

State Budget 2014-15

Service Delivery Statements

Department of Education, Training and Employment

2014–15 State Budget Papers

- 1. Budget Speech**
- 2. Budget Strategy and Outlook**
- 3. Capital Statement**
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Appropriation Bills

Concessions Statement

The suite of Budget Papers is similar to that published in 2013-14.

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Service Delivery Statements

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Department of Education, Training and Employment

Summary of portfolio budgets

Page	Agency	2013-14 Adjusted Budget \$'000	2013-14 Est. Actual \$'000	2014-15 Budget \$'000
2	Department of Education, Training and Employment - controlled	8,425,181	8,246,166	8,552,849
	Department of Education, Training and Employment - administered	4,691,935	4,752,778	5,216,715
40	TAFE Queensland	..	..	714,860
48	Queensland Curriculum and Assessment Authority	38,447	39,033	39,229

Notes:

1. Explanations of variances are provided in the financial statements.

PORTFOLIO OVERVIEW

Ministerial and portfolio responsibilities

The table below represents the agencies and services which are the responsibility of the Minister for Education, Training and Employment:

Minister for Education, Training and Employment
The Honourable John-Paul Langbroek MP

Assistant Minister for Technical and Further Education
The Honourable Saxon Rice MP

Department of Education, Training and Employment
Director General: Dr Jim Watterston

Service Area 1: Early childhood education and care

Service Area 2: School education

Service Area 3: Training and employment

TAFE Queensland

Chief Executive Officer: Jodi Schmidt

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

Queensland Curriculum and Assessment Authority

Chief Executive Officer: Chris Rider

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

Additional information about these agencies can be sourced from:

Department of Education Training and Employment - www.dete.qld.gov.au

TAFE Queensland - www.tafe.qld.gov.au

Queensland Curriculum and Assessment Authority - www.qsa.qld.edu.au

RESOURCES AND PERFORMANCE

DEPARTMENTAL OVERVIEW

Strategic direction

The Department of Education, Training and Employment is creating opportunities for every learner to be successful by providing high quality learning and supporting training focused on preparing Queenslanders with the knowledge, skills and confidence to participate effectively in the community and the economy.

To achieve this outcome the department is focused on contributing to the Government's objectives for the community to:

- grow a four-pillar economy based on tourism, agriculture, resources and construction by investing in Queenslanders' skills and employment initiatives in these areas
- lower the cost of living for families by cutting waste and reducing red tape
- provide better infrastructure and better planning for kindergartens and schools
- revitalise frontline services for education, and improve training and employment outcomes
- restore accountability in government.

The department's strategic outcomes are:

- Early years – Queensland children engaged in quality early years programs and making successful transitions to school
- School education – Queensland students engaged in learning, achieving and successfully transitioning to further education, training and work
- Training and employment – Queenslanders skilled to successfully participate in the economy and the broader community
- Resourcing and capability – resources targeted to improve learning and skilling outcomes.

Students are set to benefit from a historic event that will map a 30-year vision for school education which will deliver a strong plan for a brighter future in Queensland. The vision will build on the Queensland Plan to determine priorities for our schools and ensure present and future students are given the best possible education and job opportunities. The Government will conduct extensive consultation with parents, schools, stakeholders and schooling sectors to plan the future of school education.

The department is also undergoing significant reform in order to achieve our outcomes for Queenslanders:

Early childhood education and care

The department is developing a new early childhood strategy that will build on the strong foundation of Queensland's existing vibrant early childhood education and care sector and will focus on improved outcomes for Queensland children and their families, including successful transitions to school.

School education

The department is committed to enhancing local decision-making opportunities for Queensland state school principals and their communities to enable a greater focus on delivering educational outcomes. Through enhancing school autonomy and reducing red tape, the department is giving schools greater freedom to direct resources to the programs that best meet the needs of their students and communities.

The *Great Results Guarantee* demonstrates the department's commitment to driving these reforms, placing resources and decision making in the hands of principals. This initiative ensures schools are accountable for lifting outcomes through flexibility and autonomy to engage with their communities around how this extra funding should be spent to achieve the best results for their students. Funding comes with the guarantee that every Queensland state school student will either achieve the National Minimum Standard for literacy and numeracy for their year level, or have an evidenced-based plan in place to address their specific learning needs. Queensland is leading the nation in providing full funding, autonomy and accountability directly to schools.

In recognition that improved student outcomes are supported by the quality of classroom teaching and strong leadership, the department is also implementing the *Great teachers = Great results* action plan. The direct action plan aims to improve student outcomes in Queensland schools by prioritising teaching quality, strengthening school autonomy and lifting standards and expectations regarding student behaviour.

Training and employment

In order to grow a strong, four pillar economy, Queensland must look at ways of boosting productivity and increasing participation in the workforce. Significant reforms are being undertaken to create a new era for training characterised by greater student choice, more contestability and training investment guided by industry advice. Through *Great skills. Real opportunities.* the Government will give Queensland a first class training system including:

- creating a better partnership between government, industry and employers through the Ministerial Industry Commission which identifies industry skilling needs to inform government funding priorities
- a revised VET investment framework that features fully contestable funding and is delivered through programs including the Certificate 3 Guarantee and new Higher Level Skills and Industry Partnerships strategies
- making career planning and choosing a course and provider easier for students through a comprehensive new website from 1 July 2014
- finalisation of the transformation of TAFE Queensland into an independent, commercially focused public provider
- an improved approach to investing in and managing training assets. From 1 July 2014, the Government will transfer ownership of the state's training infrastructure and equipment to the Queensland Training Assets Management Authority (QTAMA), a new specialist commercial asset manager
- the formation of the state's first dual-sector entity through the merger of Central Queensland University with the Central Queensland Institute of TAFE.

2014-15 Highlights

Early childhood education and care

Key initiatives for 2014-15 include:

- strengthening the commitment to quality and sustainable early childhood education and care services and programs by:
 - working with stakeholders to develop a new five year Early Childhood Strategy for Queensland's early childhood education and care services;
 - establishing the new division of Early Childhood Education and Care; and
 - supporting the needs of local families and early childhood education and care services through enhanced regional office services.
- providing a range of early childhood development programs and services including early years centres, children and family centres, child and family support hubs, playgroups, family support and early childhood health, wellbeing and literacy programs through investment of more than \$30 million
- continuing to provide and monitor the eKindy program so that young children and families in rural and remote regions have access to a quality kindergarten program
- strengthening partnerships between schools, early childhood education and care services and families to support successful transition for young children and families in to formal schooling
- investing up to \$4.89 million in additional funding to increase kindergarten participation rates for Aboriginal and Torres Strait Islander children
- enhancing the capacity of the early childhood education and care workforce to deliver quality outcomes for children by:
 - developing and implementing the Early Childhood Education and Care Workforce Action Plan 2015-2018; and
 - strengthening Indigenous leadership and workforce capacity in early childhood education and care through the Remote Indigenous Professional Development (RIPD) project.
- providing regulatory services to more than 2,600 early childhood education and care providers including in excess of 1,500 services providing a kindergarten program to ensure quality services for children and families, including:
 - ongoing implementation of the recently commenced *Education and Care Services Act 2013* to regulate services that are not captured under the National law;
 - improving regulatory practice in the areas of assessment and rating, licensing and monitoring and compliance and use of the National Quality Agenda IT system through training for regional Authorised Officers; and
 - identifying training and professional development needs for the sector to support ongoing consistency and quality of judgements as part of a continuous quality improvement agenda.
- continuing to work with the Australian Government on the review of National Partnership Agreements and the development of new partnerships to support the delivery of quality education and care services in Queensland.

School education

Key initiatives for 2014-15 include:

- investing \$64 million as part of the 2014, semester 2 instalment of the \$131 million *Great Results Guarantee* initiative to improve student performance in Queensland state schools
- investing up to \$66.7 million of \$537 million over five years to implement *Great Teachers = Great Results* to ensure professional excellence in teaching and boost Queensland state schools' autonomy including strengthening discipline in schools
- commencing the new Queensland Curriculum and Assessment Authority (QCAA) statutory body responsible for syllabus development, supporting the implementation of syllabuses and the Australian Curriculum, testing, moderation, certification, tertiary entrance ranking, and administration of student accounts

- investing \$1 million as part of \$4 million over four years in additional funding to implement the Step Up into Education program to better prepare children for school, particularly children in areas of disadvantage
- investing \$6 million for additional state schools to participate in the Independent Public Schools initiative as part of the total funding of \$22.8 million over four years to increase autonomy in decision making, cut red tape and remove layers of management to improve outcomes for students
- continuing the third tranche of the four year program to roll out the equivalent of a full-time teacher aide to an additional 150 prep classes each year in areas of greatest need to provide up to 9,000 extra teacher aide hours per week by 2015-16
- continuing to invest in the four year Supporting Queenslanders with a Disability (Speech Pathologists) initiative to support speech pathology services in Queensland schools
- investing \$250,000 as part of \$1 million over four years to support Queensland schools with access to chaplaincy and student welfare services
- providing \$1 million over four years to continue an education program for all Queensland schools, including implementation of the Daniel Morcombe Child Safety Curriculum, to give children the knowledge to protect themselves and encourage reporting of suspected abuses
- investing \$6.5 million in Queensland schools as part of \$26 million over four years in Getting the Basics Right – Literacy and Numeracy grants to give principals more choice to select tailored literacy and numeracy programs that are matched to the needs of their students
- continuing to invest \$1 million over three years to sponsor delegations of Queensland secondary school students to travel to ANZAC Day ceremonies at Gallipoli and the Western Front from 2013 to 2015
- continuing to support Aboriginal and Torres Strait Islander students to make successful transitions from school to training, further study or into employment by partnering with Aboriginal and Torres Strait Islander students and families, education providers, employers and industry, and other government agencies
- completing the independent review of Queensland senior assessment and tertiary entrance processes
- developing a Queensland action plan to ensure the state's international education and training is world class, responsive, robust and sustainable
- investing \$100 million to meet maintenance backlogs in Queensland state schools under the Fixing Our Schools Fund.

Training and employment

Key initiatives for 2014-15 include:

- continuing to implement the *Great skills. Real opportunities.* five-year action plan including:
 - delivering fully contestable training funding from 1 July 2014;
 - continuing to support TAFE Queensland as an independent statutory body by providing a VET Purchasers Grant of \$134 million;
 - transferring management and ownership of public training assets to Queensland Training Assets Management Authority (QTAMA) to rationalise the asset base, facilitate third-party access and improve asset use from 1 July 2014;
 - increasing access to government subsidised training places, up to and including eligible Queenslanders first post-school certificate level III qualification in priority training areas under the Certificate 3 Guarantee;
 - investing in delivery of nationally recognised, entry-level training to apprentices and trainees under the *User Choice 2010-2015* program;
 - continuing to offer fee-free apprenticeships and traineeships in high priority skills areas to Year 12 graduates in the calendar year following the completion of Year 12; and
 - allocating \$10 million to registered training organisations and community organisations to create job-focused training as part of the \$47 million investment over five years under Community Learning.

- forming Queensland's first dual-sector university through the merger of Central Queensland Institute of TAFE (CQIT) with Central Queensland University (CQU)
- investing up to \$13 million over three years in the School to Trade Pathway and Group Training Organisation Additional Apprentice Bonus initiatives to support the commitment to create 10,000 additional apprentices over six years
- investing \$3 million of \$10 million committed over four years as part of the Supporting Women Scholarships initiative to fund 500 scholarships for women of up to \$20,000 in traditionally male dominated fields in priority industries
- investing \$1 million of \$4 million over four years in partnership with the Department of Aboriginal and Torres Strait Islander and Multicultural Affairs under the Strategic Indigenous VET Partnership.

2013-14 Achievements

Early childhood education and care

Key achievements in 2013-14 included:

- providing Queensland families with access to early childhood education programs by:
 - increasing overall kindergarten participation rates from 77% in 2012 to 97.4% in 2013;
 - supporting the provision of early childhood education and care services to more than 250,000 children and the provision of kindergarten programs to more than 60,000 children across Queensland;
 - investing \$18.1 million to establish an additional 19 new kindergarten services, with 13 on state school sites and six located on other sites including non-state schools, long day care services and existing kindergarten services;
 - providing \$11.7 million in grants funding for early childhood education services to improve facilities; and
 - providing \$11.97 million to support programs and services in vulnerable and disadvantaged communities.
- delivering a quality pre-prep program to Indigenous children across 35 Indigenous communities
- strengthening Indigenous leadership and workforce capacity in early childhood education and care through the Remote Indigenous Professional Development (RIPD) project
- providing the eKindy program to more than 160 children
- continuing to support early years centres to support families and children from birth to eight to access a range of early childhood education and care, family support, and maternal and child health services across 15 communities through an investment of \$9 million
- delivering 10 children and family centres in partnership with the Australian Government
- implementing a new online grants management system to reduce data collection and reporting requirements for funded early years services, and assist services to apply for and manage grant funding and subsidies
- supporting early childhood development through use of the Australian Early Development Index (AEDI), including:
 - supporting 48 community projects through the Queensland AEDI Community Action Grant Program; and
 - investing in training to more than 500 early childhood stakeholders.
- providing regulatory services to more than 2,600 early childhood education and care providers including in excess of 1,500 services providing a kindergarten program to ensure quality services for children and families, including:
 - introducing a new regulatory framework under the *Education and Care Services Act 2013* to regulate for services out of scope of the education and care national law to reduce red tape, minimise costs and support quality outcomes for children;
 - developing the Assessment and Rating Statistics and Reporting Tool to monitor the rate of quality assessments of early childhood education and care services for the purpose of meeting national targets;

- developing a web-based reporting tool to support quality assessments of early childhood education and care services; and
- conducting a state-wide round of training for regional Authorised Officers to enhance regulatory practice in the areas of monitoring and compliance and the conduct of investigations.

School education

Key achievements in 2013-14 included:

- providing education services during the 2013 school year across 1,239 Queensland state schools to (as at August 2013 collection):
 - over 327,800 students in state primary schools;
 - over 175,100 students in state secondary schools;
 - more than 2,690 students participating in distance education; and
 - more than 3,900 students in state special schools.
- investing \$67 million across all state and Independent Public Schools as part of the 2014, semester 1 instalment under the *Great Results Guarantee* to improve student performance in Queensland state schools
- investing \$1.2 million of \$537 million over five years to commence implementation of *Great Teachers = Great Results* to ensure professional excellence in teaching and boost Queensland state schools' autonomy including strengthening discipline in schools
- investing up to \$1 million as part of \$4 million over four years in additional funding to implement the Step Up into Education program to better prepare children for school, particularly children in areas of disadvantage
- investing \$6.7 million for 80 state schools to participate in the Independent Public Schools initiative as part of the total funding of \$22.8 million over four years to increase autonomy in decision making, cut red tape and remove layers of management to improve outcomes for students
- providing Home Education services to more than 1195 children and their families and carers
- implementing the *A Fresh Start: Improving the preparation and quality of teachers for Queensland schools* strategy in response to the recommendations from the Teacher Education Implementation Taskforce to improve the preparation and quality of teachers for all Queensland schools
- allocating 768 teachers and teacher aides in response to enrolment growth and students with additional needs in Queensland state schools
- providing funding as part of the second year of a four year program to roll out the equivalent of a full-time teacher aide to an additional 150 prep classes each year in areas of greatest need to provide up to 9,000 extra teacher aide hours per week by 2015-16
- investing \$100 million to meet maintenance backlogs in Queensland state schools under the Advancing Our Schools Maintenance initiative
- supporting the Queensland Schools Planning Commission to deliver strategic plans for school infrastructure throughout Queensland
- continuing the investment under the Supporting Queenslanders with a Disability (Speech Pathologists) initiative to support speech pathology services in Queensland schools
- continuing to implement the Australian Curriculum in English, maths, science and history
- developing the National Capability Framework - Teaching Aboriginal and Torres Strait Islander English as an Additional Language/Dialect (EAL/D) learners
- investing \$250,000 as part of \$1 million over four years to support Queensland schools with access to chaplaincy and student welfare services
- providing \$1 million over four years to continue an education program for all Queensland schools, including implementation of the Daniel Morcombe Child Safety Curriculum, to give children the knowledge to protect themselves and encourage reporting of suspected abuses

- investing \$6.5 million in Queensland schools as part of \$26 million over four years in Getting the Basics Right – Literacy and Numeracy grants to give principals more choice to select tailored literacy and numeracy programs that are matched to the needs of their students
- providing registration and support services to 129 primary and secondary schools approved to deliver courses from Prep to Year 12 for international students
- working with stakeholders to review the *Education (Queensland Studies Authority) Act 2002*
- commissioning the Australian Council for Educational Research to undertake an independent review of senior assessment and tertiary entrance processes
- continuing to invest \$1 million over three years to sponsor delegations of Queensland secondary school students to travel to ANZAC Day ceremonies at Gallipoli and the Western Front from 2013 to 2015.

Training and employment

Key achievements in 2013-14 included:

- delivering services to over 238,000 students enrolled in vocational education and training and the completion of qualifications at the highly valued levels of Certificate III and above by over 68,000 students through the TAFE Queensland network and the government-funded private provider market (projections for 2013-14 as at 31 March 2014)
- implementing the *Great skills. Real opportunities.* five-year action plan in response to the Queensland Skills and Training Taskforce final report including:
 - implementing a new vocational education and training investment framework that establishes a funding model for TAFE and increases the contestable funding available to the broader training market;
 - increasing access to government subsidised training places, up to and including eligible Queenslanders first post-school certificate level III qualification in priority training areas under the Certificate 3 Guarantee;
 - investing in delivery of nationally recognised, entry-level training to apprentices and trainees under the *User Choice 2010-2015* program;
 - offering fee-free apprenticeships and traineeships in high priority skills areas to Year 12 graduates in the calendar year following the completion of Year 12;
 - allocating \$10 million to registered training organisations and community organisations to assist 3937 disadvantage learners, as part of \$47 million over five years under Community Learning to create job-focused training;
 - establishing TAFE Queensland as an independent statutory body on 1 July 2013;
 - establishing the Ministerial Industry Commission to work in genuine partnerships with industry and employers and to provide independent advice to government on industry skilling and workforce priorities; and
 - establishing the International Education and Training Advisory Council-Queensland in January 2014 to advise the Minister for Education, Training and Employment on key issues relating to Queensland and the development of long term strategies and programs to revitalise Queensland international education and training.
- developing legislation to establish Queensland's first dual-sector university through the merger of Central Queensland Institute of TAFE (CQIT) with Central Queensland University (CQU)
- launching the School to Trade Pathway and Group Training Organisation Additional Apprentice Bonus initiatives to support the commitment to create 10,000 additional apprentices over six years
- investing \$1.5 million of \$10 million committed over four years as part of the Supporting Women Scholarships initiative to fund 500 university scholarships for women of up to \$20,000 in traditionally male dominated fields in priority industries
- launching the new four-year Strategic Indigenous VET Partnership with the Department of Aboriginal and Torres Strait Islander and Multicultural Affairs to improve training outcomes for Aboriginal and Torres Strait Islander people.

Departmental Budget Summary

The table below shows the total resources available in 2014-15 from all sources and summarises how resources will be applied by service area and by controlled and administered classifications.

Department of Education, Training and Employment	2013-14 Adjusted Budget \$'000	2013-14 Est. Actual \$'000	2014-15 Budget \$'000
CONTROLLED			
Income			
Appropriation revenue ¹			
Deferred from previous year/s	286,377	71,306	240,022
Balance of service appropriation	7,408,310	7,397,093	7,815,985
Other revenue	735,046	777,767	496,842
Total income	8,429,733	8,246,166	8,552,849
Expenses			
Early childhood education and care	314,430	239,282	264,322
School education	6,807,521	6,780,755	7,227,795
Training and employment	1,303,230	1,226,129	1,060,732
Total expenses	8,425,181	8,246,166	8,552,849
Operating surplus/deficit	4,552	..	..
Net assets	18,627,038	17,571,441	17,018,232
ADMINISTERED			
Revenue			
Commonwealth revenue	1,959,710	1,989,959	2,132,867
Appropriation revenue	2,732,225	2,762,819	2,924,634
Other administered revenue	..	..	..
Total revenue	4,691,935	4,752,778	5,057,501
Expenses			
Transfers to government	1,959,710	1,989,959	2,132,867
Administered expenses	2,732,225	2,762,819	3,083,848
Total expenses	4,691,935	4,752,778	5,216,715
Operating surplus/deficit²	..	..	(159,214)
Net assets	285	..	..

Notes:

1. Includes State and Commonwealth funding.
2. Operating deficit in 2014-15 relates to the transfer out of net assets and liabilities to Central Queensland University as part of the amalgamation of the Central Queensland Institute of TAFE with the university from 1 July 2014.

Budget Measures Summary¹

The table shows a summary of Budget measures relating to the department since the 2013-14 Budget. Further details are contained in Budget Paper No. 4.

Department of Education, Training and Employment	2013-14 \$'000	2014-15 \$'000	2015-16 \$'000	2016-17 \$'000	2017-18 \$'000
Revenue measures					
Administered	..	..	..	..	..
Departmental	..	..	..	..	..
Expense measures					
Administered	..	..	..	..	..
Departmental	67,219	64,118	..	..	..
Capital measures					
Administered	..	..	..	..	..
Departmental	..	..	..	..	..

Notes:

1. The totals reconcile with Budget Paper No. 4.

Staffing¹

Service Areas	Notes	2013-14	2013-14	2014-15
		Adjusted Budget	Est. Actual	Budget ²
Early childhood education and care		200	232	232
School education		59,675	59,578	60,465
Training and employment	3	6,022	5,691	691
TOTAL	4	65,897	65,501	61,388

Notes:

1. Full-time equivalents (FTEs) as at 30 June.
2. The 2014-15 Budget include the impact of election commitments for additional prep teacher aide hours, forecast school enrolment growth, decreases associated with Machinery of Government changes with staff transferring from the Department of Education, Training and Employment to the new TAFE Queensland statutory body from 1 July 2014.
3. The 2014-15 Budget also include 313 FTEs associated with TAFE infrastructure related services, which are anticipated to be transferred to the Queensland Training Assets Management Authority (QTAMA) as part of the Machinery of Government changes, but are being retained in 2014-15 by the Department of Education, Training and Employment under a transitional arrangement between the department and QTAMA.
4. FTEs include staff funded through other sources, for example Commonwealth programs.

SERVICE PERFORMANCE

Services

Our service areas are:

Early childhood education and care

Providing children with access to quality early childhood education and care through establishing and funding kindergarten and integrated early years services as well as a range of parent and family support programs, and regulating, approving and quality assessing education and care services.

School education

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

Training and employment

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

Red tape reduction

In 2013-14 the department's contribution to the Government's commitment to reduce red tape included:

- introducing the *Education and Care Services Act 2013* in response to the review of the *Child Care Act 2002* to reduce the administrative burden on early childhood education and care providers while maintaining accountability through appropriate levels of monitoring
- reviewing the *Grammar Schools Act 1975* to ensure the legislation met contemporary needs for Grammar Schools
- addressing inconsistency and duplication by reviewing legislation relating to higher education, including:
 - *Higher Education (General Provisions) Act 2008*; and
 - Queensland university legislation.
- reviewing the processes for regulation of the non-state education sector to streamline and simplify practices while ensuring that standards of education and public confidence are maintained
- implementing a new Vocational Education and Training framework to:
 - establish a contestable TAFE funding model that increases funding available to the broader training market;
 - establish a contemporary regulatory framework for apprenticeships and traineeships;
 - reduce legislative barriers to employment and training opportunities; and
 - recognise alternative training pathways.
- continuing to streamline policy and procedural requirements imposed on teachers, departmental staff, students, parents and industry
- introducing the *Strengthening Discipline in Queensland State Schools* strategy to give principals more power to manage behavioural issues quickly and effectively without regulatory burdens
- establishing the Red Tape Reduction Council of Principals to advise on practical measures to reduce the administrative burden of school principals and their staff
- developing the *Department of Education, Training and Employment's Red Tape Reduction strategy*, supported by an action plan

- supporting the Australian Government’s review of the *Students First* policy including the *Australian Education Act 2013* which underpins school funding arrangements to ensure the states, territories and non-government sectors maintain authority over and responsibility for their schools.

In 2014-15, the department will contribute to the Government’s commitment to red tape reduction by:

- streamlining and modernising the regulation of apprenticeships and traineeships and other training matters through the implementation of the *Further Education and Training Act 2014*
- implementing the new *Queensland Government Building and Construction Training Policy* to support the Government’s pledge to create 10,000 new apprenticeships over six years
- progressing amendments to education legislation to reduce regulatory burden, support greater local decision making at the school level, facilitate innovative pathways into the teaching profession for high-calibre graduates from 2015 and clarify governance arrangements for non-state schools governed by corporations established by letters patent
- streamlining processes regarding directions prohibiting entering school premises to increase principal autonomy and simplify decision making and appeal processes
- considering any recommendations for reducing regulatory red tape stemming from the 2014 Review of the National Quality Framework for early childhood education and care and the Productivity Commission Inquiry into Childcare and Early Childhood Learning.

2014-15 Service Summary¹

Service area	Sources of Revenue				
	Total cost \$'000	State Contribution \$'000	User Charges and Fees \$'000	C'wealth Revenue \$'000	Other Revenue \$'000
Early childhood education and care	264,322	140,691	1,096	121,978	557
School education ²	7,227,795	5,647,397	337,616	1,135,323	107,459
Training and employment ³	1,060,732	554,460	3,073	464,858	38,341
TOTAL	8,552,849	6,342,548	341,785	1,722,159	146,357

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 employment also includes assistance to Higher Education.

Performance Statement

Department of Education, Training and Employment	Notes	2013-14 Target/Est. ²⁵	2013-14 Est. Actual	2014-15 Target/Est.
Service Area: Early childhood education and care				
Service standards				
Proportion of Queensland children enrolled in an early childhood education program	1,2,3,4,5	95%	97.4%	95%
Proportion of enrolments in an early childhood education program:				
• Indigenous children	1,2,3,4,5,6,7,8	95%	79.9%	95%
• Children in disadvantaged communities	1,2,3,4,5,6,7,9	95%	85.5%	95%
State contribution (\$000)		134,819	116,674	140,691
Other revenue (\$000)		179,611	122,608	123,631
Total cost (\$000)		314,430	239,282	264,322
Service Area: School education				
Service standards				
<i>Literacy and Numeracy</i>	10			
Year 3 Test - Proportion of students at or above the National Minimum Standard:				
All students:	11,12			
• Reading		92%	93.1%	93%
• Writing		94%	93.4%	94%
• Numeracy		94%	93.4%	94%
Indigenous students:	8,11,12			
• Reading		84%	84.6%	85%
• Writing		84%	82.4%	84%
• Numeracy		86%	82.2%	86%
Year 5 Test - Proportion of students at or above the National Minimum Standard:				
All students:	11,12			
• Reading		88%	94.6%	95%
• Writing		90%	86.0%	90%
• Numeracy		93%	90.5%	93%
Indigenous students:	8,11,12			
• Reading		67%	87.9%	88%
• Writing		72%	66.1%	72%
• Numeracy		78%	74.7%	78%
Year 7 Test - Proportion of students at or above the National Minimum Standard:	11,12			

Department of Education, Training and Employment	Notes	2013-14 Target/Est. ²⁵	2013-14 Est. Actual	2014-15 Target/Est.
All students:				
• Reading		94%	91.1%	94%
• Writing		92%	86.8%	92%
• Numeracy		95%	94.7%	95%
Indigenous students:	8,11,12			
• Reading		85%	76.5%	85%
• Writing		78%	69.0%	78%
• Numeracy		85%	85.8%	86%
Year 9 Test - Proportion of students at or above the National Minimum Standard:				
All students:	11,12			
• Reading		90%	89.9%	90%
• Writing		86%	74.7%	86%
• Numeracy		94%	86.5%	94%
Indigenous students:	8,11,12			
• Reading		75%	77.6%	78%
• Writing		69%	55.3%	69%
• Numeracy		82%	69.0%	82%
<i>Attainment outcomes</i>				
Proportion of Year 12 students awarded a QCE	11,13	83%	86.2%	87%
Proportion of Year 12 students who are completing or have completed a SAT or were awarded one or more of: QCE, IBD or VET qualification	11,13	95%	95.0%	95%
Proportion of OP/IBD students who received an OP 1 to 15 or an IBD	11,13	72%	75.1%	76%
Number of students awarded a Queensland Certificate of Individual Achievement	11,13,14	550	597	600
<i>Post schooling destinations</i>				
Proportion of students who, six months after completing Year 12, are participating in education, training or employment	15	88%	83.8%	88%
<i>Cost and satisfaction</i>				
Average cost of service per student:				
• Primary (Prep - Year 7)		\$10,792	\$10,832	\$11,410

Department of Education, Training and Employment	Notes	2013-14 Target/Est.²⁵	2013-14 Est. Actual	2014-15 Target/Est.
• Secondary (Year 8 - Year 12)		\$13,572	\$13,417	\$13,645
• Students with Disabilities		\$26,788	\$25,950	\$27,094
Proportion of parents satisfied with their child's school	16	90%	95.8%	90%
State contribution (\$000)		5,368,419	5,257,375	5,647,397
Other revenue (\$000)		1,439,102	1,523,380	1,580,398
Total cost (\$000)		6,807,521	6,780,755	7,227,795
Service Area: Training and employment	17			
Service standards				
<i>VET outcomes</i>				
Proportion of all attempted competencies successfully completed		89%	90.4%	90%
Proportion of Queenslanders with higher qualifications	18,19	57%	56.6%	58%
Proportion of graduates in employment or further study	18,20,21	87%	88.0%	87%
Number of completions:	22,23			
• Apprenticeships		11,000	10,700	11,000
• Traineeships		24,000	25,200	24,000
• School-based Apprenticeships and Traineeships (SATs)		5,000	5,400	5,500
<i>Cost and satisfaction</i>				
Proportion of graduates satisfied with the overall quality of their training	18,21	89%	87.4%	89%
Proportion of employers satisfied with graduates of:	18,24			
• Nationally accredited training		85%	81.2%	85%
• Apprenticeships and traineeships		83%	77.8%	83%
Average cost per competency successfully completed	26	\$706	\$691	\$690
State contribution (\$000)		648,189	648,333	554,460
Other revenue (\$000)		659,593	577,796	506,272
Total cost (\$000)		1,303,230	1,226,129	1,060,732
Operating Surplus (\$000)	27	4,552	..	..

Notes:

1. The national early childhood education and care (ECEC) Census is conducted in the first week of August each year. The 2013-14 Estimated actual reflect the 2013 ECEC Census results.

2. The nationally agreed benchmark established under the National Partnership Agreement on Universal Access to Early Childhood Education is 95%. For consistent reporting the 2014-15 Target estimate has been maintained at 95%.
3. Early childhood education program: A play-based program provided by a degree qualified teacher recognised under the National Quality Framework delivered to children in the year before full-time school.
4. 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.
5. Data is published by the Australian Bureau of Statistics in the *Preschool Education Australia 2013* publication catalogue 4240.0.
6. Variance between the 2013-14 Target estimate and 2013-14 Estimated actual can be attributed to the voluntary nature of kindergarten participation and factors affecting participation by more vulnerable and disadvantaged groups such as affordability, physical access and cultural inclusiveness.
7. The measures represent the proportion of children enrolled from each cohort group as a proportion of the estimated total population of that cohort group in Queensland.
8. Indigenous: a person who identifies at enrolment to be of Aboriginal and/or Torres Strait Islander origin.
9. Disadvantaged: a person that resides in statistical areas classified by the ABS in the bottom quintile using the Index of Relative Socio Economic Disadvantage.
10. The National Assessment Program – Literacy and Numeracy (NAPLAN) tests are conducted in May each year. The 2013-14 Estimated actual reflect the 2013 NAPLAN outcomes.
11. These service standards relate to the state schooling sector only.
12. NAPLAN National Minimum Standard (NMS) targets represent the aspirational goals for achievement against these measures and should be read in conjunction with other NAPLAN data, which show broad improvements.
13. Attainment outcomes acronyms: SAT – School-based Apprenticeship and Traineeship, IBD – International Baccalaureate Diploma, OP – Overall Position and QCE – Queensland Certificate of Education. Data as at 2 April 2014.
14. The measure is directly dependent upon enrolment numbers in individual education programs of study.
15. 'Students' refers to Year 12 completers. Data relates to students who attended state schools only and is sourced from the Next Step survey conducted by the Department of Education, Training and Employment each year. The 2013-14 Estimated actual reflect the 2013 Next Step survey data.
16. The measure is the aggregation of positive responses, that is, 'Somewhat Agree', 'Agree', and 'Strongly Agree' to the parent/caregiver item S2035 'This is a good school' sourced from the School Opinion Survey. The 2013-14 Estimated actual reflect the 2013 School Opinion Survey data.
17. This service area changed from 'Training, tertiary education and employment' to 'Training and employment' to reflect the department's organisational restructure.
18. Confidence intervals for estimates derived from sample survey responses need to be considered when interpreting relative performance.
19. Sourced from the ABS *Survey of Education and Work, Australia* – Additional data cubes, Table 1.11, Proportion of Persons with a Non-school qualification at Certificate III level or above (person aged 25-64 years) 2013.
20. The 2013-14 Estimated actual is statistically similar to the 2013-14 Target estimate.
21. Sourced from the annual National Centre for Vocational Education Research (NCVER) *Student Outcomes Survey*. The last survey was conducted in 2013 and relates to students who graduated in 2012.
22. Apprenticeship and traineeship measures include school-based apprenticeships and traineeships (SATs).
23. Indicative completions targets were derived by applying completion rates to the corresponding cohort of commencements.
24. 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 2013. The 2013-14 Estimated actual is statistically similar to the 2013-14 Target estimate.
25. The 2013-14 Target estimate has been recast to account for the inclusion of Southbank Institute of TAFE and Gold Coast Institute of TAFE in the department. Amounts have also been recast to remove the impact of payroll tax for comparability with the 2014-15 budget, when departments will no longer be liable for paying payroll tax.
26. TAFE fee-for-service funding and activity is excluded from the 2014-15 Target estimate calculation to account for the transition of TAFE Institutes out of the department into the TAFE Queensland statutory body on 1 July 2014.
27. Training and employment had a planned operating surplus under the 2013-14 Target estimate.

Administered Items

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

The Department of Education, Training and Employment administers funds on behalf of the State, which includes financial assistance to non-state schools for both capital and recurrent purposes. In 2014-15 a total of \$693.1 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 of Education, Training and Employment administers funds on behalf of the State including:

- \$0.3 million in financial support to student hostels
- \$3.8 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, Training and Employment	Notes	2013-14 Adjusted Budget \$'000	2013-14 Est. Actual \$'000	2014-15 Budget \$'000
STATE FUNDING				
Assistance to non-state sector				
Assistance to non-state schools				
Recurrent funding for non-state schools				
General recurrent grants	2,8	546,280	546,280	584,317
Grammar school endowments		164	164	164
School Transport		5,088	5,051	5,177
Total recurrent funding for non-state schools		551,532	551,495	589,658
Capital assistance for non-state schools				
Capital assistance		45,982	45,982	45,982
External Infrastructure		5,393	5,393	5,393
Transition of Year 7 to Secondary	3,9	57,849	57,849	33,277
Building Queensland Schools of the future		18,750	18,750	18,750
Total capital assistance for non-state schools		127,974	127,974	103,402
Total assistance for non-state schools		679,506	679,469	693,060
Assistance to other non-state sector				
Student Hostels				
Recurrent		233	210	214
Capital		100	100	100
Total Student Hostels		333	310	314
Living away from home allowances		6,447	6,069	6,757
Textbook and resource allowances	4,10	19,221	19,344	22,271
Weekend and vacation travel		44	44	44
Community Organisations		3,720	4,040	3,785
Non-state Accreditation Board		54	54	54
Total Assistance to other non-state sector		29,819	29,861	33,225
Total Assistance to non-state sector		709,325	709,330	726,285
Other				
Textbook and resource allowance - state	4,10	28,751	29,046	32,782
Queensland Studies Authority	5,11	31,976	32,021	..
Queensland Curriculum and Assessment Authority	5,11	..	..	32,600
Skills Queensland	6,12	2,363	2,363	..
Other		100	100	100
Total State Funding		772,515	772,860	791,767
Australian Government assistance to non-State Education	1,7,13	1,959,710	1,989,959	2,132,867
TOTAL ADMINISTERED ITEMS		2,732,225	2,762,819	2,924,634

Notes:

The Administered Items table reflects adjustments for Machinery of Government changes which took effect from 2013-14. The Adjusted budget column has been recast for the former statutory authority, Skills Queensland entity, which was re-integrated with the department as from October 2013.

The Administered Items table also includes details of grants paid to the statutory authority currently known as the Queensland Studies Authority. This entity will be known as the Queensland Curriculum and Assessment Authority from 1 July 2014.

Administered Items table reflects benefits paid to the Non-State Sector and a range of other recipients which generally take the form of grants and allowances. Consequently the 2014-15 Budget column differs to the Administered Income Statement due to the exclusion of a recognised loss (expense) on behalf of government in relation to the transfer of net assets and liabilities from the department to the Central Queensland University following the amalgamation of the university with the Central Queensland Institute of TAFE from 1 July 2014.

Major variations between 2013-14 Adjusted budget and 2013-14 Estimated actual include:

1. Increase reflects the change in the level of funding to non-state schools from the Australian Government.

Major variations between 2013-14 Adjusted budget and 2014-15 Budget include:

2. Increase due mainly to the flow on impact of Government funding for state schooling sector including funding for the *Great Teachers = Great Results* initiative, as well as funding for anticipated state school enrolment growth and enterprise bargaining outcomes.
3. Decrease due to the winding down of the capital elements of the Transition of Year 7 to Secondary program.
4. Increase due to the net impact of student enrolment movement and CPI indexation.
5. Queensland Studies Authority is to be replaced by the Queensland Curriculum and Assessment Authority from 1 July 2014.
6. Decrease due to Machinery of Government changes re-integrating functions in relation to Skills Queensland with the department from October 2013.
7. Increase reflects the change in the level of funding to non-state schools from the Australian Government.

Major variations between 2013-14 Estimated actual and 2014-15 Budget include:

8. Increase due mainly to the flow on impact of Government funding for state schooling sector including funding for the *Great Teachers = Great Results* initiative, as well as funding for anticipated state school enrolment growth and enterprise bargaining outcomes.
9. Decrease due to the winding down of the capital elements of the Transition of Year 7 to Secondary program.
10. Increase due to the net impact of student enrolment movement and CPI indexation.
11. Queensland Studies Authority is to be replaced by the Queensland Curriculum and Assessment Authority from 1 July 2014.
12. Decrease due to Machinery of Government changes reintegrating functions in relation to Skills Queensland with the department from October 2013.
13. Increase reflects the change in the level of funding to non-state schools from the Australian Government.

CAPITAL

Capital program

The Department of Education, Training and Employment has an extensive capital program across the entire continuum of learning. The 2014-15 highlights of the department's capital program will include:

- investing \$93.8 million to continue the implementation of Year 7 as the first year of secondary school from 2015
- investing \$11.1 million to complete delivery of the Building Our Future Schools Initiative on school sites at Cairns SHS, Centenary SHS, Gladstone SHS, Gympie SHS, Helensvale SHS, Kingaroy SHS, Kelvin Grove State College, Mansfield SHS, Woodridge SHS, Pimlico SHS, Tamborine Mountain SHS, Wavell SHS, Warwick SHS and Bundaberg SHS
- investing \$117.7 million to finalise construction for a new secondary school at Highfields, undertake staged works at four schools, and to provide additional classrooms at existing schools in growth areas throughout the State
- commencing the construction of one new primary school at Pimpama and one new secondary school at Burpengary under the new Queensland Schools Public Private Partnerships project
- contributing \$59.3 million towards the construction of two new Queensland schools at Burpengary and Pimpama under the Queensland Schools Public Private Partnership project.

Capital budget statement

Department of Education, Training and Employment	Notes	2013-14 Adjusted Budget \$'000	2013-14 Est. Actual \$'000	2014-15 Budget \$'000
Capital Purchases¹				
Total land, buildings and infrastructure	2,3	493,213	494,044	353,006
Total plant and equipment	3	61,301	60,579	57,483
Total other capital		..	..	..
Total Capital Purchases		554,514	554,623	410,489

Notes:

1. For more detail on the agency's capital acquisitions please refer to Budget Paper 3.
2. 2013-14 Adjusted budget and 2013-14 Est. Actual amounts include capital acquisitions for Gold Coast Institute of TAFE and Southbank Institute of Technology, as a result Machinery of Government changes where these institutes were amalgamated back into the department from 1 July 2013.
3. Differences between the years are largely due to lower levels of capital expenditure associated with infrastructure for moving Year 7 to secondary and Kindergarten programs, as well as the impact of the Machinery of Government changes to transfer residential housing assets to the Government Employee Housing Scheme managed by the Department of Housing and Public Works, as well as TAFE institute assets to the Queensland Training Assets Management Authority (QTAMA) from 1 July 2014.

BUDGETED FINANCIAL STATEMENTS

ANALYSIS OF BUDGETED FINANCIAL STATEMENTS

The Department of Education, Training and Employment will be impacted by a number of Machinery of Government changes that will be effective from 1 July 2014. These include the transfer of the training delivery function as provided by TAFE institutes into a new TAFE Queensland entity with the assets transferred to the new Queensland Training Assets Management Authority, as well as the transfer of the department's residential housing assets to the Government Employee Housing Scheme that is managed by the Department of Housing and Public Works. Machinery of Government change negotiations have not been finalised and may impact on final amounts transferred.

In addition, departments will no longer be liable for payroll tax from 1 July 2014, and this has been reflected in the department's relevant expenses and revenue line items. The department's 2013-14 Adjusted budget and Estimated actual columns have also been recast for comparability with the 2014-15 Budget amounts.

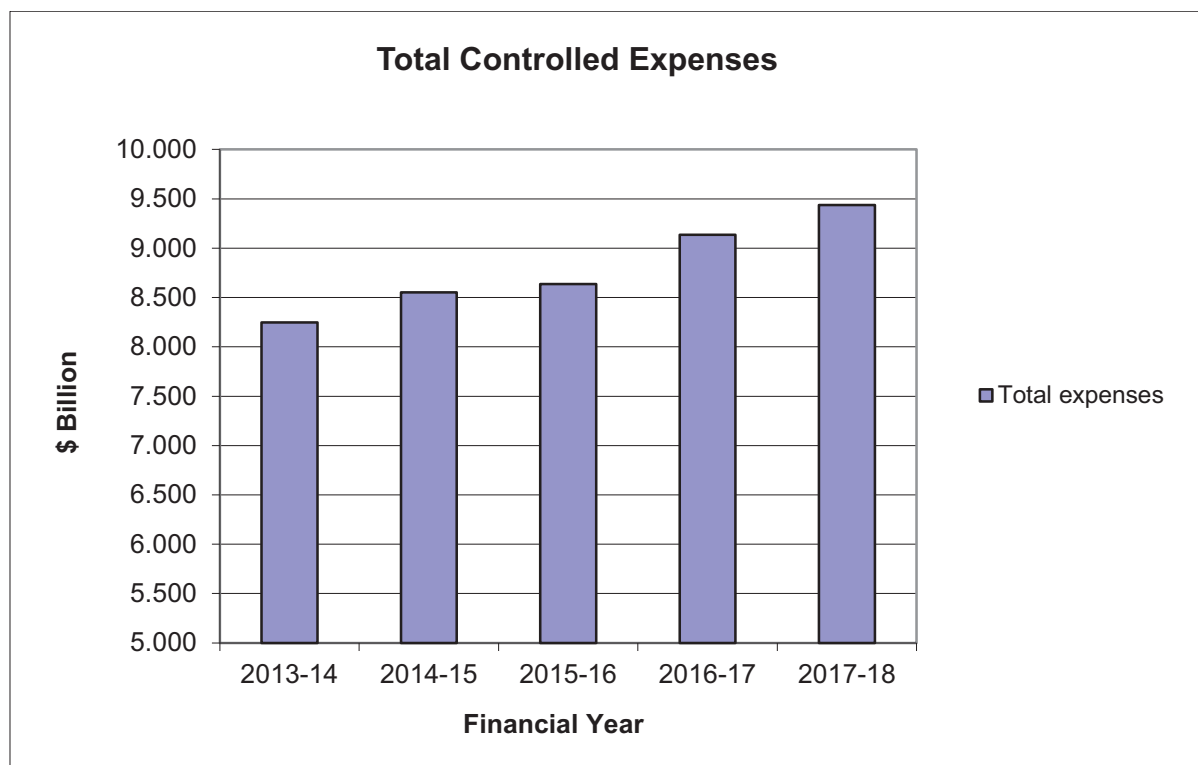
An analysis of the department's budgeted financial statements, as reflected in the department's financial statements, is provided below.

Departmental income statement

Total expenses are estimated to be \$8.6 billion in 2014-15, an increase of \$128 million from the 2013-14 financial year. The increase is mainly due to funding provided for the *Great Teachers = Great Results* initiative, expenses associated with anticipated student enrolment growth and enterprise bargaining outcomes, and the impact of increases in Commonwealth funding including deferrals mainly associated with the Australian Government National Partnership programs for Skills Reform and Universal Access as well as additional Commonwealth funding with the introduction of the *National Education Reforms - Students First program* which replaced the *Schools Specific Purpose Payments*. This is partially offset by a reduction of expenses due mainly to the Machinery of Government changes taking effect from July 2014, as well as the impact of savings associated with the TAFE Reform agenda.

The increase over the next few years is mainly the result of funding for the *Great Teachers = Great Results* initiative, anticipated increases in Commonwealth funding, and increases anticipated for student enrolment growth and enterprise bargaining outcomes.

Chart: Total departmental expenses across the Forward Estimates period



Departmental balance sheet

The department's balance sheet reflects the transfer of TAFE related assets and liabilities to the Queensland Training and Assets Management Authority, TAFE Queensland, Central Queensland University and the Government Employee Housing Scheme (managed by the Department of Housing and Public Works) as part of Machinery of Government changes effective 1 July 2014.

The department's major assets are in land and buildings (\$17.3 billion) and intangibles (\$52.8 million) and these categories are expected to increase by 5% and decrease by 44% respectively over the next three years, as a result of capital investments, levels of accumulated depreciation and asset revaluation impacts over this period. The department's main liabilities relate to payables (including accrued employee benefits) and finance lease liabilities (including the take-up of the new lease associated with the schools Public Private Partnership) and are estimated to increase by \$155 million (or 16%) by 2017-18.

CONTROLLED INCOME STATEMENT

Department of Education, Training and Employment	Notes	2013-14 Adjusted Budget \$'000	2013-14 Est. Act. \$'000	2014-15 Budget \$'000
Income				
Appropriation revenue	1,6,14	7,694,687	7,468,399	8,056,007
Taxes		..	..	..
User charges and fees	2,7,15	520,379	609,374	341,785
Royalties and land rents		..	..	..
Grants and other contributions	2,7,15	170,056	122,158	90,187
Interest	2,7	17,221	12,414	10,466
Other revenue	8,16	27,390	33,821	54,404
Gains on sale/revaluation of assets		..	..	..
Total income		8,429,733	8,246,166	8,552,849
Expenses				
Employee expenses	9,17	5,693,658	5,741,814	5,453,221
Supplies and services:				
- Outsourced service delivery	3,10,18	..	194,000	392,000
- Other supplies and services	4,11,19	1,686,972	1,446,720	1,628,036
Grants and subsidies	5,12,20	442,617	290,729	562,464
Depreciation and amortisation	13,21	528,035	501,545	441,350
Finance/borrowing costs		42,028	43,830	46,526
Other expenses		31,074	26,738	29,152
Losses on sale/revaluation assets		797	790	100
Total expenses		8,425,181	8,246,166	8,552,849
OPERATING SURPLUS/(DEFICIT)		4,552	..	..

CONTROLLED STATEMENT OF CHANGES IN EQUITY

Department of Education, Training and Employment	Notes	2013-14 Adjusted Budget \$'000	2013-14 Est. Act. \$'000	2014-15 Budget \$'000
Net effect of the changes in accounting policies and prior year adjustments		..	..	..
Increase/(decrease) in asset revaluation reserve	22,25,29	434,084	(212,763)	410,093
Net amount of all revenue and expense adjustments direct to equity not disclosed above		..	..	..
Net income recognised directly in equity		434,084	(212,763)	410,093
Surplus/(deficit) for the period	23,26	4,552	..	..
Total recognised income and expense for the period		438,636	(212,763)	410,093
Equity injection/(withdrawal)	24,27,30	(11,013)	124,283	29,310
Equity adjustments (inc. MoG transfers)	28,31	122,642	127,982	(992,612)
Total movement in equity for period		550,265	39,502	(553,209)

CONTROLLED BALANCE SHEET

Department of Education, Training and Employment	Notes	2013-14 Adjusted Budget \$'000	2013-14 Est. Act. \$'000	2014-15 Budget \$'000
CURRENT ASSETS				
Cash assets	32,49	444,617	402,534	407,733
Receivables	38,50	174,311	178,441	110,104
Other financial assets	33,51	..	25,874	..
Inventories		4,045	4,255	2,642
Other	39,52	51,376	44,924	75,618
Non-financial assets held for sale	34,40,53	8,530	36,405	29,749
Total current assets		682,879	692,433	625,846
NON-CURRENT ASSETS				
Receivables		..	..	..
Other financial assets		..	5,629	2,494
Property, plant and equipment	35,41,54	18,893,188	17,820,380	17,330,464
Intangibles	42,55	72,280	67,691	52,788
Other		..	..	..
Total non-current assets		18,965,468	17,893,700	17,385,746
TOTAL ASSETS		19,648,347	18,586,133	18,011,592
CURRENT LIABILITIES				
Payables	43,56	325,575	327,055	283,115
Accrued employee benefits	44,57	119,088	115,494	138,067
Interest-bearing liabilities and derivatives		10,869	11,337	11,868
Provisions		..	..	..
Other	45,58	61,255	57,561	11,270
Total current liabilities		516,787	511,447	444,320
NON-CURRENT LIABILITIES				
Payables		37	..	..
Accrued employee benefits		2,526	1,538	1,538
Interest-bearing liabilities and derivatives	46,59	501,643	501,391	547,186
Provisions		316	316	316
Other		..	..	..
Total non-current liabilities		504,522	503,245	549,040
TOTAL LIABILITIES		1,021,309	1,014,692	993,360
NET ASSETS/(LIABILITIES)		18,627,038	17,571,441	17,018,232
EQUITY				
Capital/contributed equity	36,47,60	5,076,024	5,194,305	4,231,003
Accumulated surplus/(accumulated deficit)		48,893	44,884	44,884
Reserves:				
- Asset revaluation surplus	37,48,61	13,502,121	12,332,252	12,742,345
- Other (specify)		..	..	..
TOTAL EQUITY		18,627,038	17,571,441	17,018,232

CONTROLLED CASH FLOW STATEMENT

Department of Education, Training and Employment	Notes	2013-14 Adjusted Budget \$'000	2013-14 Est. Act. \$'000	2014-15 Budget \$'000
CASH FLOWS FROM OPERATING ACTIVITIES				
Inflows				
Appropriation receipts	62,70,80	7,694,687	7,469,489	8,056,007
User charges and fees	63,71,81	524,686	606,846	343,704
Royalties and land rent receipts		..	..	..
Grants and other contributions	63,71,81	102,056	117,158	85,187
Interest received		17,221	12,414	10,466
Taxes		..	..	..
Other	64,72,82	100,515	35,192	55,771
Outflows				
Employee costs	73,83	(5,669,177)	(5,718,080)	(5,428,402)
Supplies and services	65,74,84	(1,685,603)	(1,629,820)	(2,008,253)
Grants and subsidies	66,75,85	(442,617)	(290,729)	(562,464)
Borrowing costs		(42,028)	(43,830)	(46,526)
Other		(36,812)	(27,105)	(29,669)
Net cash provided by/(used in) operating activities		562,928	531,535	475,821
CASH FLOWS FROM INVESTING ACTIVITIES				
Inflows				
Sales of non-financial assets	67,76,86	34,154	20,415	..
Investments redeemed		..	..	..
Loans and advances redeemed		..	..	..
Outflows				
Payments for non-financial assets	77,87	(554,514)	(554,623)	(410,274)
Payments for investments	68,88	..	(25,874)	..
Loans and advances made		..	..	..
Net cash provided by/(used in) investing activities		(520,360)	(560,082)	(410,274)
CASH FLOWS FROM FINANCING ACTIVITIES				
Inflows				
Borrowings		..	..	..
Equity injections	69,78,89	(9,573)	124,438	29,310
Outflows				
Borrowing redemptions		(5,170)	(5,170)	(5,463)
Finance lease payments		(4,833)	(4,833)	(6,108)
Equity withdrawals		(1,440)	(155)	..
Net cash provided by/(used in) financing activities		(21,016)	114,280	17,739
Net increase/(decrease) in cash held		21,552	85,733	83,286
Cash at the beginning of financial year		373,716	250,392	402,534
Cash transfers from restructure	79,90	49,349	66,409	(78,087)
Cash at the end of financial year		444,617	402,534	407,733

ADMINISTERED INCOME STATEMENT

Department of Education, Training and Employment	Notes	2013-14 Adjusted Budget \$'000	2013-14 Est. Act. \$'000	2014-15 Budget \$'000
Income				
Appropriation revenue	91,92,95	2,732,225	2,762,819	2,924,634
Taxes		..	..	..
User charges and fees		..	..	..
Royalties and land rents		..	..	..
Grants and other contributions	91,93,96	1,959,710	1,989,959	2,132,867
Interest		..	..	..
Other revenue		..	..	..
Gains on sale/revaluation of assets		..	..	..
Total income		4,691,935	4,752,778	5,057,501
Expenses				
Employee expenses		..	..	..
Supplies and services:				
- Outsourced service delivery		..	..	..
- Other supplies and services		23	23	23
Grants and subsidies	91,92,95	2,732,202	2,762,796	2,924,611
Depreciation and amortisation		..	..	..
Finance/borrowing costs		..	..	..
Other expenses		..	..	..
Losses on sale/revaluation assets	94,97	..	..	159,214
Transfers of Administered Revenue to Government	91,93,96	1,959,710	1,989,959	2,132,867
Total expenses		4,691,935	4,752,778	5,216,715
OPERATING SURPLUS/(DEFICIT)		..	..	(159,214)

ADMINISTERED BALANCE SHEET

Department of Education, Training and Employment	Notes	2013-14 Adjusted Budget \$'000	2013-14 Est. Act. \$'000	2014-15 Budget \$'000
CURRENT ASSETS				
Cash assets		285	..	..
Receivables		..	..	..
Other financial assets		..	..	..
Inventories		..	..	..
Other		..	..	..
Non-financial assets held for sale		..	..	..
Total current assets		285	..	..
NON-CURRENT ASSETS				
Receivables		..	..	..
Other financial assets		..	..	..
Property, plant and equipment		..	..	..
Intangibles		..	..	..
Other		..	..	..
Total non-current assets		..	..	..
TOTAL ASSETS		285	..	..
CURRENT LIABILITIES				
Payables		..	..	..
Transfers to Government Payable		..	..	..
Accrued employee benefits		..	..	..
Interest-bearing liabilities and derivatives		..	..	..
Provisions		..	..	..
Other		..	..	..
Total current liabilities		..	..	..
NON-CURRENT LIABILITIES				
Payables		..	..	..
Accrued employee benefits		..	..	..
Interest-bearing liabilities and derivatives		..	..	..
Provisions		..	..	..
Other		..	..	..
Total non-current liabilities		..	..	..
TOTAL LIABILITIES		..	..	..
NET ASSETS/(LIABILITIES)		285	..	..
EQUITY				
Capital/contributed equity	98,100	..	..	159,214
Accumulated surplus/(accumulated deficit)	99,101	285	..	(159,214)
Reserves:				
- Asset revaluation surplus		..	..	..
- Other (specify)		..	..	..
TOTAL EQUITY		285	..	..

ADMINISTERED CASH FLOW STATEMENT

Department of Education, Training and Employment	Notes	2013-14 Adjusted Budget \$'000	2013-14 Est. Act. \$'000	2014-15 Budget \$'000
CASH FLOWS FROM OPERATING ACTIVITIES				
Inflows				
Appropriation receipts	102,103,105	2,732,225	2,762,819	2,924,634
User charges and fees		..	..	..
Royalties and land rent receipts		..	..	..
Grants and other contributions	102,104,106	1,959,710	1,989,960	2,132,867
Interest received		..	..	..
Taxes		..	..	..
Other		..	..	..
Outflows				
Employee costs		..	..	..
Supplies and services		(23)	(23)	(23)
Grants and subsidies	102,103,105	(2,732,202)	(2,762,963)	(2,924,611)
Borrowing costs		..	..	..
Other		..	..	..
Transfers to Government	102,104,106	(1,959,710)	(1,990,317)	(2,132,867)
Net cash provided by/(used in) operating activities		..	(524)	..
CASH FLOWS FROM INVESTING ACTIVITIES				
Inflows				
Sales of non-financial assets		..	..	..
Investments redeemed		..	..	..
Loans and advances redeemed		..	..	..
Outflows				
Payments for non-financial assets		..	..	..
Payments for investments		..	..	..
Loans and advances made		..	..	..
Net cash provided by/(used in) investing activities		..	..	..
CASH FLOWS FROM FINANCING ACTIVITIES				
Inflows				
Borrowings		..	..	..
Equity injections		..	..	..
Outflows				
Borrowing redemptions		..	..	..
Finance lease payments		..	..	..
Equity withdrawals		..	..	..
Net cash provided by/(used in) financing activities		..	..	..
Net increase/(decrease) in cash held		..	(524)	..
Cash at the beginning of financial year		285	524	..
Cash transfers from restructure		..	..	..
Cash at the end of financial year		285	..	..

EXPLANATION OF VARIANCES IN THE FINANCIAL STATEMENTS

The financial statements reflect a range of adjustments for Machinery of Government changes which took effect from 2013-14. The 2013-14 Adjusted budget column (where indicated) in the financial statements has been recast for Machinery of Government changes including re-integrating the Gold Coast Institute of TAFE and Southbank Institute of Technology entities with the department from 1 July 2013, and re-integrating Skills Queensland entity with the department from October 2013. The Adjusted budget column (where indicated) has also been recast for the transfer of functions in relation to the Duke of Edinburgh and Bridge Awards from the Department of Communities, Child Safety and Disability Services from 1 July 2013.

TAFE Queensland was established as a statutory body under the *TAFE Queensland Act 2013* on 1 July 2013. On 1 July 2014:

- TAFE institutes and associated corporate functions will transfer from the Department of Education Training and Employment to the TAFE Queensland statutory body
- ownership of the state's training infrastructure and equipment will transfer to the Queensland Training Assets Management Authority (QTAMA), a new specialist commercial asset manager.

The financial statements also reflect anticipated adjustments for Machinery of Government changes which will take effect from 1 July 2014. The 2014-15 Budget column in the financial statements reflects anticipated adjustments for Machinery of Government changes including the transfer of functions to the new TAFE Queensland statutory body and the QTAMA statutory authority, the transfer of functions to the Central Queensland University as a result of the university's amalgamation with the Central Queensland Institute of TAFE and the transfer of residential housing assets to the Government Employee Housing Scheme managed by the Department of Housing and Public Works. Final amounts may differ to Budget as negotiations on Machinery of Government transfers have not been finalised.

From 1 July 2014, departments (excluding commercialised business units) will no longer be liable for payroll tax. To provide comparable cost forecasts across all periods, the 2013-14 Adjusted budget and the 2013-14 Estimated actual have been recast to reflect the removal of payroll tax from Employee expenses and an associated reduction has been made to Appropriation revenue. The 2013-14 Adjusted budget Appropriation revenue and Employee expenses have been reduced by \$244.368 million. The 2013-14 Estimated actual Appropriation revenue and Employee expenses have been reduced by \$244.191 million.

Income statement

Major variations between 2013-14 Adjusted budget and 2013-14 Estimated actual include:

1. Decrease mainly due to the transfer of funds to equity to reflect the level of expensed capital works and school bank account balances, funding for Australian Government National Partnership programs including deferrals associated with Skills Reform, Improving Literacy and Numeracy, and Universal Access programs, and deferrals for the State funded component of the Universal Access program; partially offset by additional Commonwealth funding with the introduction of the *National Education Reforms - Students First program* which replaced the *Schools Specific Purpose Payments*.
2. Changes mainly reflect the realignment of school based revenue (including school excursions and other revenue received directly by schools) resulting from improved data since the implementation of the new school financial system in 2012-13.
3. Increase due to front line service procurement activities being reclassified from Supplies and Services to this new category with this expenditure to be separately recognised for the first time in the financial statements. This expenditure relates mainly to training funds that are becoming contestable as part of the Skills Reform agenda.

4. Decrease mainly due to the separation of front line service procurement activities from other supplies and services, changes in the level of expensed capital works and levels of school bank account balances, deferral of Commonwealth National Partnership programs including Skills Reform, Improving Literacy and Numeracy, and Universal Access; partially offset by additional Commonwealth funding with the introduction the *National Education Reforms - Students First program* which replaced the *Schools Specific Purpose Payments*.
5. Decrease mainly due to deferrals including Commonwealth National Partnership programs relating to Skills Reform and Universal Access, and the State funded component of the Universal Access program.

Major variations between 2013-14 Adjusted budget and 2014-15 Budget include:

6. Increase mainly due to additional funding for the *Great Teachers = Great Results* initiative, anticipated state school enrolment growth and enterprise bargaining outcomes, costs associated with the transition of Year 7 to Secondary from 2015, funding for Australian Government National Partnership programs including deferrals for Skills Reform, Improving Literacy and Numeracy and Universal Access, and additional funding with the introduction the Australian Government *National Education Reforms - Students First program* which replaced the *Schools Specific Purpose Payments*; partially offset by decreases due to transfer of funds to equity mainly to reflect the level of expensed capital works and changes to depreciation expense resulting from the transfer out of TAFE assets as a result of Machinery of Government changes.
7. Changes mainly reflect Machinery of Government changes associated with revenue received directly by TAFE institutes transferring to the new TAFE Queensland entity and the realignment of school based revenue (including school excursions and other revenue received directly by schools) resulting from improved data since the implementation of the new school financial system in 2012-13.
8. Increase mainly due to new recoveries as a result of Machinery of Government changes in relation to the interim arrangement of retaining staffing responsible for managing TAFE infrastructure assets as departmental employees, with the costs fully recovered from the new entity Queensland Training Assets Management Authority.
9. Decrease mainly due to Machinery of Government changes with TAFE institute related staff transferring to the new TAFE Queensland entity and the Central Queensland University; partially offset by increases from anticipated state school enrolment growth and enterprise bargaining outcomes, and expenses associated with the transition of Year 7 into Secondary and the *Great Teachers = Great Result* initiatives.
10. Increase due to front line service procurement activities being separately recognised for the first time in the financial statements, and more training services being open to contestability from 1 July 2014 as part of the Skills Reform agenda.
11. Decrease mainly due to the separation of front line service procurement activities from other supplies and services; partially offset by Australian Government National Partnership programs, including deferrals associated with the Skills Reform and Improving Literacy and Numeracy programs, and additional funding with the introduction the Australian Government *National Education Reforms - Students First program* which replaced the *Schools Specific Purpose Payments*.
12. Increase mainly reflects Machinery of Government changes including the payment of the VET Purchasers Grant and rental subsidies to the new TAFE Queensland entity as a consequence of the implementation of the Government's training reforms; partially offset by Australian Government National Partnership programs including deferrals for Skills Reform and Universal Access.
13. Decrease largely reflects the level of depreciation expense resulting from the transfer of TAFE assets to the new TAFE Queensland entity, the Queensland Training Assets Management Authority and Central Queensland University as part of the Machinery of Government changes effective 1 July 2014.

Major variations between 2013-14 Estimated actual and the 2014-15 Budget include:

14. Increase mainly due to additional funding for the *Great Teachers = Great Results* initiative, anticipated state school enrolment growth and enterprise bargaining outcomes, costs associated with the transition of Year 7 to Secondary from 2015, funding for Australian Government National Partnership programs including deferrals for Skills Reform, Improving Literacy and Numeracy and Universal Access programs, and additional funding with the introduction the Australian Government *National Education Reforms - Students First program* which replaced the *Schools Specific Purpose Payments*; partially offset by decreases due to transfer of funds to equity mainly to reflect the level of expensed capital works and changes to depreciation expense resulting from the transfer out of TAFE assets as a result of Machinery of Government changes.
15. Decrease mainly reflects Machinery of Government changes associated with revenue received directly by TAFE institutes transferring to the new TAFE Queensland entity.

16. Increase mainly due to new recoveries as a result of Machinery of Government changes in relation to the interim arrangement of retaining staff responsible for managing TAFE infrastructure assets as departmental employees, with the costs fully recovered from the new entity Queensland Training Assets Management Authority.
17. Decrease mainly due to Machinery of Government changes with TAFE institute related staff transferring to the new TAFE Queensland entity and the Central Queensland University; partially offset by increases due to anticipated state school enrolment growth and enterprise bargaining outcomes, and expenses associated with the transition of Year 7 into Secondary and the *Great Teachers = Great Result* initiatives.
18. Increase due to front line service procurement activities being separately recognised for the first time in the financial statements, and more training services being open to contestability from 1 July 2014 as part of the Skills Reform agenda.
19. Increase mainly due to Australian Government National Partnership programs, including deferrals for Skills Reform and Improving Literacy and Numeracy programs, additional funding with the introduction of the Australian Government *National Education Reforms - Students First* program which replaced the *Schools Specific Purpose Payments*; partially offset by the transfer out of front line service procurement activities to a separate line item in the financial statements.
20. Increase mainly reflects Machinery of Government changes including the payment of the VET Purchaser's Grant and rental subsidies to the new TAFE Queensland entity as a consequence of the implementation of the Government's training reforms.
21. Decrease largely reflects the level of depreciation expense resulting from the transfer of TAFE assets to the new TAFE Queensland entity, the Queensland Training Assets Management Authority and Central Queensland University as part of the Machinery of Government changes effective 1 July 2014.

Statement of Changes in Equity

Major variations between 2013-14 Adjusted budget and 2013-14 Estimated actual include:

22. Decrease mainly due to the write-down of land and building values and the assets being transferred out of the department as part of the Machinery of Government changes effective 1 July 2014.
23. Change reflects the department's overall operating position following Machinery of Government changes that resulted in the re-integration of the former Gold Coast Institute of TAFE and Southbank Institute of Technology statutory authorities back into the department.
24. Change due largely to the transfer of funds to equity to reflect the levels of expensed capital works, school bank account balances and depreciation expenditure.

Major variations between 2013-14 Adjusted budget and 2014-15 Budget include:

25. Decrease mainly due to the write-down of land and building values and the assets being transferred out of the department as part of the Machinery of Government changes effective 1 July 2014; partially offset by the anticipated impact of asset revaluations.
26. Change reflects the department's overall operating position following Machinery of Government changes that resulted in the re-integration of the former Gold Coast Institute of TAFE and Southbank Institute of Technology statutory authorities back into the department.
27. Changes due mainly to the transfer of funds to equity to reflect the levels of expensed capital works and depreciation expenditure including the impact on depreciation as a result of Machinery of Government changes; partially offset by the winding down of the capital elements of the program to transition Year 7 to Secondary from 2015 and the transfer of Australian Government National Skills Workforce *Specific Purpose Payments* funding from capital back into operating as a result of Machinery of Government changes.
28. Decrease in equity relating to the transfer of net assets and liabilities from the department as a result of Machinery of Government changes.

Major variations between 2013-14 Estimated actual and the 2014-15 Budget include:

29. Increase mainly due to the anticipated impact of asset revaluations.
30. Change mainly due to the winding down of the capital elements of the program to transition Year 7 to Secondary from 2015, transfers to equity to reflect the level of school bank account balances and the transfer of Australian Government National Skills Workforce *Specific Purpose Payments* funding from capital to operating as a result of Machinery of Government changes; partially offset by adjustments to reflect the level of depreciation expenditure when assets are transferred to the new Queensland Training Assets Management Authority, TAFE Queensland and Central Queensland University.
31. Decrease in equity relating to the transfer of net assets and liabilities from the department as a result of Machinery of Government changes.

Balance sheet

Major variations between 2013-14 Adjusted budget and 2013-14 Estimated actual include:

32. Changes largely reflect the timing in relation to capital works delivery and the level of school bank account balances at year end.
33. Increase mainly reflects Southbank Institute of Technology's fixed term deposit investment.
34. Increase reflecting the level of assets no longer required by the department.
35. Decrease mainly due to the write down of TAFE infrastructure assets prior to the assets being transferred to the Queensland Training Assets Management Authority as well as the impact of asset revaluations being lower than anticipated.
36. Increase mainly due to the transfer of funds to equity to reflect the level of expensed capital works, school bank account balances and depreciation expenditure.
37. Decrease mainly due to the write down of TAFE infrastructure assets prior to the assets being transferred to the Queensland Training Assets Management Authority as well as the impact of the annual asset revaluations being lower than anticipated.

Major variations between 2013-14 Adjusted budget and 2014-15 Budget include:

38. Decrease mainly due to the transfer of debtors to TAFE Queensland and Central Queensland University as a result of Machinery of Government changes.
39. Increase mainly in relation to accounting treatments for elements of the new Queensland Schools Public Private Partnership.
40. Increase reflecting the level of assets no longer required by the department.
41. Decrease mainly due to the transfer of assets to the new TAFE Queensland entity, Queensland Training Assets Management Authority, Central Queensland University and the Government Employee Housing Scheme as a result of Machinery of Government changes; partially offset by the anticipated impact of annual asset revaluations.
42. Decrease mainly due to the transfer of assets to the new TAFE Queensland entity as a result of Machinery of Government changes.
43. Decrease mainly due to the transfer of creditors from the department to TAFE Queensland and Central Queensland University as a result of Machinery of Government changes.
44. Increase mainly due to changes in the level of accrued employee benefits based on the number of accrual days for 2013-14 compared with 2014-15.
45. Decrease mainly in relation to Machinery of Government changes.
46. Increase mainly due to commencement of new Queensland Schools Public Private Partnership finance lease.
47. Decrease mainly in relation to Machinery of Government changes with the transfer of net assets and liabilities out of the department.
48. Decrease mainly due to the impact of asset revaluations being lower than anticipated, and land and buildings revaluations prior to transfer to the Machinery of Government changes from 1 July 2014.

Major variations between 2013-14 Estimated actual and the 2014-15 Budget include:

49. Increase mainly due to higher levels of accrued employee benefits and changes in internet service provider arrangements for the Australian Government National Partnership - Digital Education Revolution program.
50. Decrease mainly due to the transfer of debtors to TAFE Queensland and Central Queensland University as a result of Machinery of Government changes.
51. Decrease reflects the transfer of Southbank Institute of Technology's fixed term deposit investment to the new TAFE Queensland entity as a result of Machinery of Government changes.
52. Increase mainly in relation to accounting treatments for elements of the new Queensland Schools Public Private Partnership.
53. Decrease reflecting the level of assets no longer required by the department, including the impact of transfers associated with Machinery of Government changes.
54. Decrease mainly in relation to the transfer of assets from the department as a result of Machinery of Government changes; partially offset by the anticipated impact of annual asset revaluations.
55. Decrease mainly in relation to the transfer of intangible assets from the department as a result of Machinery of Government changes.
56. Decrease mainly due to the transfer of creditors from the department to TAFE Queensland and Central Queensland University as a result of Machinery of Government changes.
57. Increase mainly due to changes in the level of accrued employee benefits.
58. Decrease mainly in relation to Machinery of Government changes.

- 59. Increase mainly due to commencement of new Queensland Schools Public Private Partnership finance lease.
- 60. Decrease mainly in relation to the transfer of net assets and liabilities from the department as part of the Machinery of Government changes.
- 61. Increase mainly reflects the anticipated impact of annual asset revaluations.

Cash flow statement

Major variations between 2013-14 Adjusted budget and 2013-14 Estimated actual include:

- 62. Decrease mainly due to the transfer of funds to equity to reflect the level of expensed capital works and school bank account balances, funding for Australian Government National Partnership programs including deferrals associated with Skills Reform, Improving Literacy and Numeracy, and Universal Access programs, and deferrals for the State funded component of the Universal Access program; partially offset by additional Commonwealth funding with the introduction of the *National Education Reforms - Students First program* which replaced the *Schools Specific Purpose Payments*.
- 63. Changes mainly reflect the realignment of school based revenue (including school excursions and other revenue received directly by schools) resulting from improved data since the implementation of the new school financial system in 2012-13.
- 64. Decrease mainly due to the realignment of school based revenue and the reclassification of goods and services tax receivable and payable from other inflows to supplies and services categories within the cash flow statement.
- 65. Decrease mainly due to changes in the level of expensed capital works and school bank account balances, Commonwealth National Partnership programs, including deferrals associated with Skills Reform, Improving Literacy and Numeracy, and Universal Access programs and the reclassification of goods and services tax receivable and payable from other inflows to supplies and services categories within the cash flow statement; partially offset by additional Commonwealth funding with the introduction of the *National Education Reforms - Students First program* which replaced the *Schools Specific Purpose Payments*.
- 66. Decrease mainly due to deferrals associated with Commonwealth National Partnership programs including Skills Reform and Universal Access, and the State funded component of Universal Access.
- 67. Decrease reflecting changes in the department's asset disposal program.
- 68. Increase mainly reflects Southbank Institute of Technology's fixed term deposit investment.
- 69. Increase mainly due to the transfer of funds to equity to reflect the level of expensed capital works, school bank account balances and depreciation expenditure.

Major variations between 2013-14 Adjusted budget and 2014-15 Budget include:

- 70. Increase mainly due to additional funding for the *Great Teachers = Great Results* initiative, anticipated state school enrolment growth and enterprise bargaining outcomes, costs associated with the transition of Year 7 to Secondary from 2015, funding for Australian Government National Partnership programs including deferrals for Skills Reform, Improving Literacy and Universal Access, and additional funding with the introduction the Australian Government *National Education Reforms - Students First program* which replaced the *Schools Specific Purpose Payments*; partially offset by decreases due to transfer of funds to equity mainly to reflect the level of expensed capital works and changes to depreciation expense resulting from the transfer out of TAFE assets as a result of Machinery of Government changes.
- 71. Changes mainly reflect Machinery of Government changes associated with revenue received directly by TAFE institutes transferring to the new TAFE Queensland entity and the realignment of school based revenue (including school excursions and other revenue received directly by schools) resulting from improved data since the implementation of the new school financial system in 2012-13.
- 72. Decrease mainly due to the realignment of school based activities expenditure and the reclassification of goods and services tax receivable and payable from other inflows to supplies and services categories within the cash flow statement.
- 73. Decrease mainly due to Machinery of Government changes partially offset by increases due to enterprise bargaining outcomes and state school enrolment growth, and expenses associated with the transition of Year 7 into Secondary and the *Great Teachers = Great Result* initiatives.
- 74. Increase mainly due to Australian Government National Partnership programs including deferrals associated with Skills Reform and Improving Literacy and Numeracy programs, additional funding with the introduction of the Australian Government *National Education Reforms - Students First program* which replaced the *Schools Specific Purpose Payments*; partially offset by the reclassification of goods and services tax receivable and payable from other inflows to supplies and services categories within the cash flow statement.

75. Increase mainly due to Machinery of Government changes including the payment of the VET Purchasers Grant and rental subsidies to the new TAFE Queensland entity as a consequence of the implementation of the Government's training reforms; partially offset by Australian Government National Partnership programs including deferrals for Skills Reform and Universal Access.
76. Decrease mainly reflects the changes in the department's asset disposal program.
77. Decrease mainly reflects the level of the department's capital acquisitions program including the winding down of the capital elements of the program transitioning year 7 to Secondary from 2015.
78. Increase due mainly to the transfer of funds to equity to reflect the levels of expensed capital works and depreciation expenditure, including the impact on depreciation as a result of Machinery of Government changes; partially offset by the winding down of the capital elements of the program to transition Year 7 to Secondary from 2015 and the transfer of Australian Government National Skills Workforce *Specific Purpose Payments* funding from capital back into operating as a result of Machinery of Government changes.
79. Decrease mainly in relation to anticipated cash transfers to the new TAFE Queensland entity as a result of the Machinery of Government changes.

Major variations between 2013-14 Estimated actual and the 2014-15 Budget include:

80. Increase mainly due to additional funding for the *Great Teachers = Great Results* initiative, anticipated state school enrolment growth and enterprise bargaining outcomes, costs associated with the transition of Year 7 to Secondary from 2015, funding for Australian Government National Partnership programs including deferrals for Skills Reform and Universal Access, and additional funding with the introduction of the Australian Government *National Education Reforms - Students First* program which replaced the *Schools Specific Purpose Payments*; partially offset by decreases due to transfer of funds to equity mainly to reflect the level of expensed capital works and changes to depreciation expense resulting from the transfer out of TAFE assets as a result of Machinery of Government changes.
81. Decrease mainly reflect Machinery of Government changes associated with revenue received directly by TAFE institutes transferring to the new TAFE Queensland entity.
82. Increase mainly due to new recoveries as a result of Machinery of Government changes in relation to the interim arrangement of retaining staff responsible for management TAFE infrastructure assets as departmental employees, with the costs fully recovered from the new entity Queensland Training Assets Management Authority.
83. Decrease mainly due to Machinery of Government changes with TAFE institute related staff transferring to the new TAFE Queensland entity and the Central Queensland University; partially offset by increases due to anticipated state school enrolment growth and enterprise bargaining outcomes, and expenses associated with the transition of Year 7 into Secondary and the *Great Teachers = Great Result* initiatives.
84. Increase mainly due to Australian Government National Partnership programs including deferrals associated with Skills Reform and Improving Literacy and Numeracy programs, and additional funding with the introduction of the Australian Government *National Education Reforms - Students First* program which replaced the *Schools Specific Purpose Payments*.
85. Increase mainly reflect Machinery of Government changes including the payment of the VET Purchasers Grant and rental subsidies to the new TAFE Queensland entity as a consequence of the implementation of the Government's training reforms.
86. Decrease reflecting changes in the department's asset disposal program.
87. Decrease mainly reflects the level of the department's capital acquisitions program including the winding down of the capital elements of the program to transition Year 7 to Secondary from 2015.
88. Reflects the transfer of Southbank Institute of Technology's fixed term deposit investment to the new TAFE Queensland entity as part of the Machinery of Government changes.
89. Decrease mainly due to the winding down of the capital elements of the program to transition Year 7 to Secondary from 2015, the level of school bank account balances and the transfer of Australian Government National Skills Workforce *Specific Purpose Payments* funding from capital to operating as a result of Machinery of Government changes; partially offset by adjustments to reflect the level of depreciation expenditure when assets are transferred to the new Queensland Training Assets Management Authority, TAFE Queensland and Central Queensland University.
90. Decrease mainly in relation to anticipated cash transfers to the new TAFE Queensland entity as a result of the Machinery of Government changes.

Administered income statement

Major variations between 2013-14 Adjusted budget and 2013-14 Estimated actual include:

91. Increase reflects higher levels of Australian Government grant assistance to non-state schools.

Major variations between 2013-14 Adjusted budget and 2014-15 Budget include:

- 92. Increase reflects higher levels of Australian Government grant assistance to non-state schools and higher level of State Government funding to non-state sector, increased levels of State Government grants for Textbook Allowance for both state and non-state sectors; partially offset in part by the winding down of the capital elements of the Transition of Year 7 to Secondary program.
- 93. Increase reflects higher levels of Australian Government grant assistance to non-state schools.
- 94. Increase reflects the loss on the transfer of net assets and liabilities from the department following the amalgamation of Central Queensland Institute of TAFE with the Central Queensland University from 1 July 2014.

Major variations between 2013-14 Estimated actual and the 2014-15 Budget include:

- 95. Increase reflects higher levels of Australian Government grant assistance to non-state schools and higher level of State Government funding to non-state sector, increased levels of State Government grants for Textbook Allowance for both state and non-state sectors; partially offset in part by the winding down of the capital elements of the Transition of Year 7 to Secondary program.
- 96. Increase reflects higher levels of Australian Government grant assistance to non-state schools.
- 97. Increase reflects the loss on the transfer of net assets and liabilities from the department following the amalgamation of Central Queensland Institute of TAFE with the Central Queensland University from 1 July 2014.

Administered balance sheet

Major variations between 2013-14 Adjusted budget and 2014-15 Budget include:

- 98. Increase reflects the transfer of (net) assets and liabilities from departmental controlled activities to facilitate Machinery of Government changes that will amalgamate the Central Queensland Institute of TAFE with the Central Queensland University from 1 July 2014.
- 99. Increase (accumulated deficit) reflects the loss on the transfer of (net) assets and liabilities from the department following the amalgamation of Central Queensland Institute of TAFE with the Central Queensland University from 1 July 2014.

Major variations between 2013-14 Estimated actual and the 2014-15 Budget include:

- 100. Increase reflects the transfer of net assets and liabilities from departmental controlled activities to facilitate Machinery of Government changes that will amalgamate the Central Queensland Institute of TAFE with the Central Queensland University from 1 July 2014.
- 101. Increase (accumulated deficit) reflects the loss on the transfer of net assets and liabilities from the department following the amalgamation of Central Queensland Institute of TAFE with the Central Queensland University from 1 July 2014.

Administered cash flow statement

Major variations between 2013-14 Adjusted budget and 2013-14 Estimated actual include:

- 102. Increase reflects higher levels of Australian Government grant assistance to non-state schools.

Major variations between 2013-14 Adjusted budget and 2014-15 Budget include:

- 103. Increase reflects higher levels of Australian Government grant assistance to non-state schools and higher level of State Government funding to non-state sector, increased levels of State Government grants for Textbook Allowance for both state and non-state sectors; partially offset in part by the winding down of the capital elements of the Transition of Year 7 to Secondary program.
- 104. Increase reflects higher levels of Australian Government grant assistance to non-state schools.

Major variations between 2013-14 Estimated actual and the 2014-15 Budget include:

- 105. Increase reflects higher levels of Australian Government grant assistance to non-state schools and higher level of State Government funding to non-state sector, increase levels of State Government grants for Textbook allowance for both state and non-state sectors; partially offset in part by the winding down of the capital elements of the Transition of Year 7 to Secondary program.
- 106. Increase reflects higher levels of Australian Government grant assistance to non-state schools.

STATUTORY BODIES

TAFE QUEENSLAND

AGENCY OVERVIEW

Strategic direction

TAFE Queensland was established as a statutory body under the *TAFE Queensland Act 2013* on 1 July 2013. From 1 July 2014 all TAFE institutes and corporate functions will be transferred from the Department of Education Training and Employment to the TAFE Queensland statutory body. TAFE Queensland will operate state-wide training centres managed through six regions including Brisbane, Gold Coast, SkillsTech, East Coast, South West and North. TAFE Queensland's mission is to be an efficient, effective, sustainable and responsive organisation that develops the skills and employment opportunities for individuals meeting employer, industry and community demands.

TAFE Queensland offers a range of high-level vocational qualifications, associate degrees, university pathways and articulation arrangements in key industries. 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. *"Great Skills. Real Opportunities. The Queensland Government's reform action plan for further education and training"* provides clear direction for the VET sector to support the development of the Government's objectives for the community of growing a strong four pillar economy by:

- defining its market position as an independent, commercially focussed organisation that is the provider of choice in markets it chooses to operate
- sharpening its industry, employer and student focus through effective engagement and partnerships that deliver real solutions and benefits for customers
- building its capability and outcomes focus to ensure that it delivers against customer and stakeholder expectations
- innovating its products and services to improve employment and further study outcomes and produce graduates who can 'make great happen'
- embedding sustainability through an enterprising approach to business development and business models that deliver economies of scale.

TAFE Queensland will also respond to the Government's reforms by revitalising its products to ensure its competitive positioning in a contestable market; working with other agencies to manage the transition of State training assets; and aligning its delivery to Queensland's skilling priorities.

RESOURCES AND PERFORMANCE

In its first year of operation, TAFE Queensland achieved the following:

- appointment of the TAFE Queensland Board on 15 August 2013
- Ministerial appointment of TAFE Queensland's first Chief Executive Officer on 1 July 2013
- commenced the implementation of its key objectives under the *TAFE Queensland Act 2013*.

During 2013-14, TAFE Queensland institutes commenced a major transformation program, including institute amalgamations and the reshaping of the workforce to both align capabilities to the changing VET market and achieve efficiencies.

As a statutory body, TAFE Queensland's is focussed on being efficient and effective in performing its functions, differentiating its product to meet client demand and aiming to be commercially successful. In 2014-15, TAFE Queensland will:

- commence the management of TAFE Queensland's operations following its transfer from the Department of Education, Training and Employment
- continue to match programs and delivery locations to the future demand for skills
- implement new enterprise ICT systems to support efficient student and learning management, human resource and finance processes
- establish a new product management framework for the development and delivery of learning products that will delineate TAFE Queensland's offerings.

STATEMENTS

Staffing

TAFE Queensland	Notes	2013-14 Adjusted Budget	2013-14 Est. Actual	2014-15 Budget
	1,2	..	..	4,265

Notes:

1. Full-time equivalents (FTEs) as at 30 June.
2. Staff will transfer to TAFE Queensland from the Department of Education, Training and Employment on 1 July 2014.

Performance Statement

TAFE Queensland	Notes	2013-14 Target/Est.	2013-14 Est. Actual	2014-15 Target/Est.
Service standards				
Proportion of all attempted competencies successfully completed	1,2	New Measure	N/A	90%
Student post training outcome (employed or in further study after training)	1,2,3	New Measure	N/A	89%
Proportion of graduates satisfied with the overall quality of their training	1,2,3	New Measure	N/A	89%
Proportion of employers satisfied with the overall quality of training	1,2	New Measure	N/A	85%
Average cost per competency successfully completed (\$)	1,2	New Measure	N/A	\$781

Notes:

1. On 1 July 2013, TAFE Queensland was established as a statutory body. 2013-14 Estimated actual results for these measures are unavailable. Prior to this date, performance measures for TAFE Queensland were collected but not reported through the Service Delivery Statements.
2. These measures were reported in 2013-14 separately by the former statutory TAFE institutes of Gold Coast Institute of TAFE and Southbank Institute of Technology. The 2014-15 Target estimate reflects the services of TAFE Queensland established as a statutory body on 1 July 2013 and to compare these measures would not provide a true comparison.
3. Survey results reported in 2014-15 will relate to students who have completed their study with TAFE Queensland in 2013.

INCOME STATEMENT

TAFE Queensland	Notes	2013-14 Adjusted Budget \$'000	2013-14 Est. Act. \$'000	2014-15 Budget \$'000
Income	1			
User charges and fees		..	..	432,192
Grants and other contributions		..	..	274,540
Interest		..	..	2,067
Other revenue		..	..	6,061
Gains on sale/revaluation of assets		..	..	..
Total income		..	..	714,860
Expenses				
Employee expenses		..	..	382,098
Supplies and services:				
- Outsourced service delivery		..	..	..
- Other supplies and services		..	..	319,163
Grants and subsidies		..	..	396
Depreciation and amortisation		..	..	9,250
Finance/borrowing costs		..	..	..
Other expenses		..	..	3,953
Losses on sale/revaluation of assets		..	..	..
Total expenses		..	..	714,860
OPERATING SURPLUS/(DEFICIT)		..	..	0

STATEMENT OF CHANGES IN EQUITY

TAFE Queensland	Notes	2013-14 Adjusted Budget \$'000	2013-14 Est. Act. \$'000	2014-15 Budget \$'000
Net effect of the changes in accounting policies and prior year adjustments	
Increase/(decrease) in asset revaluation reserve	
Net amount of all revenue and expense adjustments direct to equity not disclosed above	
Net income recognised directly in equity	
Surplus/(deficit) for the period	
Total recognised income and expense for the period	
Equity injection/(withdrawal)	
Equity adjustments (inc. MoG transfers)		103,056
Total movement in equity for period		103,056

BALANCE SHEET

TAFE Queensland	Notes	2013-14 Adjusted Budget \$'000	2013-14 Est. Act. \$'000	2014-15 Budget \$'000
CURRENT ASSETS				
Cash assets		83,854
Receivables		67,415
Other financial assets		25,511
Inventories		1,532
Other		2,561
Non-financial assets held for sale	
Total current assets		180,873
NON-CURRENT ASSETS				
Receivables	
Other financial assets		3,135
Property, plant and equipment		9,019
Intangibles		2,512
Other	
Total non-current assets		14,666
TOTAL ASSETS		195,539
CURRENT LIABILITIES				
Payables		38,296
Accrued employee benefits		6,337
Interest-bearing liabilities and derivatives	
Provisions	
Other		46,101
Total current liabilities		90,734
NON-CURRENT LIABILITIES				
Payables	
Accrued employee benefits	
Interest-bearing liabilities and derivatives	
Provisions		1,749
Other	
Total non-current liabilities		1,749
TOTAL LIABILITIES		92,483
NET ASSETS/(LIABILITIES)		103,056
EQUITY				
Capital/contributed equity		103,056
Accumulated surplus/(accumulated deficit)	
Reserves:				
- Asset revaluation surplus	
- Other (specify)	
TOTAL EQUITY		103,056

CASH FLOW STATEMENT

TAFE Queensland	Notes	2013-14 Adjusted Budget \$'000	2013-14 Est. Act. \$'000	2014-15 Budget \$'000
CASH FLOWS FROM OPERATING ACTIVITIES				
Inflows				
User charges and fees		433,573
Grants and other contributions		274,540
Interest received		2,067
Taxes	
Other		29,492
Outflows				
Employee costs		(377,523)
Supplies and services		(344,644)
Grants and subsidies		(396)
Borrowing costs	
Other		(6,335)
Net cash provided by/(used in) operating activities		10,774
CASH FLOWS FROM INVESTING ACTIVITIES				
Inflows				
Sales of non-financial assets	
Investments redeemed	
Loans and advances redeemed	
Outflows				
Payments for non-financial assets		(5,000)
Payments for investments	
Loans and advances made	
Net cash provided by/(used in) investing activities		(5,000)
CASH FLOWS FROM FINANCING ACTIVITIES				
Inflows				
Borrowings	
Equity injections	
Outflows				
Borrowing redemptions	
Finance lease payments	
Equity withdrawals	
Net cash provided by/(used in) financing activities	
Net increase/(decrease) in cash held		5,774
Cash at the beginning of financial year	
Cash transfers from restructure		78,080
Cash at the end of financial year		83,854

EXPLANATION OF VARIANCES IN THE FINANCIAL STATEMENTS

TAFE Queensland will commence the management of its operations as a separate statutory body on 1 July 2014 following its transfer from the Department of Education, Training and Employment. The 2014-15 Budget, including balances transferred to TAFE Queensland on 1 July 2014, is subject to finalisation of Machinery of Government and funding arrangements with the Department of Education, Training and Employment, and leasing arrangements with the Department of Housing and Public Works, on behalf of the proposed statutory body - Queensland Training Asset Management Authority.

Notes:

1. Grants and other contributions include a funding allocation from the Department of Education, Training and Employment via the 2014-15 VET Purchaser's Grant and an additional rent subsidy.

QUEENSLAND CURRICULUM AND ASSESSMENT AUTHORITY

AGENCY OVERVIEW

Strategic direction

The Queensland Curriculum and Assessment Authority (QCAA) will replace the Queensland Studies Authority (QSA) on 1 July 2014 as the statutory body responsible for providing kindergarten to Year 12 syllabuses and guidelines, and assessment, testing, reporting, certification and tertiary entrance services to Queensland schools. The QCAA will continue to support the Government's objectives for the community to revitalise front line services for families by assisting teachers to develop high-quality curriculum for the classroom.

Key strategic directions for the QCAA include establishing a new identity, revitalising Queensland's senior assessment system, and more deeply engaging with schools to support teaching and learning. This will be supported by strong governance, efficient business operations and the development of innovative products and services.

RESOURCES AND PERFORMANCE

In 2013, the QSA issued 48,874 Senior Education Profiles to Year 12 Queensland students. A total of 43,244 students (88%) also received a Queensland Certificate of Education (QCE) — up from 41,398 (86%) in 2012. The number of Aboriginal and Torres Strait Islander students receiving a QCE increased from 1327 in 2012 to 1515 in 2013. Queensland Certificates of Individual Achievement were awarded to 659 students, and 26,612 students received Tertiary Entrance Statements.

During 2014, the National Assessment Program – Literacy and Numeracy (NAPLAN) was administered to approximately 226,570 Queensland students in Years 3, 5, 7 and 9, compared to 236,548 in 2013. This smaller cohort is due to the initial half-cohort Prep Year being in Year 7 in 2014.

The QCAA will continue to support Queensland schools to implement the Australian Curriculum through the development of resources and the delivery of professional development programs. This work will be underpinned by collaboration and consultation with the education community.

Support for the implementation of the Queensland Kindergarten Learning Guideline (QKLG) will continue with the development of additional online resources and professional development programs for teachers in kindergartens and long day care services. The QKLG contributes to the Government's commitment to provide universal access to quality early childhood education.

The implementation of the recommendations from the Queensland Parliamentary inquiry into assessment methods for senior mathematics, chemistry and physics in Queensland schools and the outcomes of the review of senior assessment and tertiary entrance processes will provide the foundation for a renewed senior assessment system that will successfully serve the young people of Queensland and draw on the professional expertise of teachers.

The QCAA will continue the revision of internal processes and forms to reduce red tape and increase efficiency of administrative practices. Recent initiatives to reduce the administrative burden on schools include the streamlining of moderation processes for some senior subjects and reducing the information schools are required to submit in applications for trials of curriculum products.

STATEMENTS

Staffing

Queensland Curriculum and Assessment Authority	Notes	2013-14	2013-14	2014-15
		Adjusted Budget	Est. Actual	Budget
	1,2,3	204	213	205

Notes:

1. Full-time equivalents (FTEs) as at 30 June.
2. The majority of the QCAA's FTE staff are based at the South Brisbane office, with the remainder located at 11 district offices across Queensland. The figures include permanent and temporary funded positions.
3. The increase from the 2013–14 Adjusted budget to the 2013–14 Estimated actual is due to additional temporary staff employed to develop QKLG resources, implement the recommendations from the Parliamentary Inquiry into assessment methods used in senior mathematics, chemistry and physics, and progress the transition from the QSA to the QCAA.

Performance Statement

Queensland Curriculum and Assessment Authority	Notes	2013-14 Target/Est.	2013-14 Est. Actual	2014-15 Target/Est.
Service standards				
Percentage of stakeholders surveyed who consider the syllabuses and support materials developed by the Authority to be satisfactory		90%	88%	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%	0.01%	0.02%
Average cost per syllabus revision	1	\$88,598	\$130,768	\$90,995
Average cost per student of developing and issuing Senior Education Profiles		\$267	\$267	\$263
Average cost per student of developing and issuing the National Assessment Program – Literacy and Numeracy (NAPLAN) student report	2	\$38	\$35	\$33
Average cost per student of tertiary entrance and pathways information programs		\$9	\$9	\$9

Notes:

1. The increase in the 2013-14 Estimated actual is a result of a decrease in the number of syllabus revisions due to a change in the revision schedule for the Study Area Specifications. When this is applied to relatively fixed labour costs, the average cost is increased.
2. These figures represent a total cost of the administration of the NAPLAN tests in Queensland. Schools/school sectors contribute to the overall costs. The decrease in 2014-15 Target estimate is due to Year 7 students in 2015 being a full cohort rather than a half cohort in 2014 (from the introduction of the Prep Year in 2007). When this is applied to relatively fixed costs, the average cost is decreased.

INCOME STATEMENT

Queensland Curriculum and Assessment Authority	Notes	2013-14 Adjusted Budget \$'000	2013-14 Est. Act. \$'000	2014-15 Budget \$'000
Income				
User charges and fees	1,10	1,528	1,750	1,508
Grants and other contributions	2,6,11	36,380	36,908	37,344
Interest	3,7	533	372	373
Other revenue		6	3	4
Gains on sale/revaluation of assets		..	..	..
Total income		38,447	39,033	39,229
Expenses				
Employee expenses	4,8,12	24,952	25,708	26,194
Supplies and services:				
- Outsourced service delivery		..	..	..
- Other supplies and services	9,13	12,114	12,156	11,702
Grants and subsidies		..	6	..
Depreciation and amortisation	5,14	1,351	1,132	1,298
Finance/borrowing costs		..	..	..
Other expenses		30	28	35
Losses on sale/revaluation of assets		..	3	..
Total expenses		38,447	39,033	39,229
OPERATING SURPLUS/(DEFICIT)		..	..	..

STATEMENT OF CHANGES IN EQUITY

Queensland Curriculum and Assessment Authority	Notes	2013-14 Adjusted Budget \$'000	2013-14 Est. Act. \$'000	2014-15 Budget \$'000
Net effect of the changes in accounting policies and prior year adjustments	
Increase/(decrease) in asset revaluation reserve	
Net amount of all revenue and expense adjustments direct to equity not disclosed above	
Net income recognised directly in equity	
Surplus/(deficit) for the period	
Total recognised income and expense for the period	
Equity injection/(withdrawal)	
Equity adjustments (inc. MoG transfers)	
Total movement in equity for period	

BALANCE SHEET

Queensland Curriculum and Assessment Authority	Notes	2013-14 Adjusted Budget \$'000	2013-14 Est. Act. \$'000	2014-15 Budget \$'000
CURRENT ASSETS				
Cash assets	15,21	11,294	12,235	12,292
Receivables	16,22	308	800	818
Other financial assets		..	..	..
Inventories		6	32	32
Other	17,23	178	296	266
Non-financial assets held for sale		..	..	..
Total current assets		11,786	13,363	13,408
NON-CURRENT ASSETS				
Receivables		..	..	..
Other financial assets		..	..	..
Property, plant and equipment	18,24	1,271	1,042	1,035
Intangibles	19,24	4,285	3,767	3,657
Other		..	..	..
Total non-current assets		5,556	4,809	4,692
TOTAL ASSETS		17,342	18,172	18,100
CURRENT LIABILITIES				
Payables	20,25	3,178	3,753	3,639
Accrued employee benefits		1,860	1,838	1,880
Interest-bearing liabilities and derivatives		..	..	..
Provisions		..	..	..
Other		241	245	245
Total current liabilities		5,279	5,836	5,764
NON-CURRENT LIABILITIES				
Payables		..	..	..
Accrued employee benefits		..	..	..
Interest-bearing liabilities and derivatives		..	..	..
Provisions		..	..	..
Other		..	..	..
Total non-current liabilities		..	..	..
TOTAL LIABILITIES		5,279	5,836	5,764
NET ASSETS/(LIABILITIES)		12,063	12,336	12,336
EQUITY				
Capital/contributed equity		4,832	4,832	4,832
Accumulated surplus/(accumulated deficit)		7,231	7,504	7,504
Reserves:				
- Asset revaluation surplus		..	..	..
- Other (specify)		..	..	..
TOTAL EQUITY		12,063	12,336	12,336

CASH FLOW STATEMENT

Queensland Curriculum and Assessment Authority	Notes	2013-14 Adjusted Budget \$'000	2013-14 Est. Act. \$'000	2014-15 Budget \$'000
CASH FLOWS FROM OPERATING ACTIVITIES			..	..
Inflows			..	..
User charges and fees	26,35	1,517	1,896	1,478
Grants and other contributions	27,30,36	36,380	36,908	37,344
Interest received	28,31	566	383	373
Taxes		..	..	..
Other		171	170	169
Outflows				
Employee costs	29,32,37	(24,844)	(25,727)	(26,154)
Supplies and services	33,38	(12,181)	(12,095)	(11,780)
Grants and subsidies		..	(6)	..
Borrowing costs		..	..	..
Other		(153)	(206)	(192)
Net cash provided by/(used in) operating activities		1,456	1,323	1,238
CASH FLOWS FROM INVESTING ACTIVITIES				
Inflows				
Sales of non-financial assets		..	(3)	..
Investments redeemed		..	..	..
Loans and advances redeemed		..	..	..
Outflows				
Payments for non-financial assets	34,39	(1,582)	(1,590)	(1,181)
Payments for investments		..	..	..
Loans and advances made		..	..	..
Net cash provided by/(used in) investing activities		(1,582)	(1,593)	(1,181)
CASH FLOWS FROM FINANCING ACTIVITIES				
Inflows				
Borrowings		..	..	..
Equity injections		..	..	..
Outflows				
Borrowing redemptions		..	..	..
Finance lease payments		..	..	..
Equity withdrawals		..	..	..
Net cash provided by/(used in) financing activities		..	..	..
Net increase/(decrease) in cash held		(126)	(270)	57
Cash at the beginning of financial year		11,420	12,505	12,235
Cash transfers from restructure		..	..	..
Cash at the end of financial year		11,294	12,235	12,292

EXPLANATION OF VARIANCES IN THE FINANCIAL STATEMENTS

Income statement

Major variations between 2013-14 Adjusted budget and 2013-14 Estimated actual include:

1. Increase due to the *Australian Curriculum: Aligning Learning Areas* Conference and reimbursement by the Australian Curriculum, Assessment and Reporting Authority (ACARA) of costs incurred for reprinting of National Assessment Program - Literacy and Numeracy (NAPLAN) student reports.
2. Increase due to additional funding received from the Department of Education, Training and Employment (DETE) for the development of Queensland Kindergarten Learning Guideline (QKLG) resources.
3. Decrease due to a change in the timing of administered grant payments from DETE to more closely match the Queensland Studies Authority's (QSA) planned expenditure profile resulting in a reduction in investible funds.
4. Increase due to additional temporary staff employed to develop QKLG resources, implement the recommendations of the Parliamentary Inquiry into assessment in senior mathematics, chemistry and physics and progress the transition from the QSA to the Queensland Curriculum and Assessment Authority (QCAA).
5. Variation in depreciation expense caused by the commissioning of replacement ICT hardware occurring later than planned.

Major variations between 2013-14 Adjusted budget and 2014-15 Budget include:

6. Variation largely due to additional funding for Enterprise Bargaining Agreement (EBA) increase.
7. Decrease due to a change in the timing of administered grant payments from DETE to more closely match the QSA's planned expenditure profile resulting in a reduction in investible funds.
8. Variation largely due to EBA increase combined with additional temporary FTEs to commence preliminary implementation of the recommendations from the Australian Council for Educational Research (ACER) review of Queensland senior assessment and tertiary entrance processes.
9. Reallocation of supplies and services to fund additional temporary FTEs to commence preliminary implementation of the recommendations from the ACER review of Queensland senior assessment and tertiary entrance processes.

Major variations between 2013-14 Estimated actual and the 2014-15 Budget include:

10. Reduction due to one-off user charge items in 2013-14 Estimated actual, namely the *Australian Curriculum: Aligning Learning Areas* Conference and reimbursement by ACARA of costs incurred for reprinting NAPLAN student reports.
11. Increase largely due to funding for EBA increase.
12. Variation due to EBA increase partially reduced by cessation of 2013-14 temporarily funded positions.
13. Reallocation of supplies and services to fund additional temporary FTEs to commence preliminary implementation of the recommendations from the ACER review of Queensland senior assessment and tertiary entrance processes.
14. Increase due to full year's depreciation expense of ICT hardware commissioned in late February 2014.

Balance sheet

Major variations between 2013-14 Adjusted budget and 2013-14 Estimated actual include:

15. Increase primarily reflects a higher than projected opening balance brought forward from 2012-13.
16. Increase due to accrual of GST receivable on NAPLAN logistics contract milestones payable at end of financial year.
17. Increase due to additional prepaid expenditure on ICT hardware maintenance contracts.
18. Decrease primarily reflects a lower than projected opening balance brought forward from 2012-13.
19. Decrease due to lower than expected capital expenditure on software development.
20. Increase due to accrual of NAPLAN logistics contract milestone payments at end of financial year. This was not included in the 2013-14 Adjusted budget.

Major variations between 2013-14 Adjusted budget and 2014-15 Budget include:

21. Increase primarily reflects a higher than projected opening balance brought forward from 2012-13.
22. Increase due to accrual of GST receivable on NAPLAN logistics contract milestones payable at end of financial year.
23. Increase due to additional prepaid expenditure on ICT hardware maintenance contracts.

24. Reduction due to lower capital expenditure in 2014-15 Budget.
25. Increase due to accrual of NAPLAN logistics contract milestone payments at end of financial year. This was not included in the 2013-14 Adjusted budget.

Cash flow statement

Major variations between 2013-14 Adjusted budget and 2013-14 Estimated actual include:

26. Increase due to the *Australian Curriculum: Aligning Learning Areas* Conference and reimbursement by ACARA of costs incurred for reprinting of NAPLAN student reports.
27. Increase due to additional funding received from DETE for the development of QKLG resources.
28. Decrease due to a change in the timing of administered grant payments from DETE to more closely match the QSA's planned expenditure profile resulting in a reduction in investible funds.
29. Increase due to additional temporary staff employed to develop QKLG resources, implement the recommendations of the Parliamentary Inquiry into assessment in senior mathematics, chemistry and physics and progress the transition from the QSA to the QCAA.

Major variations between 2013-14 Adjusted budget and 2014-15 Budget include:

30. Variation largely due to additional funding for EBA increase.
31. Decrease due to a change in the timing of administered grant payments from DETE to more closely match the QSA's planned expenditure profile resulting in a reduction in investible funds.
32. Variation largely due to EBA increase combined with additional temporary FTEs to commence preliminary implementation of the recommendations from the ACER review of Queensland senior assessment and tertiary entrance processes.
33. Reallocation of supplies and services to fund additional temporary FTEs to commence preliminary implementation of the recommendations from the ACER review of Queensland senior assessment and tertiary entrance processes.
34. Reduction due to lower capital expenditure in 2014-15 Budget.

Major variations between 2013-14 Estimated actual and the 2014-15 budget include:

35. Reduction due to one-off user charge items in 2013-14 Estimated actual, namely the *Australian Curriculum: Aligning Learning Areas* Conference and reimbursement by ACARA of costs incurred for reprinting NAPLAN student reports.
36. Increase largely due to funding for EBA increase.
37. Variation due to EBA increase partially reduced by cessation of 2013-14 temporarily funded positions.
38. Reallocation of supplies and services to fund additional temporary FTEs to commence preliminary implementation of the recommendations from the ACER review of Queensland senior assessment and tertiary entrance processes.
39. Reduction due to lower capital expenditure in 2014-15 Budget.

GLOSSARY OF TERMS

Accrual Accounting	— 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.
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Administered Items	— Assets, liabilities, revenues and expenses an entity administers, without discretion, on behalf of the Government.
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Agency/Entity	— 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.
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Appropriation	— Funds issued by the Treasurer, under Parliamentary authority, to agencies during a financial year for: <ul style="list-style-type: none">– delivery of agreed services– administered items– adjustment of the Government's equity in agencies, including acquiring of capital.
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Balance Sheet	— A financial statement that reports the assets, liabilities and equity of an entity as at a particular date.
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Capital	— 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.
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Cash Flow Statement	— A financial statement reporting the cash inflows and outflows for an entity's operating, investing and financing activities in a particular period.
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Controlled Items	— 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.
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Depreciation	— The periodic allocation of the cost of physical assets, representing the amount of the asset consumed during a specified time.
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Equity	— 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.

Equity Injection	— An increase in the investment of the Government in a public sector agency.
Financial Statements	— Collective description of the Income Statement, the Balance Sheet and the Cash Flow Statement for an entity's controlled and administered activities.
Income Statement	— 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.
Outcomes	— Whole-of-government outcomes are intended to cover all dimensions of community well being. They express the current needs and future aspirations of communities, within a social, economic and environment context.
Own-Source Revenue	— Revenue that is generated by an agency, generally through the sale of goods and services, but it may also include some Commonwealth funding.
Priorities	— Key policy areas that will be the focus of Government activity.
Services	— The actions or activities (including policy development) of an agency which contribute to the achievement of the agency's objectives.

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.

