



Kristina Keneally MP

Monday, 21st March 2011

Mr Tony Harris
Acting Parliamentary Budget Officer
NSW Parliament
Macquarie Street
SYDNEY NSW 2000

21/3 11am

Dear Mr Harris

I am writing to you to formally request, under Part 4 (Election policy costings) of the Parliamentary Budget Officer Act 2010, an official costing for the *Best start in life: Labor's education policy*, publicly announced on 20 March 2011.

This policy document includes commitments under Section 18(2) of the Act, specifically:

- Provide an additional 150 opportunity class places in five NSW government primary schools
- Provide an additional 540 selective places in nine NSW government high schools - while the final locations have yet to be determined, there is a recognised need in Sydney's southwest and regional NSW
- Provide an additional 60 'virtual' places, delivered with new technologies, for students in regional and remote areas in NSW
- Pilot a new system to significantly increase the support available to students in NSW public schools by employing 50 new welfare workers in schools in Sydney's southwest to combat bullying
- A \$1.7 billion school infrastructure program, including \$102 million for upgrades of science laboratories in 190 schools as well as \$652 million on school maintenance
- Allow principals greater flexibility in how their maintenance funding is spent

Please find attached a copy of this policy outlining the purpose of the policy and relevant details required to complete the costing as per the requirements of the Act.

A copy of the NSW Treasury costing and budget impact statement for the policy has also been included for your reference.

Should you require any further information on this request, please contact my office on (02) 9228-5239.

Yours sincerely

Kristina Keneally
Premier of NSW
Leader of NSW Labor Party





Best start in life: Labor's education policy

March 2011

NSW
Labor

Kristina
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What this policy means for you

Quality education is one of the greatest things about living in NSW and, in particular, about having a family in NSW.

NSW Labor has transformed education in our State, building a first class education system for our children and their families.

Our students now enjoy a school system built on dedication and care, and a one which produces superb results, with NSW students leading the nation in numeracy and literacy.

Our Higher School Certificate remains one of the most respected high school qualifications in the world, and our curriculum is constantly evolving, to keep our kids engaged and prepared for a changing world.

And NSW Labor will continue to build on this record of excellence, by setting the highest standards; creating a safe and creative environment for children to develop; and giving teachers the skills they need to develop the next generation of students.

The numerous measures in this policy show how NSW can have high education standards, and still allow for the child as an individual.

They show how in pursuing common benchmarks for every student we can still create an environment in which each child is free to explore their own unique talents.

This is because great education should never be just about our school years, it is about how we become capable, and curious, for life itself.



That is why NSW Labor will work hard to ensure that our children continue to have the skills to learn, not only through school but throughout their lives – and seize every opportunity that a dynamic world will present them. That's what every parent wants for their child, including me.

Kristina Leneally

What this policy means for you

NSW Labor's policy builds on the strengths of our education system. It will maintain focus on basic skills – numeracy and literacy.

It will produce continued improvement in our literacy results by providing additional practical assistance to students who need it and expanding programs where evidence reports we are achieving good results. We will target Year 3 students who are falling behind to catch problems early.

In addition, it provides more resources to prevent bullying and keep our students safe.

A re-elected Keneally Government will pilot a new system to significantly increase the support available to students in NSW public schools.

We will build on our successful school counselling service by introducing new youth welfare workers to high schools to provide students with more immediate support in their home school, with a specific focus on tackling bullying.

Initially, we will pilot 50 new welfare workers in schools in Sydney's southwest region.

A re-elected Keneally Government will provide 540 additional places in nine high schools for our brightest students in the successful selective school program and the 150 new Opportunity Class program places in our primary schools as well as 60 "virtual" places for young people in rural and regional areas. These "virtual" places will be delivered through new technologies.

Excellence in teaching will be promoted and rewarded with an expansion in the number of Highly Accomplished Teacher positions by 100 bringing the total to 200 – doubling the number.

NSW Labor will continue its strong record of investing in new and upgraded facilities for our schools.

ACTION:

A Literacy Safeguard

- Introduce the Literacy Safeguard program to provide personalised additional tutoring for any Year 3 public school student who is shown by national testing to be below or just reaching the minimum standard in literacy
- We will provide two hours a week of additional tutoring by expert literacy teachers for one year

Our best teachers where they're needed most

- Employ an additional 100 Highly Accomplished Teachers to work in schools serving disadvantaged communities - doubling the number

Increasing choice for our best and brightest students

- Provide an additional 150 opportunity class places in five NSW government primary schools
- Provide an additional 540 selective places in nine NSW government high schools - while the final locations have yet to be determined, there is a recognised need in Sydney's southwest and regional NSW
- Provide an additional 60 'virtual' places, delivered with new technologies, for students in regional and remote areas in NSW

Supporting students, stopping bullying

- Pilot a new system to significantly increase the support available to students in NSW public schools by employing 50 new welfare workers in schools in Sydney's southwest to combat bullying

Continue to provide high quality school facilities

- A \$1.7 billion school infrastructure program, including \$102 million for upgrades of science laboratories in 190 schools as well as \$652 million on school maintenance
- Allow principals greater flexibility in how their maintenance funding is spent

Labor and Education

NSW Labor believes that all children should have an equal chance to achieve their full potential.

NSW Labor has overseen a dramatic expansion in the funds devoted to our schools and TAFEs from \$6 billion in 1995 to \$14.4 billion in this financial year.

Funding for initiatives specifically to support Aboriginal students has grown from \$11 million in the last Coalition budget to \$75 million today.

We have increased funding for students with special needs from \$329 million to more than \$1.15 billion.

With 750,000 students, the NSW public education system is one of the largest and most diverse school systems in the world.

NSW Labor believes schools must firstly focus on the basics of literacy and numeracy. Our approach has been to reinforce that emphasis in our NSW curriculum, which is now the strongest curriculum in Australia.

Students in NSW achieve among the best literacy and numeracy results in the country.

Through the three rounds of national literacy and numeracy testing that have occurred so far, NSW students have consistently outperformed those in other States.

We are committed to transparency in school outcomes, and to using the results of national testing to ensure that additional resources are directed to those students and schools that need them.

NSW Labor has maintained its focus on teacher quality. We developed a comprehensive set of teacher standards and require all teachers to be accredited against them. We provide ongoing opportunities for teachers to develop their skills.

NSW provides the highest pay of any state for our best teachers. We have set up the new category of Highly Accomplished Teacher to reward our best teachers and to make their expertise available in the schools where they are most needed.

NSW Labor has invested in information technology to extend educational opportunities across the State. This includes an interactive whiteboard, video-conferencing facilities and high speed broadband purchased for every public school.

Teachers can now engage their students by taking them through the online collection of the British Museum, live-streaming with a sister school classroom in China or listening in to a university professor's lecture – all without leaving the classroom.

Our selective and opportunity class places provide advanced coursework and specialist teacher assistance to extend the minds of our most gifted students.

NSW Labor in Government has delivered a world-class education system full of opportunity for every student across NSW.

Our Record

LABOR

- Expanded Best Start to every public primary school – a \$118 million initiative that allows Kindergarten teachers to personalise literacy and numeracy teaching to the individual needs of their students.
- Reduced class sizes in Years K-3 – the formative years when children learn the building blocks of reading and writing and need the most teacher attention.
- Continuous training for early years teachers in the latest, research-based techniques to help young students learn to read and write effectively.
- Worked with the Commonwealth to ensure that parents now have more information about how our schools are performing than ever before.
- Invested \$237 million of new State funds into schools serving disadvantaged communities – with Commonwealth investment, over \$1 billion is being shared by 600 schools to improve literacy and numeracy results, develop teacher skills and enhance services for families.
- Introduced super-teachers – paying our best teachers \$100,000 a year to work in schools serving highly disadvantaged communities.
- Developed an historic package of initiatives to improve educational outcomes among Aboriginal students, including targeted training and induction for teachers newly appointed to high Aboriginal enrolment schools and individual tuition for Aboriginal students falling behind in literacy.
- Raised the school leaving age and provided \$100 million per year to construct new facilities and employ additional staff to support students staying in school.
- Reformed attendance procedures to provide greater flexibility to schools and the courts in dealing with cases of non-attendance.
- Significantly expanded vocational course options for high school students – in 2010, more than one third of graduating students undertook a vocational qualification as part of their Higher School Certificate.

OPPOSITION

Barry O'Farrell has promised to expand Labor's Reading Recovery Program by 900 teachers, but his costing is out by \$50 million.

Voted for laws to fine newspapers that publish information about school performance that is freely available on the internet. Despite voting for the laws, Barry O'Farrell has repeatedly refused to clarify whether he would actually prosecute the *Sydney Morning Herald* and *Daily Telegraph* if they continue to publish school test data from the MySchool website for their readers.

Announced they would look at flexible hours for schools ('Doors open to schools never closing', *SMH*, 1 March 2011) before conceding on 2UE radio the same morning that this flexibility already exists.

Policy confusion on the school ethics course option. Barry O'Farrell said he would be guided by an evaluation of the trial of the ethics course. When that came back overwhelmingly positive, he nonetheless promised to cancel the ethics course if elected. Later, he back-flipped again and now says the ethics option will stay because he can't see a way to overturn it.

- Provided an additional \$100 million per year to employ new specialist teachers to work with children with special needs in 265 schools.
- In total, spending over \$1 billion per year to provide facilities and staff to support children with disabilities and special learning needs.
- Worked with NSW Health to create the School-Link program which links school and TAFE counsellors with mental health workers to promote mental health and improve prevention, treatment and support for children and adolescents with mental health problems
- Increased funding for students with mental health problems by almost 100 per cent over the last seven years.
- Labor has significantly increased support for vulnerable children and young people through the \$750 million *Keep them Safe* package.
- Developed the Digital Citizen website, the first of its kind in Australia to help young people, their families, and school staff, understand and deal with cyber-bullying.
- Introduced the ethics classes as an alternative to special religious education in NSW public schools.
- Spent more than \$2 billion in State funds on new and upgraded facilities for NSW public schools.
- Opened nine new public schools in this term of government.
- Spending \$5 million a week on maintenance and upkeep of our 2200 NSW public schools.
- Provided personal laptops to all teachers in public high schools.
- Recognising the importance of information technology, particularly in rural and regional schools, signed a \$280 million, four year contract with Telstra to accelerate broadband internet by up to 20 times for all NSW public schools.

Literacy Safeguard Program

NSW is a national leader in literacy.

This Government has focused on ensuring students learn the foundations of literacy in the early years. We have delivered smaller class sizes from kindergarten to Year 3 and mandated that half of class time in primary schools be devoted to teaching students the core literacy and numeracy skills they will need later in life.

As a result, a higher percentage of NSW Year 3 students reach and exceed the national minimum standards than in almost any other state.

NSW Labor's aim is to ensure that every single student can read and write effectively. That is why Labor will introduce the Literacy Safeguard Program.

For any Year 3 public school student who is shown by national testing to be below or just reaching the minimum standard in literacy, we will provide two hours a week of additional tutoring by expert literacy teachers for one year.

We know that students who have fallen behind in basic skills are unlikely to catch up to their peers in a normal classroom setting. These students need intensive individual attention.

We will train additional staff in the latest techniques to help struggling children learn to read and write. These staff will work with students in small groups, not exceeding four, to ensure that each student is given sufficient individual attention to catch up.

This is an Australian first. We will use the data provided by Australia's new national testing system to focus these additional resources where they are needed most.

All schools with students below the minimum standards will be given access to MULTILIT – *'Making Up Lost Time In Literacy'*, a phonics-based program that has been shown to be exceptionally effective for struggling readers.

MULTILIT has been used extensively by non-government organisations such as the Reverend Bill Crews' Exodus Foundation and Noel Pearson's Cape York Institute.

ACTION:

- Introduce the Literacy Safeguard program to provide personalised additional tutoring for any Year 3 public school student who is shown by national testing to be below or just reaching the minimum standard in literacy
- We will provide two hours a week of additional tutoring by expert literacy teachers for one year

Our best teachers where they're needed most

NSW Labor recognises that the skill of the teacher at the front of the classroom is the most important factor in a child's education within the Government's influence.

NSW Labor created the Institute of Teachers to improve teacher quality across the education system, by improving pre-service training, coordinating quality professional development opportunities and requiring teacher accreditation according to agreed standards. The professional standards developed in NSW have now been adopted as a basis for national standards.

Our standards set out not only the minimum skills we require of teachers before they enter the classroom, but also a mechanism to recognise the very best educators in our system as "Highly Accomplished Teachers".

The Government offers Highly Accomplished Teachers a salary exceeding \$100,000 a year to work in schools serving the most disadvantaged communities in the State. There are 84 such positions already allocated to NSW public schools, with another 16 being added this year.

This initiative is about getting our most exceptional teachers to the schools where their skills are needed most.

Highly Accomplished Teachers not only provide excellent teaching to the children in their classes, but also mentor other teachers and play a role in the school's leadership. Appointments at this level provide an additional career progression opportunity for our very best teachers and help to keep them in the profession and the public education system.

A re-elected Keneally Government will identify a further 100 schools serving disadvantaged communities to receive a Highly Accomplished Teacher.

This policy initiative will bring the total to 200 positions – doubling the number.

ACTION:

- Employ an additional 100 Highly Accomplished Teachers to work in schools serving disadvantaged communities – doubling the number

Increasing choice for our best and brightest students

The NSW education system provides for students of all talents and abilities.

Our academically gifted students are identified and given the chance to be supported and extended through the State's Opportunity and Selective Classes. In this environment, they are surrounded by other talented students, given specialist teaching assistance that is tailored to their needs and study advanced course content.

Our primary school Opportunity Class students achieve outstanding results in the national NAPLAN assessments and many go on to selective secondary schools, where they regularly top the state in the Higher School Certificate examination.

A re-elected Keneally Government will increase the number of places in academically selective classes in primary and high schools across NSW.

Opportunity and Selective streams will be added to established comprehensive schools in regions currently under-represented in the selective program.

While the final locations have yet to be determined, there is a recognised need in Sydney's southwest and regional NSW.

This will extend the opportunity to participate in the program to gifted students across the State.

ACTION:

- Provide an additional 150 opportunity class places in five NSW government primary schools
- Provide an additional 540 selective places in nine NSW government high schools - while the final locations have yet to be determined, there is a recognised need in Sydney's southwest and regional NSW
- Provide an additional 60 'virtual' places, delivered with new technologies, for students in regional and remote areas in NSW

Supporting Students, Stopping Bullying

NSW Labor recognises the impact that bullying has on students and their ability to learn.

We developed a comprehensive anti-bullying plan. We have provided extra funding to support students with mental health issues, and worked with universities to develop courses to expand our school counsellor workforce.

We also know that there has been an increasing demand for counselling services for young people.

A re-elected Keneally Government will pilot a new system to significantly increase the support available to students in NSW public schools.

We will build on our successful school counselling service by introducing new youth welfare workers to high schools to provide students with more immediate support in their home school, with a specific focus on tackling bullying.

Initially, we will pilot 50 new welfare workers in schools in Sydney's southwest region.

These additional staff will bring the ratio of students to welfare staff from 1:1000 down to 1:500 in this region.

Welfare workers will manage anti-bullying strategies within their schools, provide support to victims of bullying and their families work with students who bully, and train other teachers and staff in recognising and responding to bullying.

Welfare workers will bring a major focus to helping young people understand cyber-bullying. They will also help parents and educators keep up with changing technologies.

ACTION:

- Pilot a new system to significantly increase the support available to students in NSW public schools by employing 50 new welfare workers in schools in Sydney's southwest to combat bullying including cyber-bullying

Continue to provide high quality school facilities

A re-elected Keneally Government will dedicate \$102 million to ensure that every public high school has laboratories built to the latest standards for the teaching of science.

This commitment will deliver upgrades for the 190 public secondary and central schools that have not already had their science laboratories refurbished, or new laboratories built, during the last four years.

Science is a priority subject area for all Australian states and the only subject included in the first phase of the national curriculum that requires specialist facilities.

Excellent science resources can assist in engaging students in the subject and encouraging them to take on career paths in engineering, research and innovation.

The program of upgrades will be part of NSW Labor's planned spend of \$1.7 billion on school infrastructure works over the next four years.

NSW Labor will also spend \$652 million over the next four years on school maintenance.

Labor is committed to exploring new mechanisms to allow principals greater flexibility in how their maintenance funding is spent.

ACTION:

- Continue to provide high quality school facilities through a \$1.7 billion school infrastructure program, including \$102 million for upgrades of science laboratories in 190 schools as well as \$652 million on school maintenance
- Allow principals greater flexibility in how their maintenance funding is spent.



www.kristinakeneally.com.au



Costing of Proposal

Title/Subject:	Increasing choice for our best and brightest
Pink/Physical ID:	EA1639507
Proposal by:	Government
Agency:	Department of Education and Training
Cluster:	Education and Training
Detailed description:	Creating an additional 150 opportunity class places across 5 public primary schools; an additional 540 selective places across 9 public high schools; and allocating 60 additional places to the virtual selective school. Places to commence in 2012.
FIS No: 360	
Classification: GGB	

General Government Sector Financial Impact

	2010-11 \$'000	2011-12 \$'000	2012-13 \$'000	2013-14 \$'000	2014-15 \$'000	Ongoing \$'000
Expenses (incl. depreciation)		1,941	3,979	4,079	4,180	4,180
Less Agency Offsets (1)						
Less Agency Revenue						
Less Crown Provisions						
Budget Result Impact	0	-1,941	-3,979	-4,079	-4,180	-4,180
						Residual
Capital Expenditure						
Less Capital Offsets (1)						
Net Capital Cost	0	0	0	0	0	0
Depreciation						
Net Lending (2)	0	-1,941	-3,979	-4,079	-4,180	

Public Trading Enterprises Sector Financial Impact

	2010-11 \$'000	2011-12 \$'000	2012-13 \$'000	2013-14 \$'000	2014-15 \$'000	Ongoing \$'000
Revenues						
Expenses						
Operating Result	0	0	0	0	0	0
						Residual
Capital Expenditure						
Less Capital Offsets (1)						
Net Capital Cost	0	0	0	0	0	0
Depreciation						
Net Lending (2)	0	0	0	0	0	

Accumulated Net Financial Liabilities as at 30 June (3)

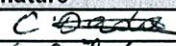

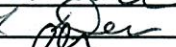
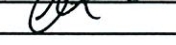
	2010-11 \$'000	2011-12 \$'000	2012-13 \$'000	2013-14 \$'000	2014-15 \$'000
General Government Sector	0	1,941	5,920	9,999	14,179
Total State Sector	0	1,941	5,920	9,999	14,179

(1) Includes items such as available funding within existing estimates, expenditure offsets, recurrent savings associated with capital projects, linked assets sales.

(2) Equal to Budget Result or Operating Result Impact plus Net Capital Cost.

(3) Equals cumulative Net Lending Impact. Total State Sector equals sum of General Government and PTE (and PFE) sectors.

Key costing assumptions
Based on information from DET, the creation of 150 opportunity places across 5 public primary schools will mean the creation of an additional class per school. Each class is comprised of 30 places, based on the average class size for primary schools. The creation of 540 selective places across 9 public high schools will mean the creation of an additional 2.4 classes per school on average. Each class is comprised of 25 places, based on the average class size for a high school. For each additional class created, one additional teacher is required. Virtual selective high schools require funding to cover on-site supervision of practical work, laptops, ICT and orientation camps.
Key data
Advised by DET: With 1 additional class per primary school, and 5 primary schools in total, 5 additional teachers are required. Assuming the average rate per primary school teacher is \$87,826 and on-cost of 37.3%, the total cost for 5 classes is \$603k. With 2.4 additional classes per high school, and 9 high schools in total, 21.6 additional teachers are required. Assuming the average rate per high school teacher is \$86,968 and on-cost of 37.3%, the total cost for 21.6 classes is \$2.6m. Administration of the additional placements is estimated to cost \$100k. The average cost per additional place allocated to the virtual selective school place is \$10k.
Caveats or qualifications
There are several variables which makes estimating the actual cost of the additional opportunity and selective classes difficult. For example, two extra classes in a school may mean that the Principal or Deputy Principal move to a higher salary level, or that additional support staff are allocated to the school. Likewise, a reduction of two students from a non-selective school may mean that the school loses a teacher, or it may not. Further, it is reasonable to assume an increase in demand can be expected, as students can be pooled from any region in the state, as well as from the non-government sector.
Implementation issues (including how Treasury can assist in speedy implementation and any potential difficulties and how these might be overcome)
A flow-on implication of additional selective places would be increased transport costs related to the School Student Transport Scheme, administered by Transport NSW. For example, if the student was previously not eligible under the scheme but becomes eligible after accepting a place because they reside more than 1.6 km (in the case of a primary school) or 2.0 km (in the case of a high school) from the school, they will be eligible for subsidised travel. This would lead to an ongoing budget impact. However, an accurate estimate of this cost cannot be determined until student acceptance offers are made and taken up.
Other comments (including explanation where Treasury costing differs from agency or PBO estimates)
For 2011-12, only 50% of total cost is included as the additional places would commence from January 2012, not June 2011. All costs escalated at 2.5%.

Position	Name and extension	Signature	Date
Analyst(s)	Chirine Dada (x5375)		21/2/11
in consultation with			21/2/11
Director	Liz Dewar		21/2/11
Deputy Secretary	Caralee McLiesh		22/2

Costing of Proposal

Title/Subject:	Treasurer's Office Costing Request - Supporting Students, Stopping Bullying
Pink/Physical ID:	EA1639508
Proposal by:	Government
Agency:	Department of Education and Training
Cluster:	Education and Training
Detailed description:	Labor will employ youth workers to provide secondary students and their families with additional support to combat bullying and to maximise their opportunities at school. 100 youth workers will be employed for high schools in two trial regions over four years. The two regions are South Western Sydney and Hunter Central Coast. The trial will take place from 2012 to 2015.
FIS No: 360	
Classification: GGB	

General Government Sector Financial Impact

	2010-11 \$'000	2011-12 \$'000	2012-13 \$'000	2013-14 \$'000	2014-15 \$'000	Ongoing \$'000
Expenses (incl. depreciation)		2,617	4,740	7,140	9,657	
Less Agency Offsets (1)						
Less Agency Revenue						
Less Crown Provisions						
Budget Result Impact	0	-2,617	-4,740	-7,140	-9,657	0
						Residual
Capital Expenditure						
Less Capital Offsets (1)						
Net Capital Cost	0	0	0	0	0	0
Depreciation						
Net Lending (2)	0	-2,617	-4,740	-7,140	-9,657	

Public Trading Enterprises Sector Financial Impact

	2010-11 \$'000	2011-12 \$'000	2012-13 \$'000	2013-14 \$'000	2014-15 \$'000	Ongoing \$'000
Revenues						
Expenses						
Operating Result	0	0	0	0	0	0
						Residual
Capital Expenditure						
Less Capital Offsets (1)						
Net Capital Cost	0	0	0	0	0	0
Depreciation						
Net Lending (2)	0	0	0	0	0	

Accumulated Net Financial Liabilities as at 30 June (3)

	2010-11 \$'000	2011-12 \$'000	2012-13 \$'000	2013-14 \$'000	2014-15 \$'000
General Government Sector	0	2,617	7,357	14,497	24,154
Total State Sector	0	2,617	7,357	14,497	24,154

(1) Includes items such as available funding within existing estimates, expenditure offsets, recurrent savings associated with capital projects, linked assets sales.

(2) Equal to Budget Result or Operating Result Impact plus Net Capital Cost.

(3) Equals cumulative Net Lending Impact. Total State Sector equals sum of General Government and PTE (and PFE) sectors.

Key costing assumptions

It is assumed that a total of 100 youth workers will be employed over the four-year period. 25 youth workers would commence in 2011/12, 25 in 2012/13, 25 in 2013/14 and 25 in 2014/15. Based on information provided by DET, the average salary per youth worker is \$86,868 p.a. (including a 29% p.a. on-cost rate). As part of this trial, it is assumed that an implementation/communication strategy would cost \$0.25m in year 1, and \$0.08m in year 2, year 3 and year 4. This trial would be evaluated annually at a cost of \$0.2m p.a. Total costs are escalated at 2.5% per annum. The total cost based on these assumptions is \$24.15m over four years.

Key data

Salary of youth worker provided by DET at an average of \$86,868 p.a. This includes on-costs calculated at 29% p.a. On-costs are provided by DET.
 Data on evaluation costs (\$0.2m p.a.) provided by DET.
 Data on implementation/communication strategy costs (\$0.25m in year 1, and \$0.08m per year in years 2,3 and 4) provided by DET.

Caveats or qualifications

None.

Implementation issues (including how Treasury can assist in speedy implementation and any potential difficulties and how these might be overcome)

None.

Other comments (including explanation where Treasury costing differs from agency or PBO estimates)

None.

Position	Name and extension	Signature	Date
Analyst(s)	Lauren Ockwell	<i>Lauren Ockwell</i>	17/2/11
in consultation with	Clare Wilde	<i>Clare Wilde</i>	17/2/11
Director	Liz Dewar	<i>Liz Dewar</i>	17/2/11
Deputy Secretary	Caralee McLiesh	<i>Caralee McLiesh</i>	17/2/11

Costing of Proposal

Title/Subject:	Capital allocation for DET
Pink/Physical ID:	EA1644459
Proposal by:	Government
Agency:	Department of Education and Training
Cluster:	Education and Training
Detailed description:	Additional \$26.1m over the forward estimates would allow DET to complete a list of priority works
FIS No: 360	
Classification: GGB	

General Government Sector Financial Impact

	2010-11 \$'000	2011-12 \$'000	2012-13 \$'000	2013-14 \$'000	2014-15 \$'000	Ongoing \$'000
Expenses (incl. depreciation)						
Less Agency Offsets (1)						
Less Agency Revenue						
Less Crown Provisions						
Budget Result Impact	0	0	0	0	0	0

						Residual
Capital Expenditure						0
Less Capital Offsets (1)						0
Net Capital Cost	0	0	0	0	0	0

Depreciation					
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Net Lending (2)	0	0	0	0	0
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Public Trading Enterprises Sector Financial Impact

	2010-11 \$'000	2011-12 \$'000	2012-13 \$'000	2013-14 \$'000	2014-15 \$'000	Ongoing \$'000
Revenues						
Expenses						
Operating Result	0	0	0	0	0	0

						Residual
Capital Expenditure						
Less Capital Offsets (1)						
Net Capital Cost	0	0	0	0	0	0

Depreciation					
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Net Lending (2)	0	0	0	0	0
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Accumulated Net Financial Liabilities as at 30 June (3)

	2010-11 \$'000	2011-12 \$'000	2012-13 \$'000	2013-14 \$'000	2014-15 \$'000
General Government Sector	0	0	0	0	0
Total State Sector	0	0	0	0	0

(1) Includes items such as available funding within existing estimates, expenditure offsets, recurrent savings associated with capital projects, linked assets sales.

(2) Equal to Budget Result or Operating Result Impact plus Net Capital Cost.

(3) Equals cumulative Net Lending Impact. Total State Sector equals sum of General Government and PTE (and PFE) sectors.

Key costing assumptions

Assumptions on additional funds of \$26m required to complete priority works as listed: All but one of the listed priority major works are included in the 2011-12 draft TAM (Medowie New HS with ETC of \$24m not in TAM) and could be covered from within the future new works provision for major works (\$303m over 4 years). Minor works are not individually described in the TAM, but works such as science labs, toilets and sewer upgrades are minor works and could be covered from within the minor works future works provision (\$720m over 4 years). The est. cost of \$329m can be funded from the existing major and minor works provisions in forward estimates.

Key data

DET Capital Program and costings are as reflected in the mid year review.

Caveats or qualifications





Implementation issues (including how Treasury can assist in speedy implementation and any potential difficulties and how these might be overcome)

The existing DET Minor Works Program has flexibility to fund the listed fences/labs/toilet upgrades/sewer upgrades, by re-prioritising works, if this is Government priority.

Tentative Major Works are listed in DET Total Asset Management (TAM) Plan, and Medowie HS could be substituted if a Government priority.

Other comments (including explanation where Treasury costing differs from agency or PBO estimates)

The existing minor works forward estimates at mid year review and the major new works provision as outlined in the Statement of Uncommitted Funds can both be utilised for the proposal. Therefore the proposal can be accommodated within existing resources. If however, the intent of the proposal is to increase the capital program of the Department above amounts included in the forward estimates at the mid year review, there would be a net lending impact and this proposal should be re-assessed by Treasury.

Position	Name and extension	Signature	Date
Analyst(s)	Sandra Ianitto		7/8/11
in consultation with	Clare Wilde		7/3/11
Director	Liz Dewar		7/3/11
Deputy Secretary	Caralee McLiesh		8/3/11