013 for the Department. Please provide figures consolidated on the same basis as the expenditure for the department in the budget papers.

Grade	30 June 2011 (FTE number)	30 June 2012 (FTE number)	30 June 2013 (FTE number)
Secretary	0	1.0 estimate	*Please see note below
EO-1	3.0	3.0 estimate	
EO-2	45.9	48.9 estimate	
EO-3	28.0	28.0 estimate	
VPS Grade 7 (STS)	10.0	10.0 estimate	
VPS Grade 6	350.2	322.3 estimate	
VPS Grade 5	762.5	708.9 estimate	
VPS Grade 4	402.4	363.2 estimate	
VPS Grade 3	383.5	342.6 estimate	
VPS Grade 2	199.5	178.0 estimate	
VPS Grade 1	12.5	10.8 estimate	
Government Teaching Service	41,009.8	41,010.0 estimate	
Health services	n/a	n/a	
Police	n/a	n/a	
Allied health professionals	587.6	600.0 estimate	
Child protection	n/a	n/a	
Disability development and support	n/a	n/a	
Custodial officers	n/a	n/a	
Other	12,452.8	13,180.0 estimate	
Total	56,247.6	56,806.6	

Notes:

Government Teaching Service includes: Principals and Teachers.

Other includes: Education Support and Nurses.

* FTE numbers as at the end of June 2013 cannot be accurately provided at this stage because of progress with the Government's Sustainable Government initiative relating to non-front line staff. These figures will be reported to Parliament in the 2012-13 annual report of the Department.

Question 11.2

Please break down the actual staff numbers in your department as at 30 June 2011 and the estimates as at 30 June 2012 and 2013 according to the number of staff that are ongoing, fixed-term or casual

	30 June 2011 (FTE number)	30 June 2012 (FTE number)	30 June 2013 (FTE number)
Ongoing	43,380.6	43,590.9	*Please see note below
Fixed-term	12,831.3	13,180.0	
Casual	35.7	33.7	
Total	56,247.6	56,806.6	

Notes:

* FTE numbers as at the end of June 2013 divided into ongoing, fixed-term and casual categories cannot be accurately provided at this stage because of progress with the Government's Sustainable Government initiative relating to non-front line staff.

Question 11.3

Given the Government's 'Maintain a sustainable public service' initiative, which is expected to reduce Victorian public service positions by around 3,600 between 2011-12 and 2014-15,³ please indicate for each year:

- (a) the number of VPS positions (including VPS Grades 1-6, STS level, EO level and Secretary level) and non-VPS positions that the Department expects to have as at 30 June;

	30 June 2011 (FTE number)	30 June 2012 (FTE number)	30 June 2013 (FTE number)	30 June 2014 (FTE number)	30 June 2015 (FTE number)
VPS positions	2,197.4	2,016.6	Reduction in VPS positions in the Department to meet the Government's targets will vary over the forward estimates and will be reported to Parliament both in the annual report and the State of the Public Sector Report. It would be inaccurate to provide information at the level of changes in particular grades of FTE staff, as these will change according to the needs of the entity and progress with separations.		
Non-VPS positions	54,050.2	54,790.0			

- (b) any strategies other than reducing the number of VPS staff that the Department plans to implement in order to meet the savings target established by this initiative, and the amount of savings for each year anticipated to be achieved by these strategies.

3 2011-12 Victorian Budget Update, December 2011, p.114

Strategy	Description	Anticipated savings (\$ million)		
		2012-13	2013-14	2014-15
DEECD has not yet completed the detailed planning required to identify other strategies to be implemented to meet the savings target established by this initiative.				

Question 11.4

Please detail the actual amount that the Department spent on contractors and consultants in 2010-11 and the estimated expenditure in 2012-13 and each of the outyears (for a definition on the difference between consultants and contractors, see FRD 22B – Standard Disclosures in the Report of Operations). Please provide figures on the same basis of consolidation for the Department as used in the budget papers.

	2010-11 (\$ million)	2011-12 (\$ million)	2012-13 (\$ million)	2013-14 (\$ million)	2014-15 (\$ million)	2015-16 (\$ million)
Consultants	0.8	0.2	0.2	0.2	0.2	0.2
Contractors	136.4	99.0	99.0	99.0	99.0	99.0

If the estimates for consultants provided above do not match the estimates provided in response to Question 4.3, please explain why.

Not applicable

12. Other

Question 12.1

For any recommendation from the Committee's 2011-12 budget estimates reports where the response was that further action would be considered, investigated or reviewed, please provide an update of the results of the consideration, investigation or review.

Not applicable

Contact details

Department:

Contact Officer:

Position:

Contact Numbers: Telephone:

Fax:

E-mail:

The completed questionnaire must be returned by:

5:00pm, Wednesday, 2 May 2012

Please return the response (**in Word format**) to:

Ms Valerie Cheong

Executive Officer

Public Accounts and Estimates Committee

Level 3, 55 St Andrews Place

EAST MELBOURNE VIC 3002

Telephone: (03) 8682 2863

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For inquiries on this questionnaire, please contact the Executive Officer or:

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