

Service Delivery Statements

# Department of Education and Training

# 2016-17 Queensland Budget Papers

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**Service Delivery Statements**

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# Department of Education and Training

## Summary of portfolio

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# Portfolio overview

## Ministerial and portfolio responsibilities

The table below represents the agencies and services which are the responsibility of the Minister for Education and Minister for Tourism and Major Events, and the Attorney-General, Minister for Justice and Minister for Training and Skills:

### Minister for Education and Minister for Tourism and Major Events

The Honourable Kate Jones MP

### Attorney-General, Minister for Justice and Minister for Training and Skills

The Honourable Yvette D'Ath MP

### Department of Education and Training

Director-General: Dr Jim Watterston

**Service area 1:** Early Childhood Education and Care

**Service area 2:** School Education

**Service area 3:** Training and Skills

The Minister for Education and Training and Minister for Tourism and Major Events is also responsible for:

### Queensland Curriculum and Assessment Authority

Chief Executive Officer: Chis Rider

**Objective:** To support the Queensland education community by providing high-quality syllabuses, assessment, certification and tertiary entrance services.

The Attorney-General, Minister for Justice and Minister for Training and Skills is also responsible for:

## **TAFE Queensland**

**Chief Executive Officer: Jodi Schmidt**

**Objective:** To be an efficient, effective, sustainable and responsive organisation that develops skills and employment opportunities for individuals to meet employer, industry and community demands.

Additional information about these agencies can be sourced from:

[www.deta.qld.gov.au](http://www.deta.qld.gov.au)

[www.qcaa.qld.gov.au](http://www.qcaa.qld.gov.au)

[www.tafeqld.edu.au](http://www.tafeqld.edu.au)

# Departmental overview

The Department of Education and Training is creating opportunities for Queenslanders through high quality learning and skilling services. These services are focused on preparing Queenslanders with the knowledge, skills and confidence to successfully participate in the community and Queensland's new economy.

The delivery of learning and skilling services across Queensland contributes to the Queensland Government's objectives for the community of:

- creating jobs and a diverse economy (through training and skills)
- delivering quality frontline services
- building safe, caring and connected communities.

A key focus of the department in contributing to these objectives is the shared responsibility, across service delivery areas, for the creation of connected and accessible learning and skilling pathways for children, young people and students. Supporting the commitment to lifting learning outcomes are the strategic outcomes for each service delivery area:

- Early Childhood Education and Care – children engaged in quality early years programs that support learning and development and making successful transitions to school
- School Education – students engaged in learning, achieving and successfully transitioning to further education, training and work
- Training and Skills – Queenslanders skilled to participate in the economy and the broader community.

The Queensland Government's Advancing Education: An Action Plan for Education in Queensland (Advancing Education) will prepare our students for the challenges of tomorrow. Advancing Education puts Queensland students on the path to success, and inspires them to become lifelong learners, global citizens and successful people, confidently able to navigate their future.

## Early Childhood Education and Care

The early years are a critical time in a child's development. The department is ensuring all Queensland children have access to a confident start to their learning through quality early years experiences.

In line with Advancing Education, the department will support the delivery of quality early years across Queensland by:

- partnering with Playgroup Queensland to offer families a 12 month membership upon the birth of their child
- working with stakeholders and communities to lift the participation of Aboriginal and Torres Strait Islander and disadvantaged children in early childhood programs
- strengthening community partnerships to expand access to integrated services that respond to local needs
- implementing the 2016-19 Early Childhood Education and Care Workforce Action Plan to support a highly skilled and capable early childhood workforce
- implementing a collaborative, networked approach across schools and early childhood services to support children's positive transition to school.

## School Education

The learning outcomes students achieve during their school years provide the basis for their development as successful citizens, engaged in the workforce and the community. The department is committed to lifting the learning outcomes of all students as this is essential to the continued social development and economic growth of Queensland.

To achieve this lift in learning outcomes, the Queensland Government is supporting teachers to focus on student needs by providing more teachers in schools, including specialist teachers, and additional guidance officers to support students to engage with their learning.

In line with Advancing Education the department will position schools to support students by:

- improving the teaching of science, technology, engineering and mathematics (STEM) in state schools
- implementing the Australian Curriculum: Digital Technologies, including coding and robotics

- progressing the new senior assessment and tertiary entrance systems
- investing in facilities through boosting funding for maintenance
- reconnecting at-risk or disengaged students to learning through better tracking and provision of quality alternative learning options
- supporting foundational education skills for all children by introducing legislation to make Prep the first year of compulsory schooling.

#### Training and Skills

Training and skilling services are key contributors to achieving the Government's objective of creating jobs and a diverse economy by skilling Queenslanders to participate effectively in the workforce. Providing all Queenslanders with access to affordable and high quality training and skilling opportunities is a key focus for the department.

To grow a strong economy, Queensland must invest in skills and training that increase participation in the workforce and boost productivity. In 2015-16, public funding for the vocational education and training (VET) sector provided training opportunities for around 275,000 students. This is helping to create a flexible and productive workforce capable of supporting sustainable economic growth.

The Queensland Government is strengthening the VET sector with improvements that will build a better future for Queensland students, workers, industry and employers through high quality training and skilling services. Future developments for VET in Queensland include:

- reinvigorating the VET sector to support eligible Queenslanders to undertake training for employment in priority areas identified by industry
- reviewing government VET investment arrangements to achieve a more sustainable balance of public and private training provision
- investing in TAFE Queensland to restore its status as Queensland's premier public provider of VET
- supporting up to 32,000 Queenslanders into work through the Skilling Queenslanders for Work initiative
- implementing Jobs Queensland, an independent statutory entity, to ensure industry has a voice in providing advice on: skills investment for particular industries and regions; future workforce planning and the apprenticeship traineeship system.

## Service performance

### Performance statement

#### Early Childhood Education and Care

##### Service area objective

Queensland children engaged in quality early years programs that support learning and development and making successful transitions to school.

##### Service area description

Providing children with access to quality early childhood education and care and strengthening childrens' transition to school. Services include the establishment, funding and monitoring of Kindergarten and integrated early years services, and the regulation, and assessment and rating of education and care services.

## 2016-17 service area highlights

- Investing \$42.8 million to meet the Australian Government funding shortfall under the new National Partnership Agreement on Universal Access to Early Childhood Education.
- Investing \$10.3 million to support access to vital early education, family support and maternal health services for Aboriginal and Torres Strait Islander families through Queensland's 10 Children and Family Centres.
- Partnering with Playgroup Queensland to offer families a 12 month membership upon the birth of their child.
- Delivering greater access to Kindergarten in the remote communities of Aramac, Augathella, Bedourie, Birdsville, Boulia, Dingo, Greenvale, Muttaborra, Pentland, Thargomindah and Valkyrie through the Remote Kindergarten Pilot in state schools.
- Partnering with the Institute of Indigenous Urban Health to promote the importance of early childhood education through the Deadly Kindies program.
- Continuing to support more children with disability to engage in early learning through funding of \$3.7 million for Kindergarten services.
- Launching Australia's first early learning video series and applications for deaf or hearing impaired children who use AUSLAN as their primary language.
- Driving continuous improvement in Kindergarten delivery by strengthening the alignment between program funding and service quality.
- Supporting a highly skilled and capable early childhood workforce through implementation of the 2016-19 Early Childhood Education and Care Workforce Action Plan.
- Providing online professional development and resources for early childhood educators working with children with disability and complex needs.
- Delivering professional development, mentoring and leadership support for Aboriginal and Torres Strait Islander educators.
- Implementing a collaborative, networked approach across schools and early childhood services to support positive transitions to school.
- Improving continuity of learning by supporting age-appropriate pedagogies in Prep in state schools.

Department of Education and Training	Notes	2015-16 Target/Est.	2015-16 Est. Actual	2016-17 Target/Est.
<b>Service area: Early Childhood Education and Care</b>				
<b>Service standards</b>				
<i>Effectiveness measures</i>				
Proportion of Queensland children enrolled in an early childhood education program	1,2,3,4	95%	>100%	95%
Proportion of enrolments in an early childhood education program:				
Indigenous children		95%	85.6%	95%
Children who reside in disadvantaged areas	1,2,3,5,6,7	95%	94.9%	95%
Proportion of children developmentally on track on four or more (of five) Australian Early Development Census (AEDC) domains	8	New measure	New measure	65%
<i>Efficiency measure</i> <sup>9</sup>				

Notes:

1. The national early childhood education and care census is conducted in the first week of August each year. Data is published by the Australian Bureau of Statistics (ABS) in the Preschool Education Australia 2015 publication catalogue 4240.0.



2. The nationally agreed benchmark established under the National Partnership Agreement on Universal Access to Early Childhood Education is 95 per cent. Under the National Partnership Agreement for Universal Access to Early Childhood Education, Queensland is committed to achieving and maintaining access to an early childhood education program for all children in the year before full-time school.
3. Early childhood education program: A quality play-based program in accordance with the Early Years Learning Framework and the National Quality Standard delivered by a degree-qualified early childhood teacher to children in the year before full-time school.
4. Results of over 100 per cent are possible as the nationally agreed measure is number of children enrolled (aged four or five) divided by the estimated resident population of four year-olds.
5. The measures represent the proportion of children enrolled from each cohort group as a proportion of the estimated total population for that cohort group in Queensland.
6. Indigenous: a person who identifies at enrolment to be of Aboriginal and/or Torres Strait Islander origin.
7. Disadvantaged: a person that resides in statistical areas classified by the ABS in the bottom quintile using the Socio-Economic Indexes for Areas Index of Relative Socio-Economic Disadvantaged.
8. The AEDC is a population measure of how children have developed by the time they start school. Data is captured on five domains of early childhood development: physical health and wellbeing, social competence, emotional maturity, language and cognitive skills, and communication skills and general knowledge. It is a national census conducted every three years with the last census conducted in 2015.
9. The department will develop an appropriate efficiency measure for inclusion in a future *Service Delivery Statement*.

## School Education

### Service area objective

Queensland students engaged in learning, achieving and successfully transitioning to further education, training and work.

### Service area description

Delivering Prep to Year 12 in Queensland state schools to prepare young people for successful transitions into further education, training and/or work and administering funding to Queensland non-state schools.

### 2016-17 service area highlights

- Continuing the three year \$152.4 million investment to deliver the Queensland Government's Extra Teachers election commitment to hire up to 875 additional teachers. This will put downward pressure on class sizes, allocate specialist teachers in high schools, and provide additional support to teachers and principals through the allocation of 290 teachers to Queensland state schools.
- Allocating the second tranche of 15 additional guidance officers (or equivalent) as part of the Government's commitment to investing \$8.9 million over three years to employ an extra 45 guidance officers. This will increase counselling and career advice services for Queensland state high school students.
- Allocating \$102 million over four years (including an allocation for non-state schools through the basket nexus funding arrangements) and ongoing funding to implement the findings of the Review of Administrative and Support Staff. This includes the reclassification of Business Services Managers in state schools and adjustments to the state school administrative staffing allocation model to recognise the administrative and support staffs' essential contribution.
- Investing \$24.3 million, as part of \$72.4 million over four years, for the Queensland Curriculum and Assessment Authority (QCAA) to implement new senior assessment and tertiary entrance systems. These will commence for students entering Year 11 in 2018 and include trials of the new senior assessment processes, redevelopment of the senior syllabus documents and the provision of professional development to senior teachers and curriculum leaders. This is in addition to the \$4.5 million invested by the department in 2015-16.
- Investing up to \$2 million in 2016-17, as part of the Government's \$6 million three-year program to establish an enhanced and rigorous teacher classification system and pay structure to modernise and improve the teaching profession.
- Investing an additional \$73 million for maintenance of existing state schools as part of the second year of the Government's \$300 million four year commitment to supplement the state schools maintenance program. This includes ongoing funding from 2019-20 to ensure state schools' maintenance funding is one per cent of the total state school asset replacement value.
- Investing \$10 million as part of an additional \$30 million over three years for priority minor works across state schools.
- Supporting quality teaching and learning through the continued development and maintenance of Curriculum into the Classroom resources to assist teachers to implement the Australian Curriculum.
- Improving targeted teaching of literacy through the use of the P-10 Literacy continuum to progress students' literacy against year level expectations.
- Supporting schools to deliver world-class science, technology, engineering and mathematics (STEM) education to every young Queenslander, developing a culture of high achievement in STEM education, building teacher capability, and increasing student participation in STEM learning, as outlined in Advancing Education: An Action Plan for Education in Queensland through:
  - transforming the teaching of STEM by supporting teachers with professional development and upskilling opportunities through higher education institutions
  - appointing regional STEM champions to provide mentoring and coaching opportunities for teachers
  - working with the Queensland University of Technology to develop a framework for regional school clusters to partner with industry and universities
  - fast-tracking implementation of the Australian Curriculum: Digital Technologies in state schools

- establishing the Queensland Coding Academy, an online resource providing teaching and learning opportunities for teachers and students.
- Examining the resourcing arrangements for students who have English as an additional language or dialect.
- Improving the reading outcomes for Aboriginal and Torres Strait Islander students who are learning English as an Additional Language or Dialect (EAL/D) through Regional EAL/D Coaches, a Principal EAL/D Coach and the Indigenous Language Perspectives team.
- Introducing legislation to make Prep the first year of compulsory schooling in Queensland schools to ensure all children receive the foundational skills that will provide a confident start to their learning.
- Providing statewide support, training and teaching strategies to teachers and parents of children with autism through the Autism Hub.
- Providing specialist reading training and advice to parents and teachers statewide, including strategies for teaching children with dyslexia through the Reading Centre.
- Providing high quality coaching services to schools to improve learning outcomes for students with diverse learning needs through the creation of autism coaches, inclusion coaches and mental health coaches in each of the department's regions.
- Delivering speech-language therapy services for students in select remote and rural schools using telepresence technology.

Department of Education and Training	Notes	2015-16 Target/Est.	2015-16 Est. Actual	2016-17 Target/Est.
<b>Service area: School Education<sup>1</sup></b>				
<b>Service standards</b>				
<i>Effectiveness measures</i>				
Year 3 Test - Proportion of students at or above the National Minimum Standard:				
All students:				
Reading		93%	92.4%	93%
Writing		94%	94.3%	95%
Numeracy	2,3	94%	93.0%	94%
Indigenous students:				
Reading		85%	81.7%	85%
Writing		84%	86.2%	87%
Numeracy	2,3,4	86%	82.2%	86%
<i>Effectiveness measures</i>				
Year 5 Test - Proportion of students at or above the National Minimum Standard:				
All students:				
Reading		95%	92.4%	95%
Writing		90%	86.6%	90%
Numeracy	2,3	93%	94.3%	95%
Indigenous students:				
Reading		88%	80.4%	88%
Writing		72%	68.2%	72%

Department of Education and Training	Notes	2015-16 Target/Est.	2015-16 Est. Actual	2016-17 Target/Est.
Numeracy	2,3,4	78%	83.6%	84%
Year 7 Test - Proportion of students at or above the National Minimum Standard:				
All students:				
Reading		94%	94.3%	95%
Writing		92%	81.6%	92%
Numeracy	2,3	95%	95.3%	96%
Indigenous students:				
Reading		85%	87.6%	88%
Writing		78%	60.9%	78%
Numeracy	2,3,4	86%	90.1%	91%
Year 9 Test - Proportion of students at or above the National Minimum Standard:				
All students:				
Reading		90%	88.6%	90%
Writing		86%	70.1%	86%
Numeracy	2,3	94%	95.1%	96%
Indigenous students:				
Reading		78%	75.2%	78%
Writing		69%	47.5%	69%
Numeracy	2,3,4	82%	90.0%	91%
Proportion of Year 12 students awarded Certification i.e. Queensland Certificate of Education (QCE) or Queensland Certificate of Individual Achievement(QCIA)	5	93%	96.7%	97%
Proportion of Year 12 students who are completing or have completed a school-based apprenticeship or traineeship (SAT) or were awarded one or more of: Queensland Certificate of Education (QCE), International Baccalaureate Diploma (IBD), or Vocational Education and Training (VET) qualification	5	96%	97.4%	98%
Proportion of Overall Position (OP)/International Baccalaureate Diploma (IBD) students who received an OP 1 to 15 or an IBD	5	76%	75.9%	76%

Department of Education and Training	Notes	2015-16 Target/Est.	2015-16 Est. Actual	2016-17 Target/Est.
Proportion of students who, six months after completing Year 12, are participating in education, training or employment	6	88%	83.1%	88%
Proportion of parents satisfied with their child's school	7	94%	94.1%	94%
<i>Efficiency measures</i> Average cost of service per student:				
Primary (Prep - Year 6)		\$12,420	\$12,111	\$12,606
Secondary (Year 7 - Year 12)		\$13,192	\$13,370	\$13,598
Students with disabilities		\$27,777	\$27,920	\$27,944

Notes:

1. These service standards relate to the state schooling sector only.
2. The National Assessment Program - Literacy and Numeracy (NAPLAN) tests are conducted in May each year. The 2015-16 Estimated Actual reflects the 2015 NAPLAN outcomes.
3. NAPLAN National Minimum Standard targets represent the aspirational goals for achievement against these measures and should be read in conjunction with other NAPLAN data, which show broad improvements.
4. Indigenous: a person who identifies at enrolment to be of Aboriginal and/or Torres Strait Islander origin.
5. Data for 2015 graduates provided by the Queensland Curriculum and Assessment Authority as at February 2016.
6. 'Students' refers to Year 12 completers. Data is sourced from the Next Step survey conducted by the department each year. The 2015-16 Estimated Actual reflects the 2015 Next Step survey data.
7. The measure is the aggregation of positive responses, that is, 'Somewhat Agree', 'Agree', and 'Strongly Agree' to the parent/caregiver item 'This is a good school' sourced from the School Opinion Survey.

## Training and Skills

### Service area objective

Queenslanders skilled to participate in the economy and the broader community.

### Service area description

Improving the skills profile of Queensland through targeting funding for the delivery of vocational education and training that leads directly to employment opportunities. Providing information, advice and support to vocational education and training (VET) providers, employers, students, apprentices and trainees.

### 2016-17 service area highlights

- Investing \$60 million, of \$240 million over four years, to deliver the Skilling Queenslanders for Work initiative to support up to 8,000 Queenslanders (up to 32,000 over four years) to get back into work.
- Continuing to implement the Queensland Government's Rescuing TAFE policy, a part of the \$34 million investment over three years to restore TAFE Queensland's status as Queensland's premier provider of VET.
- Continuing to implement Jobs Queensland, an independent statutory entity, to provide advice to the Government on skills demand and long-term workforce planning, with the formal appointment of the Board in progress.
- Continuing to implement the Training Ombudsman role to enhance the quality of State-funded VET, including supporting Queenslanders in navigating the VET sector to achieve positive outcomes.
- Undertaking a condition and utilisation assessment of assets in over 40 training campuses of varying condition, age and size across the state as part of the development of the Strategic Training Asset Management Plan.
- Continuing to allocate 10 per cent of total labour hours on eligible government-funded infrastructure projects to apprentices and trainees, and for projects in Indigenous communities an additional amount equivalent to a further 10 per cent of total labour hours to provide opportunities for Aboriginal and Torres and Strait Islanders and the local economy, and extend this commitment to projects funded by government-owned corporations and Public Private Partnerships.

Department of Education and Training	Notes	2015-16 Target/Est.	2015-16 Est. Actual	2016-17 Target/Est.
<b>Service area: Training and Skills</b>				
<b>Service standards</b>				
<i>Effectiveness measures</i>				
Proportion of all attempted competencies successfully completed		90%	93.0%	93%
Proportion of Queenslanders with higher qualifications	1,2	60%	59.2%	60%
Proportion of graduates in employment or further study	1,3	87%	82.4%	87%
Number of completions:	4			
Apprenticeships		11,500	11,400	11,500
Traineeships	5	20,000	13,100	11,000
School-based Apprenticeships and Traineeships (SATs)		5,500	4,800	5,000
Proportion of graduates satisfied with the overall quality of their training	1,3	89%	86.6%	89%

Department of Education and Training	Notes	2015-16 Target/Est.	2015-16 Est. Actual	2016-17 Target/Est.
Proportion of employers satisfied with graduates of:	1,6			
Nationally accredited training		85%	84.9%	85%
Apprenticeships and traineeships		83%	82.7%	83%
<i>Efficiency measure</i>				
Average cost per competency successfully completed	7	\$560	\$525	\$525

Notes:

- Confidence intervals for estimates derived from sample survey responses need to be considered when interpreting relative performance.
- Sourced from the ABS Survey of Education and Work, Australia, May 2015 data cube: Table 1.11 Non-school qualification at Certificate III level or above, persons aged 20–64 years, 2015.
- Sourced from the annual National Centre for Vocational Education Research (NCVER) Student Outcomes Survey. The last survey was conducted in 2015 and relates to students who graduated in 2014.
- Apprenticeship and traineeship measures include SATs.
- The target reflects the national trend of significant reductions in traineeships following a decrease in Commonwealth incentives for traineeships and a reduction in the number of traineeships opportunities in the job market. Overall vocational student numbers have increased since 2014-15 suggesting alternate Commonwealth and State-funded programs, including the Queensland Government subsidised Certificate 3 Guarantee program, are being chosen by students.
- Employer satisfaction estimates are obtained from the biennial national survey Employers' Use and Views of the VET System, which was last conducted by NCVER in 2015. The 2015-16 Estimated Actual is statistically equivalent to the 2015-16 Target/Estimate.
- This figure is calculated by dividing the Training and Skills service area budget by the number of successful VET competencies (individual study units) directly funded by the department.

## Administered items

Administered activities are those undertaken by departments on behalf of the Government.

The Department of Education and Training administers funds on behalf of the State, which includes financial assistance to non-state schools for both capital and recurrent purposes. In 2016-17 a total of \$753 million in State-funded recurrent and capital grants will be directed to non-state schools.

The department also administers Australian Government funds received for non-state schools in Queensland.

In addition, the department administers funds on behalf of the State including:

- \$331,000 in financial support to student hostels
- \$4 million to community organisations for the provision of specialist support for students with special needs.

Financial statements and variance explanations in relation to administered items appear in the departmental financial statements.



# Administered items statement

Department of Education and Training	Notes	2015-16 Adj. Budget \$'000	2015-16 Est. Act. \$'000	2016-17 Budget \$'000
<b>STATE FUNDING</b>				
<b>Assistance to non-state sector</b>				
<b>Assistance to non-state schools</b>				
<b>Recurrent funding for non-state schools</b>				
General recurrent grants	4,9	628,364	628,364	654,009
Grammar school endowments		164	164	164
School Transport		5,880	5,827	5,973
<b>Total recurrent funding for non-state schools</b>		<b>634,408</b>	<b>634,355</b>	<b>660,146</b>
<b>Capital assistance for non-state schools</b>				
Capital assistance		45,982	45,982	45,982
External Infrastructure		5,393	5,393	5,393
Building Queensland Schools of the Future	5,10	30,000	30,000	..
Non-State Capital Grants Other		41,200	41,200	41,200
<b>Total capital assistance for non-state schools</b>		<b>122,575</b>	<b>122,575</b>	<b>92,575</b>
<b>Total assistance for non-state schools</b>		<b>756,983</b>	<b>756,930</b>	<b>752,721</b>
<b>Assistance to other non-state sector</b>				
<b>Student Hostels</b>				
Recurrent		162	203	231
Capital		100	100	100
<b>Total Student Hostels</b>		<b>262</b>	<b>303</b>	<b>331</b>
Living away from home allowances	1,6	7,703	..	..
Textbook and resource allowances	2,11	23,218	22,591	23,520
Weekend and vacation travel		44	44	44
Community Organisations		3,906	3,868	3,965
Non-state Accreditation Board		54	54	54
<b>Total Assistance to other non-state sector</b>		<b>35,187</b>	<b>26,860</b>	<b>27,914</b>
<b>Total Assistance to non-state sector</b>		<b>792,170</b>	<b>783,790</b>	<b>780,635</b>
<b>Other</b>				
Textbook and resource allowance - state	7,11	34,278	34,168	35,403
Queensland Curriculum and Assessment Authority		33,171	33,335	33,518
Other		100	100	100
<b>Total State Funding</b>		<b>859,719</b>	<b>851,393</b>	<b>849,656</b>
<b>Australian Government assistance to non-state education</b>	3,8,12	<b>2,249,181</b>	<b>2,237,656</b>	<b>2,387,775</b>
<b>TOTAL ADMINISTERED ITEMS</b>		<b>3,108,900</b>	<b>3,089,049</b>	<b>3,237,431</b>

Notes:

Major variations between 2015-16 Adjusted Budget and 2015-16 Estimated Actual include:

1. Decrease due to transfer of Living Away from Home Allowance scheme to departmental controlled activities in 2015-16.
2. Decrease due to the net impact of student enrolments and CPI indexation.
3. Decrease reflects the change in the level of Australian Government funding to non-state schools.

Major variations between 2015-16 Adjusted Budget and 2016-17 Budget include:

4. Increase due to flow on impact of government funding for the state schooling sector including provisions for enterprise bargaining outcomes and enrolment growth, election commitments and for the Review of School Administrative and Support Staff.
5. Decrease due to the cessation of the Building Queensland Schools of the Future initiative from 2016-17.
6. Decrease due to transfer of the Living Away from Home Allowances scheme to departmental controlled activities as from 2015-16.
7. Increase due to the net impact of student enrolments and Consumer Price Index (CPI) indexation.
8. Increase reflects the change in the level of Australian Government funding to non-state schools.

Major variations between 2015-16 Estimated Actual and 2016-17 Budget include:

9. Increase due to flow on impact of government funding for the state schooling sector including provisions for enterprise bargaining outcomes and enrolment growth, election commitments and for the Review of School Administrative and Support Staff.
10. Decrease due to the cessation of the Building Queensland Schools of the Future initiative from 2016-17.
11. Increase due to the net impact of student enrolments and CPI indexation.
12. Increase reflects the change in the level of Australian Government funding to non-state schools.

# Departmental budget summary

The table below shows the total resources available in 2016-17 from all sources and summarises how resources will be applied by service area and by controlled and administered classifications.

Department of Education and Training	2015-16 Adj. Budget \$'000	2015-16 Est. Actual \$'000	2016-17 Budget \$'000
<b>CONTROLLED</b>			
<b>Income</b>			
Appropriation revenue <sup>1</sup>			
Deferred from previous year/s	110,287	(9,945)	155,087
Balance of service appropriation	8,457,957	8,360,335	8,731,526
Other revenue	504,508	513,397	492,160
<b>Total income</b>	<b>9,072,752</b>	<b>8,863,787</b>	<b>9,378,773</b>
<b>Expenses</b>			
Early Childhood Education and Care	291,379	242,600	301,148
School Education	7,633,718	7,580,739	7,970,425
Training and Skills	1,131,465	1,002,448	1,107,200
<b>Total expenses</b>	<b>9,056,562</b>	<b>8,825,787</b>	<b>9,378,773</b>
<b>Operating surplus/deficit<sup>2,3</sup></b>	<b>16,190</b>	<b>38,000</b>	<b>..</b>
<b>Net assets</b>	<b>17,463,468</b>	<b>17,501,409</b>	<b>17,887,468</b>
<b>ADMINISTERED</b>			
<b>Revenue</b>			
Commonwealth revenue	2,249,181	2,237,656	2,387,775
Appropriation revenue	3,108,900	3,089,049	3,237,431
Other administered revenue	..	..	..
<b>Total revenue</b>	<b>5,358,081</b>	<b>5,326,705</b>	<b>5,625,206</b>
<b>Expenses</b>			
Transfers to government	2,249,181	2,237,656	2,387,775
Administered expenses	3,108,900	3,089,049	3,237,431
<b>Total expenses</b>	<b>5,358,081</b>	<b>5,326,705</b>	<b>5,625,206</b>
<b>Net assets</b>	<b>..</b>	<b>211</b>	<b>211</b>

Notes:

1. Appropriation revenue includes State and Commonwealth funding.
2. The 2015-16 Adjusted Budget surplus reflects the Queensland Training Assets Management Authority surplus used to fund Training assets. This surplus has subsequently been transferred to equity and is not reflected in the 2015-16 Estimated Actual position.
3. The 2015-16 Estimate Actual surplus reflects an increase in school bank accounts balances resulting mainly from additional Investing for Success (previously Great Results Guarantee) funding provided directly to schools.

## Service area sources of revenue<sup>1</sup>

Sources of revenue 2016-17 Budget					
Department of Education and Training	Total cost \$'000	State contribution \$'000	User charges and fees \$'000	C'wealth revenue \$'000	Other revenue \$'000
Early Childhood Education and Care	301,148	205,066	916	94,325	841
School Education <sup>2</sup>	7,970,425	6,198,080	345,188	1,335,674	91,483
Training and Skills <sup>3</sup>	1,107,200	576,469	31,078	483,299	16,354
<b>Total</b>	<b>9,378,773</b>	<b>6,979,615</b>	<b>377,182</b>	<b>1,913,298</b>	<b>108,678</b>

Notes:

1. Explanations of variances are provided in the financial statements.
2. School Education also includes the Office of Non-State Schooling.
3. Training and Skills also includes Assistance to Higher Education.

## Budget measures summary

This table shows a summary of budget measures relating to the department since the 2015-16 State Budget. Further details are contained in *Budget Paper 4*.

Department of Education and Training	2015-16 \$'000	2016-17 \$'000	2017-18 \$'000	2018-19 \$'000	2019-20 \$'000
<b>Revenue measures</b>					
Administered	..	..	..	..	..
Departmental	..	..	..	..	..
<b>Expense measures</b>					
Administered	..	1,024	2,909	3,854	14,027
Departmental <sup>1</sup>	3,913	(53,410)	193,815	51,988	116,625
<b>Capital measures</b>					
Administered	..	..	..	..	..
Departmental	..	103,343	91,745	97,766	99,501

Note:

- Figures reconcile with *Budget Paper 4*, including the whole-of-government expense measures 'Brisbane CBD government office agency rental impacts' and 'Reprioritisation allocations'.

## Departmental capital program

The department has an extensive capital program across the entire continuum of learning. The 2016-17 highlights of the department's capital program will include:

- opening new schools in 2017 in high growth areas of Queensland including two new primary schools at Redbank Plains and Caboolture North East along with a new secondary school at Bellbird Park as part of the \$1.380 billion Queensland Schools Public Private Partnership
- \$19 million as part of \$45 million in total funding (excluding an expense component of \$5 million) to commence construction of the new primary school in North-West Townsville
- \$57.6 million as part of the \$147.3 million total funding over five years to commence construction of three new primary schools in the high growth areas of Caloundra-South, Coomera and Yarrabilba (Logan)
- \$19.3 million as part of \$22.5 million (excluding an expense component of \$2.5 million) to complete construction of the new Cairns Special School
- \$115.3 million to undertake new stages for four recently opened schools and provide additional classrooms at existing schools in growth areas throughout the State
- \$73.5 million to replace and enhance facilities at existing schools
- \$3.2 million to continue refurbishment and enhancement of existing Early Childhood Education and Care facilities
- \$1.8 million to commence construction of an integrated Early Years Service at Capalaba State College
- \$17.3 million for the renewal and growth of Queensland's training assets required for delivery of priority skills training that supports workforce and economic development.

## Capital budget

Department of Education and Training	Notes	2015-16 Adj. Budget \$'000	2015-16 Est. Actual \$'000	2016-17 Budget \$'000
<b>Capital purchases<sup>1</sup></b>				
Total land, buildings and infrastructure		387,858	389,636	407,068
Total plant and equipment		52,396	52,018	48,519
Total other capital		40,331	40,331	53,210
<b>Total capital purchases</b>	<b>2, 3, 4</b>	<b>480,585</b>	<b>481,985</b>	<b>508,797</b>

Notes:

1. Capital purchases include acquisitions under finance leases consistent with *Budget Paper 3*. For more detail on the agency's capital acquisitions please refer to *Budget Paper 3*.
2. The increase between the 2015-16 Adjusted Budget and 2015-16 Estimated Actual reflects largely the level of capitalisation associated with the Department's capital works program.
3. The increase between the 2015-16 Adjusted Budget and the 2016-17 Budget relates largely to additional capital expenditure including expenditure associated with new schools in North West Townsville, Coomera, Caloundra South and Yarrabilba. This is partially offset by lower levels of capital expenditure for the Queensland Schools Public Private Partnership, Early Childhood Education and Care facilities, transition of Year 7 into Secondary, and the Commonwealth funded Trade Training Centres program in 2016-17.
4. The increase between the 2015-16 Estimated Actual and the 2016-17 Budget relates largely to additional capital expenditure including expenditure associated with new schools in North West Townsville, Coomera, Caloundra South and Yarrabilba. This is partially offset by lower levels of capital expenditure for the Queensland Schools Public Private Partnership, Early Childhood Education and Care facilities, transition of Year 7 into Secondary, and the Commonwealth funded Trade Training Centres program in 2016-17.

## Staffing<sup>1, 2</sup>

Department of Education and Training	Notes	2015-16 Adj.Budget	2015-16 Est. Actual	2016-17 Budget
Early Childhood Education and Care	3	295	282	282
School Education	4, 5	65,249	66,602	68,213
Training and Skills	6	348	361	361
<b>TOTAL</b>	<b>7</b>	<b>65,892</b>	<b>67,245</b>	<b>68,856</b>

Notes:

1. Full-time equivalents (FTEs) as at 30 June.
2. The 2015-16 Adjusted Budget has been recast to reflect a change in methodology from using Budgeted FTEs to Minimum Obligatory Human Resource Information FTE data.
3. The reduced level of staffing in the Early Childhood Education and Care service area between 2015-16 Adjusted Budget and 2015-16 Estimated Actual relate to staff engaged in 2015 to accelerate the assessment and rating of early childhood services under the National Quality Framework to meet the performance targets under the National Partnership Agreement.
4. The difference in School Education FTEs between 2015-16 Adjusted Budget and 2015-16 Estimated Actual relates mainly to an increase in school purchase FTEs, changes to school based staffing above original budget estimates, and an increase in the utilisation of vacant roles.
5. The difference in School Education FTEs between 2015-16 Estimated Actual and 2016-17 Budget relates to the inclusion of forecast growth, election commitments, changes to level of leave taken and an estimate of staff schools will employ from the Investing for Success funding.
6. The increase in Training and Skills FTEs between 2015-16 Adjusted Budget and 2015-16 Estimated Actual relate to additional staffing related to election commitments, specific projects and an increase in the utilisation of vacant roles associated with increased portfolio activity.
7. FTEs include staff funded through other sources, for example Commonwealth programs.

# Budgeted financial statements

## Analysis of budgeted financial statements

An analysis of the department's financial position, as reflected in the department's financial statements, is provided below.

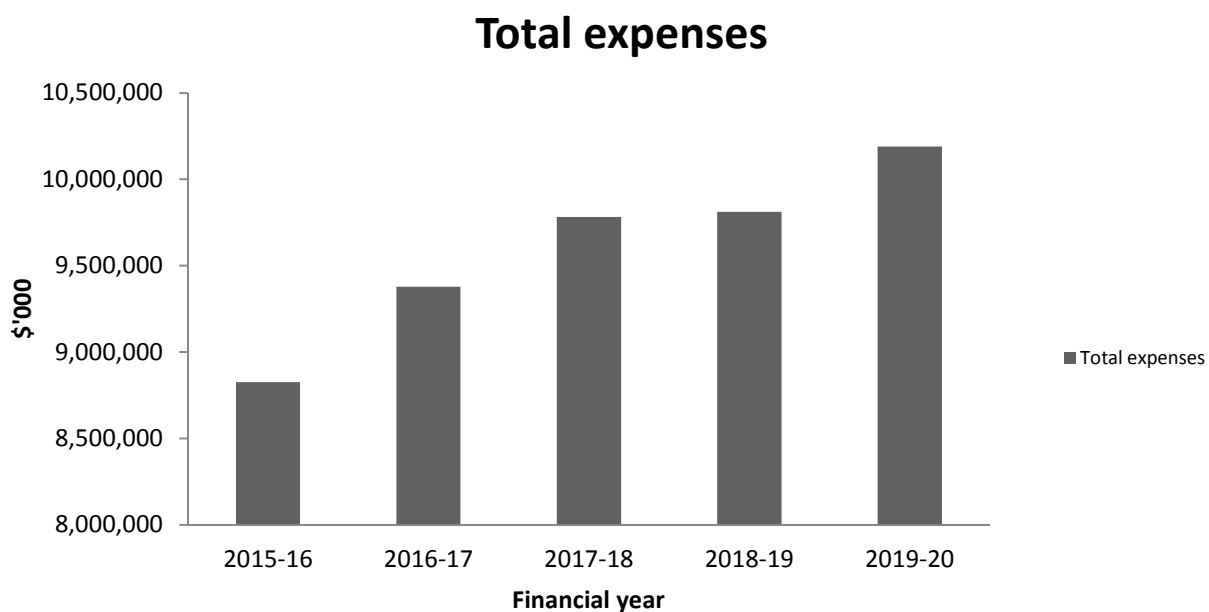
The department's 2015-16 Budget has been adjusted to reflect the transfer of the Queensland Training Assets Management Authority into the department as part of machinery-of-government changes in August 2015.

## Departmental income statement

Total controlled expenses are estimated to be \$9.379 billion in 2016-17, an increase of \$322.2 million from the 2015-16 financial year. The increase is mainly due to funding provided for anticipated student enrolment growth and enterprise bargaining outcomes, election commitments including Extra Teachers, Supporting Students, Rescuing TAFE, and the impact of increases in Australian Government funding for the Students First program and National Partnership programs (including deferrals) for Skills Reform and Universal Access. Additional State Government funding was also provided for Universal Access, the Senior Assessment and Tertiary Entrance initiative, and the Review of School Administrative and Support Staff which is partly offset by the department's contribution to the whole-of-government reprioritisation measure.

The increase in expenses over the next few years is mainly the result of funding for Queensland Government election commitments, increases for anticipated student enrolment growth and enterprise bargaining outcomes, as well as additional funding for the Senior Assessment and Tertiary Entrance initiative and the Review of School Administrative and Support Staff.

**Chart: Total departmental expenses across the Forward Estimates period**



## Departmental balance sheet

The department's major assets are mainly in land and buildings (\$18.101 billion) and intangibles (\$43.5 million). The department's main liabilities relate to payables (including accrued employee benefits) and finance lease liabilities (including the lease associated with the Public Private Partnership arrangements).



# Controlled income statement

Department of Education and Training	Notes	2015-16 Adjusted Budget \$'000	2015-16 Est. Act. \$'000	2016-17 Budget \$'000
<b>INCOME</b>				
Appropriation revenue	1,9,18	8,568,244	8,350,390	8,886,613
Taxes		..	..	..
User charges and fees	2,10	396,305	373,163	377,182
Royalties and land rents		..	..	..
Grants and other contributions	3,11,19	63,526	87,659	72,087
Interest		15,362	14,838	14,838
Other revenue	4,20	29,315	37,737	28,053
Gains on sale/revaluation of assets		..	..	..
<b>Total income</b>		<b>9,072,752</b>	<b>8,863,787</b>	<b>9,378,773</b>
<b>EXPENSES</b>				
Employee expenses	12,21	5,973,084	5,964,328	6,293,981
Supplies and services	5,13,22	1,903,944	1,724,406	1,868,163
Grants and subsidies	6,14,23	586,734	552,822	612,411
Depreciation and amortisation	7,24	511,143	497,808	510,166
Finance/borrowing costs	15,25	47,411	46,895	52,502
Other expenses	16	34,146	37,817	39,725
Losses on sale/revaluation of assets	8,17	100	1,711	1,825
<b>Total expenses</b>		<b>9,056,562</b>	<b>8,825,787</b>	<b>9,378,773</b>
<b>OPERATING SURPLUS/(DEFICIT)</b>		<b>16,190</b>	<b>38,000</b>	<b>..</b>

# Controlled balance sheet

Department of Education and Training	Notes	2015-16 Adjusted Budget \$'000	2015-16 Est. Act. \$'000	2016-17 Budget \$'000
<b>CURRENT ASSETS</b>				
Cash assets	26,37,49	621,053	665,314	711,890
Receivables	27,38,50	121,727	101,081	104,807
Other financial assets		..	..	..
Inventories		2,674	2,818	2,952
Other	28,39,51	96,892	113,680	40,454
Non-financial assets held for sale	29,40	39,216	..	..
<b>Total current assets</b>		<b>881,562</b>	<b>882,893</b>	<b>860,103</b>
<b>NON-CURRENT ASSETS</b>				
Receivables	30,41	..	3,000	3,000
Other financial assets		..	..	..
Property, plant and equipment	42,52	17,605,200	17,605,313	18,100,539
Intangibles	31,43,53	51,226	54,564	43,498
Other		..	..	..
<b>Total non-current assets</b>		<b>17,656,426</b>	<b>17,662,877</b>	<b>18,147,037</b>
<b>TOTAL ASSETS</b>		<b>18,537,988</b>	<b>18,545,770</b>	<b>19,007,140</b>
<b>CURRENT LIABILITIES</b>				
Payables	32,44,54	325,733	247,458	253,428
Accrued employee benefits	33,45,55	149,921	179,028	204,869
Interest bearing liabilities and derivatives	34,56	11,938	10,903	11,939
Provisions		..	..	..
Other	35,46	11,092	31,821	33,074
<b>Total current liabilities</b>		<b>498,684</b>	<b>469,210</b>	<b>503,310</b>
<b>NON-CURRENT LIABILITIES</b>				
Payables		..	..	..
Accrued employee benefits		..	..	..
Interest bearing liabilities and derivatives	47,57	575,564	574,879	616,090
Provisions		272	272	272
Other		..	..	..
<b>Total non-current liabilities</b>		<b>575,836</b>	<b>575,151</b>	<b>616,362</b>
<b>TOTAL LIABILITIES</b>		<b>1,074,520</b>	<b>1,044,361</b>	<b>1,119,672</b>
<b>NET ASSETS/(LIABILITIES)</b>		<b>17,463,468</b>	<b>17,501,409</b>	<b>17,887,468</b>
<b>EQUITY</b>				
<b>TOTAL EQUITY</b>	36,48,58	<b>17,463,468</b>	<b>17,501,409</b>	<b>17,887,468</b>

# Controlled cash flow statement

Department of Education and Training	Notes	2015-16 Adjusted Budget \$'000	2015-16 Est. Act. \$'000	2016-17 Budget \$'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
<b>Inflows:</b>				
Appropriation receipts	59,67,78	8,568,244	8,351,947	8,886,613
User charges and fees	60,68	404,820	377,921	381,964
Royalties and land rent receipts		..	..	..
Grants and other contributions	61,69,79	61,026	80,459	64,887
Interest received		15,362	14,838	14,838
Taxes		..	..	..
Other	62,80	35,891	44,313	34,770
<b>Outflows:</b>				
Employee costs	70,81	(5,929,773)	(5,857,841)	(6,270,003)
Supplies and services	63,71,82	(1,913,414)	(1,728,001)	(1,869,058)
Grants and subsidies	64,72,83	(586,734)	(552,822)	(612,411)
Borrowing costs	73,84	(47,411)	(46,895)	(52,502)
Other	74	(39,846)	(38,817)	(41,453)
<b>Net cash provided by or used in operating activities</b>		<b>568,165</b>	<b>645,102</b>	<b>537,645</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
<b>Inflows:</b>				
Sales of non-financial assets		..	867	..
Investments redeemed		..	..	..
Loans and advances redeemed		..	..	..
<b>Outflows:</b>				
Payments for non-financial assets	65,75,85	(427,754)	(441,654)	(455,587)
Payments for investments		..	..	..
Loans and advances made		..	..	..
<b>Net cash provided by or used in investing activities</b>		<b>(427,754)</b>	<b>(440,787)</b>	<b>(455,587)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>				
<b>Inflows:</b>				
Borrowings		..	..	..
Equity injections	66,76,86	(180,291)	(128,139)	(24,519)
<b>Outflows:</b>				
Borrowing redemptions		(5,772)	(5,772)	(3,452)
Finance lease payments		(6,810)	(6,869)	(7,511)
Equity withdrawals		..	..	..
<b>Net cash provided by or used in financing activities</b>		<b>(192,873)</b>	<b>(140,780)</b>	<b>(35,482)</b>
<b>Net increase/(decrease) in cash held</b>		<b>(52,462)</b>	<b>63,535</b>	<b>46,576</b>
<b>Cash at the beginning of financial year</b>		<b>661,295</b>	<b>589,559</b>	<b>665,314</b>
Cash transfers from restructure	77,87	12,220	12,220	..
<b>Cash at the end of financial year</b>		<b>621,053</b>	<b>665,314</b>	<b>711,890</b>

# Administered income statement

Department of Education and Training	Notes	2015-16 Budget \$'000	2015-16 Est. Act. \$'000	2016-17 Budget \$'000
<b>INCOME</b>				
Appropriation revenue	88,90,92	3,108,900	3,089,049	3,237,431
Taxes		..	..	..
User charges and fees		..	..	..
Royalties and land rents		..	..	..
Grants and other contributions	89,91,93	2,249,181	2,237,656	2,387,775
Interest		..	..	..
Other revenue		..	..	..
Gains on sale/revaluation of assets		..	..	..
<b>Total income</b>		<b>5,358,081</b>	<b>5,326,705</b>	<b>5,625,206</b>
<b>EXPENSES</b>				
Employee expenses		..	..	..
Supplies and services		23	3	3
Grants and subsidies	88,90,92	3,108,877	3,089,046	3,237,428
Depreciation and amortisation		..	..	..
Finance/borrowing costs		..	..	..
Other expenses		..	..	..
Losses on sale/revaluation of assets		..	..	..
Transfers of Administered Revenue to Government	89,91,93	2,249,181	2,237,656	2,387,775
<b>Total expenses</b>		<b>5,358,081</b>	<b>5,326,705</b>	<b>5,625,206</b>
<b>OPERATING SURPLUS/(DEFICIT)</b>		<b>..</b>	<b>..</b>	<b>..</b>

# Administered balance sheet

Department of Education and Training	Notes	2015-16 Budget \$'000	2015-16 Est. Act. \$'000	2016-17 Budget \$'000
<b>CURRENT ASSETS</b>				
Cash assets		..	211	211
Receivables		..	..	..
Other financial assets		..	..	..
Inventories		..	..	..
Other		..	..	..
Non-financial assets held for sale		..	..	..
<b>Total current assets</b>		..	<b>211</b>	<b>211</b>
<b>NON-CURRENT ASSETS</b>				
Receivables		..	..	..
Other financial assets		..	..	..
Property, plant and equipment		..	..	..
Intangibles		..	..	..
Other		..	..	..
<b>Total non-current assets</b>		..	..	..
<b>TOTAL ASSETS</b>		..	<b>211</b>	<b>211</b>
<b>CURRENT LIABILITIES</b>				
Payables		..	..	..
Transfers to Government payable		..	..	..
Accrued employee benefits		..	..	..
Interest bearing liabilities and derivatives		..	..	..
Provisions		..	..	..
Other		..	..	..
<b>Total current liabilities</b>		..	..	..
<b>NON-CURRENT LIABILITIES</b>				
Payables		..	..	..
Accrued employee benefits		..	..	..
Interest bearing liabilities and derivatives		..	..	..
Provisions		..	..	..
Other		..	..	..
<b>Total non-current liabilities</b>		..	..	..
<b>TOTAL LIABILITIES</b>		..	..	..
<b>NET ASSETS/(LIABILITIES)</b>		..	<b>211</b>	<b>211</b>
<b>EQUITY</b>				
<b>TOTAL EQUITY</b>		..	<b>211</b>	<b>211</b>

# Administered cash flow statement

Department of Education and Training	Notes	2015-16 Budget \$'000	2015-16 Est. Act. \$'000	2016-17 Budget \$'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
<b>Inflows:</b>				
Appropriation receipts	96,98	3,108,900	3,116,801	3,237,431
User charges and fees		..	33	..
Royalties and land rent receipts		..	..	..
Grants and other contributions	94,97,99	2,249,181	2,237,656	2,387,775
Interest received		..	..	..
Taxes		..	..	..
Other		..	1	..
<b>Outflows:</b>				
Employee costs		..	..	..
Supplies and services		(23)	(3)	(3)
Grants and subsidies	94,96,98	(3,108,877)	(3,089,046)	(3,237,428)
Borrowing costs		..	..	..
Other		..	..	..
Transfers to Government	94,97,99	(2,249,181)	(2,237,656)	(2,387,775)
<b>Net cash provided by or used in operating activities</b>		..	<b>27,786</b>	..
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
<b>Inflows:</b>				
Sales of non-financial assets		..	..	..
Investments redeemed		..	..	..
Loans and advances redeemed		..	..	..
<b>Outflows:</b>				
Payments for non-financial assets		..	..	..
Payments for investments		..	..	..
Loans and advances made		..	..	..
<b>Net cash provided by or used in investing activities</b>		..	..	..
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>				
<b>Inflows:</b>				
Borrowings		..	..	..
Equity injections		..	..	..
<b>Outflows:</b>				
Borrowing redemptions		..	..	..
Finance lease payments		..	..	..
Equity withdrawals		..	..	..
<b>Net cash provided by or used in financing activities</b>		..	..	..
<b>Net increase/(decrease) in cash held</b>		..	<b>27,786</b>	..
<b>Cash at the beginning of financial year</b>		..	<b>(27,575)</b>	<b>211</b>
Cash transfers from restructure		..	..	..
<b>Cash at the end of financial year</b>	95	..	<b>211</b>	<b>211</b>

# Explanation of variances in the financial statements

## Income statement

### Major variations between 2015-16 Adjusted Budget and 2015-16 Estimated Actual include:

1. Decrease mainly due to deferred funding associated with the Australian Government Skills Reform, National Schools Chaplaincy and Universal Access National Partnership programs, as well as technical adjustments to reflect lower depreciation costs, lower capital works expense and the transfer of funds to equity to fund future training capital works, partially offset by funding for enterprise bargaining outcomes and the implementation of the Senior Assessment and Tertiary Entrance initiative.
2. Decrease largely reflects a streamlined administrative arrangement for rental revenue associated with maintenance expenditure between the department and TAFE Queensland, partially offset by higher revenues received directly by schools.
3. Increase mainly due to higher revenues received by schools and recognition of contributions received from external entities towards the department's capital works program.
4. Increase mainly due to recoveries from the Queensland Government Insurance Fund.
5. Decrease mainly due to reprofiling of funding for Australian Government National Partnership programs including Skills Reform and the National Schools Chaplaincy, lower levels of capital works expense, reduced expenses resulting from a streamlined administrative arrangement for rental revenue associated with maintenance expenditure between the department and TAFE Queensland, as well as anticipated lower spending by schools.
6. Decrease mainly due to deferral of Jobs Queensland expenditure and lower spend under the Australian Government Universal Access National Partnership, offset in part by the transfer of Living Away From Home Allowances from Administered to Controlled expenditure and funding provided to the Queensland Curriculum and Assessment Authority for the Senior Assessment and Tertiary Entrance initiative.
7. Decrease reflects the impact of asset revaluations and changes in the level of depreciable assets.
8. Increase mainly due to asset writedowns associated with the transfer and disposal of assets.

### Major variations between 2015-16 Adjusted Budget and 2016-17 Budget include:

9. Increase mainly due to State-funded provisions for school enrolment growth, enterprise bargaining outcomes and other school based cost increases, additional funding for election commitments and from the Australian Government's Students First program, additional State funding for Universal Access, implementation of the Senior Assessment and Tertiary Entrance initiative, and the Review of School Administrative and Support Staff, as well as deferred funding relating to the Skills Reform National Partnership. This is partially offset by funding for the Southbank Education and Training Precinct Public Private Partnership being for 2015-16 only, reduced funding under the Australian Government Universal Access National Partnership, and the department's contribution to the whole-of-government reprioritisation measure.
10. Decrease largely reflects a streamlined administrative arrangement for rental revenue associated with maintenance expenditure between the department and TAFE Queensland, partially offset by higher revenues received directly by schools.
11. Increase mainly due to higher revenues received directly by schools.
12. Increase mainly reflects provisions for enterprise bargaining outcomes, student enrolment growth, and schools utilising the Investing for Success (previously Great Results Guarantee) funding to employ staff, as well as extra staff associated with election commitment funding and expenditure associated with the Review of School Administrative and Support Staff.
13. Decrease mainly due to lower levels of capital works program expensed and the department's contribution to the whole-of-government reprioritisation measure, partially offset by additional funding from the Australian Government's Students First program and deferred expenditure from the Skills Reform National Partnership.
14. Increase mainly due to the grants associated with Universal Access, and funding to the Queensland Curriculum and Assessment Authority for the implementation of the Senior Assessment and Tertiary Entrance initiative.
15. Increase mainly due to higher levels of interest expense associated with the progressive recognition of the Queensland Schools public private partnership leased assets.
16. Increase mainly from expenses incurred by schools from revenue received through fundraising and other sources.
17. Increase mainly due to asset writedowns associated with the transfer and disposal of assets as part of the department's business as usual approach to asset management.

**Major variations between 2015-16 Estimated Actual and the 2016-17 Budget include:**

18. Increase mainly due to State-funded provisions for school enrolment growth, enterprise bargaining outcomes and other school based cost increases, additional funding for election commitments and from the Australian Government's Students First program, additional State funding for Universal Access, implementation of the Senior Assessment and Tertiary Entrance initiative, and the Review of School Administrative and Support Staff, as well as funding deferred under the Skills Reform National Partnership. This is partially offset by funding for the Southbank Education and Training Precinct Public Private Partnership being for 2015-16 only and the department's contribution to the whole-of-government reprioritisation measure.
19. Decrease largely reflects the anticipated level of contributions from external entities including contributions to the department's capital works program.
20. Decrease largely reflects the anticipated level of recoveries from the Queensland Government Insurance Fund.
21. Increase mainly reflects provisions for enterprise bargaining outcomes, student enrolment growth, and schools utilising the Investing for Success (previously Great Results Guarantee) funding to employ more staff, as well as extra staff associated with election commitment funding and expenditure associated with the Review of School Administrative and Support Staff.
22. Increase mainly due to additional funding from the Australian Government's Students First program and deferred expenditure from the Skills Reform National Partnership, partially offset by lower levels of capital works program expensed and the department's contribution to the whole-of-government reprioritisation measure.
23. Increase mainly reflects expenditure levels under the new agreement for the Australian Government Universal Access National Partnership, increased funding under the Rescuing TAFE initiative, funding to the Queensland Curriculum and Assessment Authority for the implementation of the Senior Assessment and Tertiary Entrance initiative, as well as deferral of expenditure associated with Jobs Queensland.
24. Increase mainly reflects the impact of end of year revaluations and changes in the level of depreciable assets.
25. Increase mainly due to higher levels of interest expense associated with the progressive recognition of the Queensland Schools Public Private Partnership leased assets.

## Balance sheet

**Major variations between 2015-16 Adjusted Budget and 2015-16 Estimated Actual include:**

26. Increase largely reflects anticipated higher school bank balances at 30 June 2016.
27. Decrease largely reflects lower levels of accrued receipts anticipated.
28. Increase largely reflects higher levels of prepayments including those associated with the Queensland Schools Public Private Partnership arrangements.
29. Decrease reflects the department's level of assets held for sale.
30. Increase reflects the advance to Central Queensland University as part of the Central Queensland University and Central Queensland Institute of TAFE merger agreement.
31. Increase mainly due to capitalisation of more intangible assets than forecast.
32. Decrease mainly due to anticipated levels of trade and capital creditors.
33. Increase largely reflects the impact of anticipated end of year employee accrual transactions.
34. Decrease reflects the Queensland Schools Public Private Partnership lease arrangements.
35. Increase mainly due to anticipated levels of unearned grants and contribution revenue at year end.
36. Increase largely reflects the budgeted surplus at year end.

**Major variations between 2015-16 Adjusted Budget and 2016-17 Budget include:**

37. Increase largely reflects anticipated higher school bank balances and the estimated impact of employee accrued expenses at year end.
38. Decrease mainly reflects lower levels of accrued receipts anticipated.
39. Decrease largely reflects the level of prepayment including those associated with the Queensland Schools Public Private Partnership arrangements.
40. Decrease reflects the department's level of assets held for sale.
41. Increase reflects the advance to Central Queensland University as part of the Central Queensland University and Central Queensland Institute of TAFE merger agreement.



42. Increase mainly due to asset annual revaluations and increases associated with the department's capital works program.
43. Decrease mainly reflects the impact of increased amortisation of limited-life assets.
44. Decrease mainly to reflect anticipated reduced levels of trade and capital creditors at year end.
45. Increase largely reflect changes associated with the number of accrued days paid for employee salaries at year end.
46. Increase mainly due to anticipated levels of unearned grants and contribution revenue at year end.
47. Increase reflects the Queensland Schools Public Private Partnership lease arrangements.
48. Increase largely reflects changes associated with asset revaluations, funding for the capital works program and the flow on impact of the budgeted 2015-16 end of year surplus.

**Major variations between 2015-16 Estimated Actual and the 2016-17 Budget include:**

49. Increase mainly due to anticipated higher school bank balances and the estimated impact of employee accrued expenses at year end.
50. Increase reflects higher levels of accrued receipts anticipated.
51. Decrease largely reflects the level of prepayments including those associated with the Queensland Schools Public Private Partnership arrangements.
52. Increase mainly due to asset annual revaluations and increases in the department's capital works program.
53. Decrease mainly reflects the impact of increased amortisation of limited-life assets.
54. Increase largely reflects anticipated levels of trade and capital creditors.
55. Increase largely reflect changes associated with the number of accrued days paid for employee salaries at year end.
56. Increase reflects the Queensland Schools Public Private Partnership lease arrangements.
57. Increase reflects the Queensland Schools Public Private Partnership lease arrangements.
58. Increase largely reflects the changes associated with asset revaluations, funding for the capital works program and a budgeted surplus forecast for 2015-16.

## Cash flow statement

**Major variations between 2015-16 Adjusted Budget and 2015-16 Estimated Actual include:**

59. Decrease mainly due to deferred funding associated with the Australian Government Skills Reform, National Schools Chaplaincy and Universal Access National Partnership programs, as well as technical adjustments to reflect lower depreciation costs, lower capital works expense and the transfer of funds to equity to fund future training capital works, partially offset by funding for enterprise bargaining outcomes and the implementation of the Senior Assessment and Tertiary Entrance initiative.
60. Decrease largely reflects a streamlined administrative arrangement for rental revenue associated with maintenance expenditure between the department and TAFE Queensland, partially offset by higher revenues received directly by schools.
61. Increase mainly due to higher revenues received by schools and recognition of contributions received from external entities towards the department's capital works program.
62. Increase mainly due to recoveries from the Queensland Government Insurance Fund.
63. Decrease mainly due to deferral of funding for Australian Government National Partnership programs including Skills Reform and the National Schools Chaplaincy, lower levels of capital works expense, reduced expenses resulting from a streamlined administrative arrangement for rental revenue associated with maintenance expenditure between the department and TAFE Queensland, as well as anticipated lower spending by schools.
64. Decrease mainly due to reprofiling of Jobs Queensland expenditure and lower spend under the Australian Government Universal Access National Partnership, offset in part by the transfer of Living Away From Home Allowances from Administered to Controlled expenditure and funding provided to the Queensland Curriculum and Assessment Authority for the Senior Assessment and Tertiary Entrance initiative.
65. Increase largely reflects higher levels of capital works including higher levels of capitalisation of the capital works program.
66. Reflects lower levels of equity withdrawal due to higher levels of capitalisation of the capital works program.

**Major variations between 2015-16 Adjusted Budget and 2016-17 Budget include:**

67. Increase mainly due to State-funded provisions for school enrolment growth, enterprise bargaining outcomes and other school based cost increases, additional funding for election commitments and from the Australian Government's Students First program, additional State funding for Universal Access, implementation of the Senior Assessment and Tertiary Entrance initiative, and the Review of School Administrative and Support Staff, as well as deferred funding relating to the Skills Reform National Partnership. This is partially offset by funding for the Southbank Education and Training Precinct Public Private Partnership being for 2015-16 only, reduced funding under the Australian Government Universal Access National Partnership, and the department's contribution to the whole-of-government reprioritisation measure.
68. Decrease largely reflects a streamlined administrative arrangement for rental revenue associated with maintenance expenditure between the department and TAFE Queensland, partially offset by higher revenues received directly by schools.
69. Increase mainly due to higher revenues received directly by schools.
70. Increase mainly reflects provisions for enterprise bargaining outcomes, student enrolment growth, and schools utilising the Investing for Success (previously Great Results Guarantee) funding to employ staff, as well as extra staff associated with election commitment funding and expenditure associated with the Review of School Administrative and Support Staff.
71. Decrease mainly due to lower levels of capital works program expensed and the department's contribution to the whole-of-government reprioritisation measure, partially offset by additional funding from the Australian Government's Students First program and deferred expenditure from the Skills Reform National Partnership.
72. Increase mainly due to the grants associated with Universal Access, and funding to the Queensland Curriculum and Assessment Authority for the implementation of the Senior Assessment and Tertiary Entrance initiative.
73. Increase mainly due to higher levels of interest expense associated with the progressive recognition of the Queensland Schools public private partnership leased assets.
74. Increase mainly from expenses incurred by schools from revenue received through fundraising and other sources.
75. Increase largely reflects the level of capital works including the new schools in North-West Townsville, Coomera, Caloundra South and Yarrabilba.
76. Reflects level of equity injections associated with the capital works program including additional funding provided for the new schools in North-West Townsville, Coomera, Caloundra South and Yarrabilba.
77. Decrease reflects the impact of the machinery-of-government changes transferring the Queensland Training Assets Management Authority to the department in 2015-16.

**Major variations between 2015-16 Estimated Actual and the 2016-17 Budget include:**

78. Increase mainly due to State funded provisions for school enrolment growth, enterprise bargaining outcomes and other school based cost increases, additional funding for election commitments and from the Australian Government's Students First program, additional State funding for Universal Access, implementation of the Senior Assessment and Tertiary Entrance initiative, and the Review of School Administrative and Support Staff, as well as funding deferred under the Skills Reform National Partnership. This is partially offset by funding for the Southbank Education and Training Precinct Public Private Partnership being for 2015-16 only and the department's contribution to the whole-of-government reprioritisation measure.
79. Decrease largely reflects the anticipated level of contributions from external entities including contributions to the department's capital works program.
80. Decrease largely reflects the anticipated level of recoveries from the Queensland Government Insurance Fund.
81. Increase mainly reflects provisions for enterprise bargaining outcomes, student enrolment growth, and schools utilising the Investing for Success (previously Great Results Guarantee) funding to employ more staff, as well as extra staff associated with election commitment funding and expenditure associated with the Review of School Administrative and Support Staff.
82. Increase mainly due to additional funding from the Australian Government's Students First program and deferred expenditure from the Skills Reform National Partnership, partially offset by lower levels of capital works program expensed and the department's contribution to the whole-of-government reprioritisation measure.
83. Increase mainly reflects expenditure levels under the new agreement for the Australian Government Universal Access National Partnership, increased funding under the Rescuing TAFE initiative, funding to the Queensland Curriculum and Assessment Authority for the implementation of the Senior Assessment and Tertiary Entrance initiative, as well as deferral of expenditure associated with Jobs Queensland.
84. Increase mainly due to higher levels of interest expense associated with the progressive recognition of the Queensland Schools Public Private Partnership leased assets.

- 85. Increase reflects the level of capital works including the new schools in North-West Townsville, Coomera, Caloundra South and Yarrabilba.
- 86. Reflects increased level of equity injections associated with the capital works program including additional funding provided for the new schools in North-West Townsville, Coomera, Caloundra South and Yarrabilba.
- 87. Decrease reflects the impact of the machinery-of-government changes transferring the Queensland Training Assets Management Authority to the department in 2015-16.

## Administered income statement

### Major variations between 2015-16 Budget and 2015-16 Estimated Actual include:

- 88. Decrease mainly due to a reduction in Australian Government grant assistance to non-state schools and the transfer of Living Away From Home Allowance to Controlled activities.
- 89. Decrease reflects a reduction in Australian Government grant assistance to non-state schools due to student enrolment changes.

### Major variations between 2015-16 Budget and 2016-17 Budget include:

- 90. Increase reflects a higher level of Australian Government grant assistance to non-state schools and higher level of State Government recurrent funding to non-state schools, increased levels of State Government grants for Textbook Allowance for both state and non-state schools, partially offset by a reduction in capital assistance for non-state schools with the cessation of the Building Queensland Schools of the future initiative and the transfer of Living Away From Home Allowance to Controlled activities.
- 91. Increase reflects a higher level of Australian Government grant assistance to non-state schools to reflect student enrolment changes.

### Major variations between 2015-16 Estimated Actual and the 2016-17 Budget include:

- 92. Increase reflects a higher level of Australian Government grant assistance to non-state schools and higher level of State Government recurrent funding to non-state schools, increased levels of State Government grants for Textbook Allowance for both state and non-state schools, partially offset by a reduction in capital assistance for Non-State schools with the cessation of the Building Queensland Schools of the future initiative.
- 93. Increase reflects a higher level of Australian Government grant assistance to non-state schools to reflect student enrolment changes.

## Administered cash flow statement

### Major variations between 2015-16 Budget and 2015-16 Estimated Actual include:

- 94. Decrease due to a reduction in Australian Government grants to non-state schools to reflect student enrolment changes.
- 95. Increase reflects impact of accruals associated with appropriation receipts at year end.

### Major variations between 2015-16 Budget and 2016-17 Budget include:

- 96. Increase reflects a higher level of Australian Government grant assistance to non-state schools and higher level of State Government recurrent funding to non-state schools, increased levels of State Government grants for Textbook Allowance for both state and non-state schools, partially offset by a reduction in capital assistance for Non-State schools with the cessation of the Building Queensland Schools of the future initiative and the transfer of Living Away from Home Allowance to Controlled Activities.
- 97. Increase reflects a higher level of Australian Government grant assistance to non-state schools to reflect student enrolment changes.

### Major variations between 2015-16 Estimated Actual and the 2016-17 Budget include:

- 98. Increase reflects a higher level of Australian Government grant assistance to non-state schools and higher level of State Government recurrent funding to non-state schools, increased levels of State Government grants for Textbook Allowance for both state and non-state schools, partially offset by a reduction in capital assistance for Non-State schools with the cessation of the Building Queensland Schools of the future initiative.
- 99. Increase reflects a higher level of Australian Government grant assistance to non-state schools to reflect student enrolment changes.

# Statutory bodies

## Queensland Curriculum and Assessment Authority

### Overview

The Queensland Curriculum and Assessment Authority (QCAA) plays a leadership role in providing high quality education programs and resources to support Queensland educators improve outcomes for learners across Kindergarten to Year 12.

Established on 1 July 2014, the QCAA offers syllabuses and guidelines and assessment, testing, reporting, certification and tertiary entrance services to Queensland schools.

The QCAA's objectives reflect its vision to provide a world class curriculum, learning and assessment system for Queensland students through:

- strengthening senior curriculum and assessment
- supporting the P–10 Australian Curriculum and Queensland Kindergarten Learning Guideline
- leading initiatives that support schools to lift student achievement in literacy and numeracy
- improving the delivery of services and client engagement by renewing information systems and communication channels, and streamlining processes and services
- cultivating a high performing and innovative QCAA workforce.

The QCAA actively supports the Queensland Government's objectives for the community by providing quality frontline services to achieve better education and training. It does this by providing teachers and educators with resources and training that enable them to develop curriculum, teaching and learning, and assessment programs that improve the education experience and outcomes of all young Queenslanders.

The QCAA is operating in a dynamic environment of cultural change and education reform. New technologies offer significant opportunities for enhanced service delivery but present challenges for some school communities, primarily related to technical readiness and capability. The QCAA will work collaboratively with its partners in the education community to address these challenges.

### Service summary

In 2015, the QCAA issued end-of-school qualifications and statements to 50,020 Queensland students. A record 46,881 Year 12 students (almost 94 per cent) achieved a Queensland Certificate of Education.

The QCAA successfully delivered the National Assessment Program - Literacy and Numeracy (NAPLAN) to over 234,500 students from 1742 schools across Queensland in May 2016. The tests were administered by school staff, supported by QCAA training and resources.

The QCAA will continue to work with the school sectors and stakeholders to support implementation of the Australian Curriculum in Queensland schools.

Following the Queensland Government's announcement that it will introduce new senior assessment and tertiary entrance systems, starting with students entering Year 11 in 2018, the QCAA commenced foundational activities to support the new systems. In 2016-17, the QCAA will continue trialling new assessment processes and redevelop senior syllabuses. The QCAA will also deliver a comprehensive professional development program to help teachers successfully transition to the new system.

The QCAA's focus on improving business processes will remain a priority. This will include continuing to enhance ICT systems to offer schools more interactive interfaces and releasing student data earlier to schools.

# Service performance

## Performance statement

### Queensland Curriculum and Assessment Authority

#### Service area objective

To deliver high quality curriculum and assessment that meets the needs of all Queensland schools.

#### Service area description

The QCAA is responsible for providing Kindergarten to Year 12 syllabuses and guidelines, and assessment, testing, reporting, certification and tertiary entrance services to Queensland schools.

Queensland Curriculum and Assessment Authority	Notes	2015-16 Target/Est.	2015-16 Est. Actual	2016-17 Target/Est.
<b>Service standards</b>				
<i>Effectiveness measures</i>				
Percentage of stakeholders surveyed who consider the syllabuses and support materials developed by the Authority to be satisfactory		90%	87%	90%
Quality of certification processes: the percentage of Year 12 students whose Queensland Certificate of Education (QCE) eligibility status changed as a result of internal review		0.1%	0.1%	0.1%
Quality of certification processes: the percentage of all OP eligible Year 12 students whose Tertiary Entrance Statement changed for reasons other than school data error		0.02%	0.02%	0.02%
<i>Efficiency measures</i>				
Average cost per syllabus revision	1, 2, 3	\$0	\$0	\$126,662
Average cost per student of developing and issuing Senior Education Profiles	4, 5	\$254	\$266	\$264
Average cost per student of developing and issuing the National Assessment Program – Literacy and Numeracy (NAPLAN) student report	6, 7, 8	\$34	\$37	\$36
Average cost per student of tertiary entrance and pathways information programs	9	\$10	\$9	\$9

Notes:

1. The average cost is calculated by allocating relevant direct costs plus overheads and dividing this by the number of syllabuses developed or revised.
2. A nil amount is shown for both the 2015-16 Target/Estimate and 2015-16 Estimated Actual as redevelopment of syllabuses will not commence until late in the financial year.
3. In preparation for the implementation of a new senior assessment and tertiary entrance system, senior syllabuses are being redeveloped by dedicated syllabus writing teams.
4. The average cost is calculated by allocating relevant direct costs plus overheads and dividing this by the number of students receiving Senior Education Profiles.
5. The variance between the 2015-16 Target/Estimate and the 2015-16 Estimated Actual is the result of an overestimation of the number of students receiving a Senior Education Profile in the 2015-16 Target/Estimate, combined with a slight increase in direct non-labour costs.

6. The average cost is calculated by allocating relevant direct costs plus overheads and dividing this by the number of students undertaking NAPLAN. These figures represent the total cost of the administration of the NAPLAN tests in Queensland. Schools/school sectors contribute to the overall costs.
7. The increase in the 2015-16 Estimated Actual is due to Year 9 students in 2016 being a half cohort from the introduction of the Prep Year in 2007. When this is applied to relatively fixed costs, the average cost is increased.
8. The average cost movement in the 2016-17 Target/Estimate is due to an increase in direct labour costs from the implementation of NAPLAN online.
9. The average cost is calculated by allocating relevant direct costs plus overheads and dividing this by the number of students in Years 11 and 12.

# Staffing<sup>1</sup>

Queensland Curriculum and Assessment Authority	Notes	2015-16 Budget	2015-16 Est. Actual	2016-17 Budget
Queensland Curriculum and Assessment Authority	2, 3	204	266	276

Notes:

1. Budgeted full-time equivalents (FTEs) as at 30 June.
2. The increase in the number of FTEs in the 2015-16 Estimated Actual is due to an increase in staff to support the Queensland Government's announcement to implement a new senior assessment and tertiary entrance system, commencing with students who enter Year 11 in 2018, e.g. trial activities and the redevelopment of senior syllabuses.
3. The increase in the number of FTEs in the 2016-17 Budget is due to additional temporary staff employed to continue trialling new assessment processes, complete redevelopment of senior syllabuses, provide professional development to senior teachers and school curriculum leaders and commence development of external assessments for the new senior assessment and tertiary entrance system.

# Income statement

Queensland Curriculum and Assessment Authority	Notes	2015-16 Budget \$'000	2015-16 Est. Act. \$'000	2016-17 Budget \$'000
<b>INCOME</b>				
Taxes		..	..	..
User charges and fees	1,11	1,802	2,298	1,592
Grants and other contributions	2,7,12	38,464	46,586	63,453
Interest		330	447	311
Other revenue		4	8	3
Gains on sale/revaluation of assets		..	..	..
<b>Total income</b>		<b>40,600</b>	<b>49,339</b>	<b>65,359</b>
<b>EXPENSES</b>				
Employee expenses	3,8,13	27,063	32,245	41,822
Supplies and services	4,9,14	12,151	14,993	22,976
Grants and subsidies		..	..	..
Depreciation and amortisation	5,10	1,311	769	481
Finance/borrowing costs		..	..	..
Other expenses		75	77	80
Losses on sale/revaluation of assets	6,15	..	175	..
<b>Total expenses</b>		<b>40,600</b>	<b>48,259</b>	<b>65,359</b>
<b>OPERATING SURPLUS/(DEFICIT)</b>		<b>..</b>	<b>1,080</b>	<b>..</b>



# Balance sheet

Queensland Curriculum and Assessment Authority	Notes	2015-16 Budget \$'000	2015-16 Est. Act. \$'000	2016-17 Budget \$'000
<b>CURRENT ASSETS</b>				
Cash assets	20,25	12,789	12,921	10,951
Receivables		827	910	909
Other financial assets		..	..	..
Inventories		11	10	10
Other		246	353	362
Non-financial assets held for sale		..	..	..
<b>Total current assets</b>		<b>13,873</b>	<b>14,194</b>	<b>12,232</b>
<b>NON-CURRENT ASSETS</b>				
Receivables		..	..	..
Other financial assets		..	..	..
Property, plant and equipment	16,26	803	1,035	812
Intangibles	17,21,27	2,369	3,399	7,476
Other		..	..	..
<b>Total non-current assets</b>		<b>3,172</b>	<b>4,434</b>	<b>8,288</b>
<b>TOTAL ASSETS</b>		<b>17,045</b>	<b>18,628</b>	<b>20,520</b>
<b>CURRENT LIABILITIES</b>				
Payables	22,28	3,661	3,856	5,708
Accrued employee benefits	18,23	755	999	1,089
Interest bearing liabilities and derivatives		..	..	..
Provisions		..	..	..
Other		264	298	248
<b>Total current liabilities</b>		<b>4,680</b>	<b>5,153</b>	<b>7,045</b>
<b>NON-CURRENT LIABILITIES</b>				
Payables		..	..	..
Accrued employee benefits		..	..	..
Interest bearing liabilities and derivatives		..	..	..
Provisions		..	..	..
Other		..	..	..
<b>Total non-current liabilities</b>		<b>..</b>	<b>..</b>	<b>..</b>
<b>TOTAL LIABILITIES</b>		<b>4,680</b>	<b>5,153</b>	<b>7,045</b>
<b>NET ASSETS/(LIABILITIES)</b>		<b>12,365</b>	<b>13,475</b>	<b>13,475</b>
<b>EQUITY</b>				
<b>TOTAL EQUITY</b>	19,24	<b>12,365</b>	<b>13,475</b>	<b>13,475</b>

# Cash flow statement

Queensland Curriculum and Assessment Authority	Notes	2015-16 Budget \$'000	2015-16 Est. Act. \$'000	2016-17 Budget \$'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
<b>Inflows:</b>				
User charges and fees	29,40	1,811	2,441	1,694
Grants and other contributions	30,35,41	38,464	46,565	63,453
Interest received		330	432	311
Taxes		..	..	..
Other	31,36	158	1,303	1,286
<b>Outflows:</b>				
Employee costs	32,37,42	(26,915)	(31,902)	(41,731)
Supplies and services	33,38,43	(12,127)	(16,382)	(22,420)
Grants and subsidies		..	..	..
Borrowing costs		..	..	..
Other		(227)	(153)	(233)
<b>Net cash provided by or used in operating activities</b>		<b>1,494</b>	<b>2,304</b>	<b>2,360</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
<b>Inflows:</b>				
Sales of non-financial assets		..	..	..
Investments redeemed		..	..	..
Loans and advances redeemed		..	..	..
<b>Outflows:</b>				
Payments for non-financial assets	34,39,44	(535)	(1,441)	(4,330)
Payments for investments		..	..	..
Loans and advances made		..	..	..
<b>Net cash provided by or used in investing activities</b>		<b>(535)</b>	<b>(1,441)</b>	<b>(4,330)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>				
<b>Inflows:</b>				
Borrowings		..	..	..
Equity injections		..	..	..
<b>Outflows:</b>				
Borrowing redemptions		..	..	..
Finance lease payments		..	..	..
Equity withdrawals		..	..	..
<b>Net cash provided by or used in financing activities</b>		<b>..</b>	<b>..</b>	<b>..</b>
<b>Net increase/(decrease) in cash held</b>		<b>959</b>	<b>863</b>	<b>(1,970)</b>
<b>Cash at the beginning of financial year</b>		<b>11,830</b>	<b>12,058</b>	<b>12,921</b>
Cash transfers from restructure		..	..	..
<b>Cash at the end of financial year</b>		<b>12,789</b>	<b>12,921</b>	<b>10,951</b>

# Explanation of variances in the financial statements

## Income statement

### Major variations between 2015-16 Budget and 2015-16 Estimated Actual include:

1. Increase due to higher than expected attendance at professional development workshops.
2. Increase relates to additional funding received from the department to trial new assessment processes and commence redevelopment of senior syllabuses for the new senior assessment and tertiary entrance system commencing in 2018.
3. Increase relates to additional temporary staff employed to undertake trials of new assessment processes and commence redevelopment of senior syllabuses for the new senior assessment and tertiary entrance system commencing in 2018.
4. Increase relates to additional expenditure related to trials of new assessment processes and commencement of the redevelopment of senior syllabuses for the new senior assessment and tertiary entrance system commencing in 2018.
5. Decrease due to a review of asset useful lives in November 2015 that resulted in lower amortisation expense for the Senior Learning Information Management System (SLIMS) software application.
6. Increase due to the recognition of an impairment loss for the Enrolments and Achievements for Senior Learners (EASeL) software application.

### Major variations between 2015-16 Budget and 2016-17 Budget include:

7. Increase relates to additional funding received from the department to continue trialling new assessment processes, complete redevelopment of senior syllabuses, provide professional development to senior teachers and school curriculum leaders, and commence development of external assessments for the new senior assessment and tertiary entrance system commencing in 2018.
8. Increase relates to additional temporary staff employed to continue trialling new assessment processes, complete redevelopment of senior syllabuses, provide professional development to senior teachers and school curriculum leaders, and commence development of external assessments for the new senior assessment and tertiary entrance system commencing in 2018.
9. Increase relates to additional expenditure for the continuation of new assessment process trials, completion of senior syllabuses redevelopment, provision of professional development to senior teachers and school curriculum leaders and commencement of the development of external assessments for the new senior assessment and tertiary entrance system commencing in 2018.
10. Decrease due to a review of asset useful lives in November 2015 that resulted in lower amortisation expense for the SLIMS software application.

### Major variations between 2015-16 Estimated Actual and the 2016-17 Budget include:

11. Decrease due to professional development workshops on the changes to syllabus content and new school-based assessment processes being provided to senior teachers and school curriculum leaders at no charge.
12. Increase relates to additional funding received from the department to continue trialling new assessment processes, complete redevelopment of senior syllabuses, provide professional development to senior teachers and school curriculum leaders, and commence development of external assessments for the new senior assessment and tertiary entrance system commencing in 2018.
13. Increase relates to additional temporary staff employed to continue trialling new assessment processes, complete redevelopment of senior syllabuses, provide professional development to senior teachers and school curriculum leaders, and commence development of external assessments for the new senior assessment and tertiary entrance system commencing in 2018.
14. Increase relates to additional expenditure for the continuation of new assessment process trials, completion of senior syllabuses redevelopment, provision of professional development to senior teachers and school curriculum leaders and commencement of the development of external assessments for the new senior assessment and tertiary entrance system commencing in 2018.
15. Decrease due to the recognition of an impairment loss for the EASeL software application in 2015-16.

## Balance sheet

### Major variations between 2015-16 Budget and 2015-16 Estimated Actual include:

16. Increase due to increased capital expenditure on ICT.
17. Increase due to increased capital expenditure on the development of software to support the introduction of the new senior assessment and tertiary entrance system in 2018.
18. Increase due to a revised estimate of annual leave and long service leave levies as a result of employing additional temporary staff.
19. Increase due to the operating surplus in the 2015-16 Estimated Actual.

### Major variations between 2015-16 Budget and 2016-17 Budget include:

20. Decrease due to capital expenditure on software development supporting the introduction of the new senior assessment and tertiary entrance system in 2018.
21. Increase due to increased capital expenditure on the development of software to support the introduction of the new senior assessment and tertiary entrance system in 2018.
22. Increase due to accrued Teacher Relief Scheme (TRS) claims from schools for senior teachers and school curriculum leaders attending professional development workshops on the changes to syllabus content and new school-based assessment processes.
23. Increase due to a revised estimate of annual leave and long service leave levies as a result of employing additional temporary staff.
24. Increase due to the operating surplus in the 2015-16 Estimated Actual.

### Major variations between 2015-16 Estimated Actual and the 2016-17 Budget include:

25. Decrease due to capital expenditure on software development supporting the introduction of the new senior assessment and tertiary entrance system in 2018.
26. Decrease due to higher capital expenditure on ICT in 2015-16.
27. Increase due to increased capital expenditure on the development of software to support the introduction of the new senior assessment and tertiary entrance system in 2018.
28. Increase due to accrued TRS claims from schools for senior teachers and school curriculum leaders attending professional development workshops on the changes to syllabus content and new school-based assessment processes.

## Cash flow statement

### Major variations between 2015-16 Budget and 2015-16 Estimated Actual include:

29. Increase due to higher than expected attendance at professional development workshops.
30. Increase relates to additional funding received from the department to trial new assessment processes and commence redevelopment of senior syllabuses for the new senior assessment and tertiary entrance system commencing in 2018.
31. Increase caused by goods and services tax (GST) classification error between Other Inflows and Supplies and Services Outflows in the 2015-16 Budget. This has been rectified in the 2015-16 Estimated Actual.
32. Increase relates to additional temporary staff employed to undertake trials of new assessment processes and commence redevelopment of senior syllabuses for the new senior assessment and tertiary entrance system commencing in 2018.
33. Increase relates to additional expenditure related to trials of new assessment processes and commencement of the redevelopment of senior syllabuses for the new senior assessment and tertiary entrance system commencing in 2018.
34. Increase due to increased capital expenditure on the development of software to support the introduction of the new senior assessment and tertiary entrance system in 2018.

**Major variations between 2015-16 Budget and 2016-17 Budget include:**

35. Increase relates to additional funding received from the department to continue trialling new assessment processes, complete redevelopment of senior syllabuses, provide professional development to senior teachers and school curriculum leaders, and commence development of external assessments for the new senior assessment and tertiary entrance system commencing in 2018.
36. Increase caused by GST classification error between Other Inflows and Supplies and Services Outflows in the 2015-16 Budget. This has been rectified in the 2016-17 Budget.
37. Increase relates to additional temporary staff employed to continue trialling new assessment processes, complete redevelopment of senior syllabuses, provide professional development to senior teachers and school curriculum leaders, and commence development of external assessments for the new senior assessment and tertiary entrance system commencing in 2018.
38. Increase relates to additional expenditure for the continuation of new assessment process trials, completion of senior syllabuses redevelopment, provision of professional development to senior teachers and school curriculum leaders and commencement of the development of external assessments for the new senior assessment and tertiary entrance system commencing in 2018.
39. Increase due to increased capital expenditure on the development of software to support the introduction of the new senior assessment and tertiary entrance system in 2018.

**Major variations between 2015-16 Estimated Actual and the 2016-17 Budget include:**

40. Decrease due to professional development workshops on the changes to syllabus content and new school-based assessment processes being provided to senior teachers and school curriculum leaders at no charge.
41. Increase relates to additional funding received from the department to continue trialling new assessment processes, complete redevelopment of senior syllabuses, provide professional development to senior teachers and school curriculum leaders, and commence development of external assessments for the new senior assessment and tertiary entrance system commencing in 2018.
42. Increase relates to additional temporary staff employed to continue trialling new assessment processes, complete redevelopment of senior syllabuses, provide professional development to senior teachers and school curriculum leaders, and commence development of external assessments for the new senior assessment and tertiary entrance system commencing in 2018.
43. Increase relates to additional expenditure for the continuation of new assessment process trials, completion of senior syllabuses redevelopment, provision of professional development to senior teachers and school curriculum leaders and commencement of the development of external assessments for the new senior assessment and tertiary entrance system commencing in 2018.
44. Increase due to increased capital expenditure on the development of software to support the introduction of the new senior assessment and tertiary entrance system in 2018.

# TAFE Queensland

## Overview

The vocational education and training (VET) sector in Queensland is critical to the supply of skills for occupations linked to growth sectors that will contribute to the State's future economic prosperity. As the largest and most experienced public provider of VET in Queensland, TAFE Queensland has a key role in supporting the Queensland Government's objective of stimulating economic growth and innovation; providing responsive and integrated services; achieving better education and training outcomes; and creating pathways to jobs.

Established as a statutory body under the *TAFE Queensland Act 2013* on 1 July 2013, TAFE Queensland is now a single, commercially focused but community-minded organisation servicing the length and breadth of the State through six registered training organisations.

TAFE Queensland contributes to the Queensland Government's objectives for the community through its ability to share knowledge and resources across its network, and to deliver high quality training solutions that meet the needs of students and industry regionally across the State. TAFE Queensland is a full service provider that offers a breadth and depth of offerings, from foundation skills and entry level workforce qualifications to higher education degrees, across a wide range of industry and occupation areas. TAFE Queensland provides individuals with training options at every stage of their career, and employers with skilling solutions that respond to complex workforce needs.

TAFE Queensland's objectives for 2016-17 will continue to:

- sharpen its industry, employer and student focus to deliver real solutions and benefits for customers
- build capability and focus on outcomes to deliver against customer and stakeholder expectations
- innovate its products and services to produce graduates who can 'make great happen'
- embed sustainability through an enterprising approach to business development and economies of scale.

## Service summary

In 2015-16, TAFE Queensland provided an additional 20 higher education programs and invested in over 100 learning products. These expanded product offerings provided flexible digital resources and delivery models aligned with industry needs, improving student outcomes and establishing clear economic and commercial advantages. In recognition of its achievements, TAFE Queensland was awarded Large Training Provider of the Year at the 2015 Queensland Training Awards.

Over the next year, TAFE Queensland will focus on strengthening its efforts and working alongside the Queensland Government to improve the quality of, access to and affordability of VET for all Queenslanders. It will continue to work closely with Government on policy priorities, including Rescuing TAFE and the development of a 10 year Strategic Asset Management Plan.

TAFE Queensland will drive growth strategies in target markets to support ongoing financial sustainability. It will also strengthen its investments in key differentiators, such as product and teaching quality, to enhance its competitiveness.

The focus on improving business processes for TAFE Queensland will remain a priority. This will include continuing to drive improvements in TAFE Queensland's key ICT systems, including the Student Management System.

# Service performance

## Performance statement

### TAFE Queensland

#### Service area objective

To be an efficient, effective, sustainable and responsive organisation that develops skills and employment opportunities for individuals to meet employer, industry and community demands.

#### Service area description

Delivering vocational and higher education qualifications that provide skilling opportunities and lead to employment or further study.

Engaging with individuals, employers and communities to provide information that supports informed choices about skills pathways and ensures the relevance of course offerings.

TAFE Queensland	Notes	2015-16 Target/Est.	2015-16 Est. Actual	2016-17 Target/Est.
<b>Service standards</b>				
<i>Effectiveness measures</i>				
Proportion of all attempted competencies successfully completed		90%	90%	90%
Student post training outcome (employed or in further study after training)	1	89%	87%	88%
Proportion of graduates satisfied with the overall quality of their training	1	89%	88.9%	89%
Proportion of employers satisfied with the overall quality of training	2	85%	85%	85%
<i>Efficiency measure</i>				
Average cost per competency successfully completed	3,4	\$767	\$776	\$799

Notes:

1. Survey results reported in 2016-17 will relate to students who have completed their study with TAFE Queensland in 2016.
2. Survey results reported in 2016-17 will relate to employers in 2016.
3. Total expenses divided by the number of competencies successfully completed by students.
4. Average cost per competency successfully completed is impacted by a number of variables, including completion rates, volume of training activity, type and duration of competencies delivered, class sizes and general cost increases (wage and Consumer Price Index increases).

# Staffing<sup>1</sup>

<b>TAFE Queensland</b>	<b>Notes</b>	<b>2015-16 Budget</b>	<b>2015-16 Est. Actual</b>	<b>2016-17 Budget</b>
TAFE Queensland	2	4,045	3,980	4,016

Note:

1. Budgeted full-time equivalents (FTEs) as at 30 June.
2. TAFE Queensland's staffing levels are aligned to training delivery and associated support requirements. 2015-16 Estimated Actual FTEs are lower than 2015-16 Budget due to lower than budgeted levels of training activity. A small growth in FTEs is included in the 2016-17 Budget to support targeted growth in training activity.



# Income statement

TAFE Queensland	Notes	2015-16 Budget \$'000	2015-16 Est. Act. \$'000	2016-17 Budget \$'000
<b>INCOME</b>				
Taxes		..	..	..
User charges and fees	1,6,13	417,892	405,967	438,283
Grants and other contributions	2,7,14	211,876	219,000	222,736
Interest		4,600	6,495	6,101
Other revenue	8,15	8,060	8,965	6,722
Gains on sale/revaluation of assets		..	..	..
<b>Total income</b>		<b>642,428</b>	<b>640,427</b>	<b>673,842</b>
<b>EXPENSES</b>				
Employee expenses	9,16	380,650	384,963	397,414
Supplies and services	10,17	229,053	225,496	238,957
Grants and subsidies	3,11,18	502	2,002	4,479
Depreciation and amortisation	4,19	12,010	8,988	12,916
Finance/borrowing costs		..	..	..
Other expenses	5,12	2,013	3,545	3,648
Losses on sale/revaluation of assets		409	514	209
<b>Total expenses</b>		<b>624,637</b>	<b>625,508</b>	<b>657,623</b>
<b>OPERATING SURPLUS/(DEFICIT)</b>		<b>17,791</b>	<b>14,919</b>	<b>16,219</b>

# Balance sheet

TAFE Queensland	Notes	2015-16 Budget \$'000	2015-16 Est. Act. \$'000	2016-17 Budget \$'000
<b>CURRENT ASSETS</b>				
Cash assets	20,27,34	231,707	222,303	213,615
Receivables	21,28	71,231	59,476	59,505
Other financial assets		..	..	..
Inventories		800	517	517
Other	22,29	3,143	5,738	5,738
Non-financial assets held for sale		..	..	..
<b>Total current assets</b>		<b>306,881</b>	<b>288,034</b>	<b>279,375</b>
<b>NON-CURRENT ASSETS</b>				
Receivables		..	..	..
Other financial assets		..	..	..
Property, plant and equipment	23,30,35	14,696	29,971	40,334
Intangibles	24,31,36	27,947	24,313	40,213
Other		..	..	..
<b>Total non-current assets</b>		<b>42,643</b>	<b>54,284</b>	<b>80,547</b>
<b>TOTAL ASSETS</b>		<b>349,524</b>	<b>342,318</b>	<b>359,922</b>
<b>CURRENT LIABILITIES</b>				
Payables		33,789	33,222	33,607
Accrued employee benefits		14,648	15,388	15,522
Interest bearing liabilities and derivatives		175	..	..
Provisions		..	..	..
Other	25,32	60,682	35,929	36,795
<b>Total current liabilities</b>		<b>109,294</b>	<b>84,539</b>	<b>85,924</b>
<b>NON-CURRENT LIABILITIES</b>				
Payables		..	..	..
Accrued employee benefits		..	..	..
Interest bearing liabilities and derivatives		..	..	..
Provisions		..	..	..
Other		..	..	..
<b>Total non-current liabilities</b>		<b>..</b>	<b>..</b>	<b>..</b>
<b>TOTAL LIABILITIES</b>		<b>109,294</b>	<b>84,539</b>	<b>85,924</b>
<b>NET ASSETS/(LIABILITIES)</b>		<b>240,230</b>	<b>257,779</b>	<b>273,998</b>
<b>EQUITY</b>				
<b>TOTAL EQUITY</b>	26,33	<b>240,230</b>	<b>257,779</b>	<b>273,998</b>

# Cash flow statement

TAFE Queensland	Notes	2015-16 Budget \$'000	2015-16 Est. Act. \$'000	2016-17 Budget \$'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
<b>Inflows:</b>				
User charges and fees	37,42,48	428,191	411,939	448,502
Grants and other contributions	38,43,49	211,876	218,500	222,736
Interest received		4,600	6,495	6,101
Taxes		..	..	..
Other	39,50	27,466	35,812	26,460
<b>Outflows:</b>				
Employee costs	44,51	(380,837)	(383,965)	(397,280)
Supplies and services	45,52	(248,215)	(251,808)	(258,724)
Grants and subsidies	40,46,53	(502)	(2,002)	(4,479)
Borrowing costs		..	..	..
Other		(10,607)	(12,498)	(12,825)
<b>Net cash provided by or used in operating activities</b>		<b>31,972</b>	<b>22,473</b>	<b>30,491</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
<b>Inflows:</b>				
Sales of non-financial assets		..	..	..
Investments redeemed		..	..	..
Loans and advances redeemed		..	..	..
<b>Outflows:</b>				
Payments for non-financial assets	41,47,54	(32,573)	(22,425)	(39,179)
Payments for investments		..	..	..
Loans and advances made		..	..	..
<b>Net cash provided by or used in investing activities</b>		<b>(32,573)</b>	<b>(22,425)</b>	<b>(39,179)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>				
<b>Inflows:</b>				
Borrowings		..	..	..
Equity injections		..	..	..
<b>Outflows:</b>				
Borrowing redemptions		..	..	..
Finance lease payments		..	..	..
Equity withdrawals		..	..	..
<b>Net cash provided by or used in financing activities</b>		<b>..</b>	<b>..</b>	<b>..</b>
<b>Net increase/(decrease) in cash held</b>		<b>(601)</b>	<b>48</b>	<b>(8,688)</b>
<b>Cash at the beginning of financial year</b>		<b>232,308</b>	<b>222,255</b>	<b>222,303</b>
Cash transfers from restructure		..	..	..
<b>Cash at the end of financial year</b>		<b>231,707</b>	<b>222,303</b>	<b>213,615</b>

# Explanation of variances in the financial statements

## Income statement

### Major variations between 2015-16 Budget and 2015-16 Estimated Actual include:

1. The decrease in user charges and fees relate to lower than budgeted growth in training based revenues, particularly in international training and training relating to the resources sector. This is partially offset by additional revenues recognised relating to the Australia Pacific Technical College.
2. The increase in grants and other contributions is mainly due to an increase in the vocational education and training (VET) Purchaser's grant to return the grant to 2014-15 levels.
3. The increase in grants and subsidies mainly relates to partnership contributions made by the Australia Pacific Technical College.
4. The decrease in depreciation and amortisation mainly relates to the timing of the capitalisation of product development programs and the student management system. This has also been impacted by the transfer of plant and equipment from the department effective from 1 December 2015.
5. The increase in other expenses mainly relates to Australia Pacific Technical College student scholarship expenses.

### Major variations between 2015-16 Budget and 2016-17 Budget include:

6. The increase in user charges and fees mainly relates to prices indexation on course fees consistent with the Government indexation policy introduced in 2014, growth in domestic and international training based revenues, and additional revenues recognised relating to the Australia Pacific Technical College.
7. The increase in grants and other contributions is mainly due to an increase in the VET Purchaser's grant to return the grant to 2014-15 levels, an increase in the Rescuing TAFE grant and a minor increase in the rental subsidy from the department.
8. The decrease in other revenue mainly relates to an insurance claim received in 2015-16.
9. The increase in employee expenses mainly relates to wage increases and changes in staffing levels.
10. The increase in supplies and services mainly relates to price increases, additional course supplies and consumables to support additional training delivery, and additional rent and associated outgoings relating to the occupation of TAFE Queensland East Coast at the Sunshine Coast Health Institute.
11. The increase in grants and subsidies mainly relates to partnership contributions made by the Australia Pacific Technical College.
12. The increase in other expenses mainly relates to Australia Pacific Technical College student scholarship expenses.

### Major variations between 2015-16 Estimated Actual and the 2016-17 Budget include:

13. The increase in user charges and fees mainly relates to prices indexation on course fees consistent with the Government indexation policy introduced in 2014, and growth in domestic and international training based revenues.
14. The increase in grants and other contributions is mainly due to an increase in the Rescuing TAFE grant and a minor increase in the rental subsidy from the department.
15. The decrease in other revenue mainly relates to an insurance claim received in 2015-16.
16. The increase in employee expenses mainly relates to wage increases and changes in staffing levels.
17. The increase in supplies and services mainly relates to price increases, additional course supplies and consumables to support additional training delivery, and additional rent and associated outgoings relating to the occupation of TAFE Queensland East Coast at the Sunshine Coast Health Institute.
18. The increase in grants and subsidies mainly relates to partnership contributions made by the Australia Pacific Technical College.
19. The increase in depreciation and amortisation mainly relates to the capitalisation of product development programs and student management system, and the full year impact of the transfer of plant and equipment from the department.

## Balance sheet

### Major variations between 2015-16 Budget and 2015-16 Estimated Actual include:

20. The decrease in cash assets mainly relates to lower opening balances at 1 July 2015.
21. The decrease in receivables is mainly due to an elimination between receivables and unearned revenue relating to training services yet to be delivered to students for which invoices had been issued but not paid, and the settlement of outstanding receivables relating to the Queensland Training Asset Management Authority. This is partially offset by an increase in receivables for training related activity, and recognition of receivables held by the Australia Pacific Technical College.
22. The increase in other current assets relates to an increase in prepayments, including prepaid license fees relating to the finance system and recognition of prepayments held by the Australia Pacific Technical College.
23. The increase in property, plant and equipment mainly relates to the transfer of plant and equipment previously owned by the Queensland Training Asset Management Authority from the department.
24. The decrease in intangible assets mainly relates to the timing of the capitalisation of product development programs and student management system.
25. The decrease in other current liabilities is mainly due to an elimination between receivables and unearned revenue relating to training services yet to be delivered to students for which invoices had been issued but not paid.
26. The increase in capital/contributed equity is due to the transfer of plant and equipment previously owned by the Queensland Training Asset Management Authority from the department.

### Major variations between 2015-16 Budget and 2016-17 Budget include:

27. The decrease in cash assets mainly relates to lower opening balances at 1 July 2015 and additional expenditure to replace aged equipment.
28. The decrease in receivables is mainly due to an elimination between receivables and unearned revenue relating to training services yet to be delivered to students for which invoices had been issued but not paid, and the settlement of outstanding receivables relating to the Queensland Training Asset Management Authority. This is partially offset by an increase in receivables for training related activity, and recognition of receivables held by the Australia Pacific Technical College.
29. The increase in other current assets relates to an increase in prepayments, including prepaid license fees relating to the finance system and recognition of prepayments held by the Australia Pacific Technical College.
30. The increase in property, plant and equipment mainly relates to the transfer of plant and equipment previously owned by the Queensland Training Asset Management Authority from the department, and the replacement of aged equipment.
31. The increase in intangible assets relates to the capitalisation of product development programs and student management system.
32. The decrease in other current liabilities is mainly due to an elimination between receivables and unearned revenue relating to training services yet to be delivered to students for which invoices had been issued but not paid.
33. The increase in capital/contributed equity is due to the transfer of plant and equipment previously owned by the Queensland Training Asset Management Authority from the department.

### Major variations between 2015-16 Estimated Actual and the 2016-17 Budget include:

34. The decrease in cash assets is mainly due to additional spend to replace aged plant and equipment.
35. The increase in property, plant and equipment mainly relates to the replacement of aged equipment.
36. The increase in intangible assets relates to the capitalisation of product development programs and student management system.

## Cash flow statement

### Major variations between 2015-16 Budget and 2015-16 Estimated Actual include:

37. The decrease in user charges and fees relate to lower than budgeted growth in training based revenues, particularly in international training and training relating to the resources sector. This is partially offset by additional revenues recognised relating to the Australia Pacific Technical College.

38. The increase in grants and other contributions is mainly due to an increase in the VET Purchaser's grant to return the grant to 2014-15 levels.
39. The increase in other operating flows mainly relates to the settlement of outstanding receivables relating to the Queensland Training Asset Management Authority.
40. The increase in grants and subsidies outflows mainly relates to partnership contributions made by the Australia Pacific Technical College.
41. The decrease in payments for non-financial assets mainly relates to the timing of product development activities and the student management system renewal project.

**Major variations between 2015-16 Budget and 2016-17 Budget include:**

42. The increase in user charges and fees inflows mainly relates to prices indexation on course fees, growth in domestic and international training based revenues, and additional revenues recognised relating to the Australia Pacific Technical College.
43. The increase in grants and other contributions is mainly due to an increase in the VET Purchaser's grant to return the grant to 2014-15 levels, an increase in the Rescuing TAFE grant and a minor increase in the rental subsidy from the department.
44. The increase in employee costs mainly relates to wage increases and changes in staffing levels.
45. The increase in supplies and services outflows mainly relates to price increases, additional course supplies and consumables to support additional training delivery, and additional rent and associated outgoings relating to the occupation of TAFE Queensland East Coast at the Sunshine Coast Health Institute.
46. The increase in grants and subsidies outflows mainly relates to partnership contributions made by the Australia Pacific Technical College.
47. The increase in payments for non-financial assets mainly relates to the capitalisation of product development activities and the student management system renewal project, and replacement of aged equipment.

**Major variations between 2015-16 Estimated Actual and the 2016-17 Budget include:**

48. The increase in user charges and fees inflows mainly relates to prices indexation on course fees consistent with the Government indexation policy introduced in 2014, and growth in domestic and international training based revenues.
49. The increase in grants and other contributions is mainly due to an increase in the Rescuing TAFE grant and minor increase in the rental subsidy from the department.
50. The decrease in other operating flows mainly relates to the settlement of outstanding receivables relating to the Queensland Training Asset Management Authority in 2015-16.
51. The increase in employee costs mainly relates to wage increases and changes in staffing levels.
52. The increase in supplies and services outflows mainly relates to price increases, additional course supplies and consumables to support additional training delivery, and additional rent and associated outgoings relating to the occupation of TAFE Queensland East Coast at the Sunshine Coast Health Institute.
53. The increase in grants and subsidies outflows mainly relates to partnership contributions made by the Australia Pacific Technical College.
54. The increase in payments for non-financial assets mainly relates to the capitalisation of product development activities and the student management system renewal project, and replacement of aged equipment.

# Glossary of terms

<b>Accrual accounting</b>	Recognition of economic events and other financial transactions involving revenue, expenses, assets, liabilities and equity as they occur and reporting in financial statements in the period to which they relate, rather than when a flow of cash occurs.
<b>Administered items</b>	Assets, liabilities, revenues and expenses an entity administers, without discretion, on behalf of the Government.
<b>Agency/entity</b>	Used generically to refer to the various organisational units within Government that deliver services or otherwise service Government objectives. The term can include departments, commercialised business units, statutory bodies or other organisations established by Executive decision.
<b>Appropriation</b>	Funds issued by the Treasurer, under Parliamentary authority, to agencies during a financial year for: <ul style="list-style-type: none"> <li>• delivery of agreed services</li> <li>• administered items</li> <li>• adjustment of the Government's equity in agencies, including acquiring of capital.</li> </ul>
<b>Balance sheet</b>	A financial statement that reports the assets, liabilities and equity of an entity as at a particular date.
<b>Capital</b>	A term used to refer to an entity's stock of assets and the capital grants it makes to other agencies. Assets include property, plant and equipment, intangible items and inventories that an entity owns/controls and uses in the delivery of services.
<b>Cash Flow Statement</b>	A financial statement reporting the cash inflows and outflows for an entity's operating, investing and financing activities in a particular period.
<b>Controlled Items</b>	Assets, liabilities, revenues and expenses that are controlled by departments. These relate directly to the departmental operational objectives and arise at the discretion and direction of that department.
<b>Depreciation</b>	The periodic allocation of the cost of physical assets, representing the amount of the asset consumed during a specified time.
<b>Equity</b>	Equity is the residual interest in the assets of the entity after deduction of its liabilities. It usually comprises the entity's accumulated surpluses/losses, capital injections and any reserves.
<b>Equity injection</b>	An increase in the investment of the Government in a public sector agency.

<b>Financial statements</b>	Collective description of the Income Statement, the Balance Sheet and the Cash Flow Statement for an entity's controlled and administered activities.
<b>Income statement</b>	A financial statement highlighting the accounting surplus or deficit of an entity. It provides an indication of whether the entity has sufficient revenue to meet expenses in the current year, including non-cash costs such as depreciation.
<b>Outcomes</b>	Whole-of-government outcomes are intended to cover all dimensions of community wellbeing. They express the current needs and future aspirations of communities, within a social, economic and environment context.
<b>Own-source revenue</b>	Revenue that is generated by an agency, generally through the sale of goods and services, but it may also include some Commonwealth funding.
<b>Priorities</b>	Key policy areas that will be the focus of Government activity.
<b>Services</b>	The actions or activities (including policy development) of an agency which contribute to the achievement of the agency's objectives.
<b>Service area</b>	Related services grouped into a high level service area for communicating the broad types of services delivered by an agency.
<b>Service standard</b>	Define a level of performance that is expected to be achieved appropriate for the service area or service. Service standards are measures of efficiency or effectiveness.

For a more detailed Glossary of Terms, please refer to the Reader's Guide available on the Budget website at [www.budget.qld.gov.au](http://www.budget.qld.gov.au)





