

Department of Education and Training

# Long Term Financial Plan 2016–20

**Advancing education** Preparing Queenslanders with the knowledge, skills and confidence to participate successfully in the economy and broader community.



## Our financial sustainability strategy

Strengthen service delivery outcomes through maximising value, driving efficiency and targeting investment in a planned manner.

## Our long-term financial goals

### Revenue assurance

A sound funding base which includes responsive funding and investment models for service delivery, an equitable regime of fees and charges, and strategic funding partnerships.

### Signalling financial sustainability

Building a strong financial position supported by a transparent financial framework to ensure the department's investment in early years, education and training remains financially sustainable.

### Economic viability and cost efficiency

Improved efficiency and effectiveness of service delivery supporting the organisational direction.

### Staff engagement and capability

An engaged and accountable workforce committed to achieving better service outcomes through enhanced financial sustainability.

### Financial management

A Long Term Financial Plan aligned with the strategic planning and budgeting cycle and performance reporting framework.



## Our contribution to the Strategic Plan

The goals and strategies in this plan support Queensland's Advancing Education action plan and the department's Strategic Plan.

**Empowerment** — financial management supporting an increasingly devolved and more autonomous early years, education and training system.

**Alignment** — planned and targeted investment to maximise early years, education and training outcomes

**Capability** — fostering a financial sustainability culture and skilled and capable workforce

**Collaboration** — developing strong relationships with funding partners and new approaches to funding, purchasing and delivery

**Accountability** — ensuring appropriate financial accountability, evidence-informed practices and continuous quality improvement

## Our critical financial challenges

Financial sustainability will be achieved when the department can manage future developments and unexpected shocks without having to introduce substantial and economically significant or socially destabilising income or expenditure adjustments. Critical issues include:

- establishing funding certainty for ongoing core expenditures and commitments
- ensuring delivery of services to a diverse and growing population
- enabling a culture of innovation, improvement and efficiency in financial management that supports the department's strategic policy agenda
- implementing new and innovative approaches to more efficient service delivery
- ensuring fit for purpose and future focused early years, education and training environments throughout the state.

## Revenue assurance

**Long-term and flexible government funding models**

**Increased revenue from non-government sources**

- Implement infrastructure investment funding models to support implementation of the department's asset management planning for early years, schools and training assets
- Proactively manage the department's future funding pressures
- Work with the Australian Government to implement fair and transparent funding models and seek ongoing funding certainty for early childhood education, including for the regulation of early childhood services, school education, students with disability, and vocational education and training
- Promote philanthropy and a culture of partnering throughout the education and training sectors

## Signalling financial sustainability

**More sophisticated financial planning, analysis and reporting capability**

**Increased asset utilisation and reduced per-unit infrastructure and ICT service costs over the long term**

- Develop long term investment strategies that are aligned to the strategic plan, Advancing Education action plan and VET Investment Plan, and which inform the annual operational planning and budget cycle
- Promote evidence-informed financial resource utilisation improvement agendas based on return on investment analyses, and continuous improvement through targeted workforce strategies
- Promote Business Intelligence (BI) to develop data awareness and effective governance oversight to support corporate decision making
- Develop strategic asset management plans for the department, including for strategic training assets, that effectively utilise available maintenance and capital funding to maintain expected service standards and manage associated risks
- Implement ongoing corporate sustainability initiatives including asset management planning for early years, schools and strategic training assets, e-business solutions, and corporate procurement planning

## Economic viability and cost efficiency

**Identifying and enhancing greater cost efficiency**

**Increased value for money through improved program and project management**

- Conduct and implement the Queensland State Schooling Resourcing Review
- Deliver a fit-for-purpose asset base in accordance with the department's 20-year demand growth planning and Asset Strategic Plan, including a continued focus on reconfiguring the early years, education and training asset base to cater for changing service demands and to increase usage and utilisation
- Implement effective and efficient 'ICT as a service' partnerships
- Undertake regular benchmarking of service delivery in Finance, HR, IT and Infrastructure
- Support implementation of the department's project and program management standards and frameworks, coordination of research and evaluation activities and data analytics programs and projects

## Staff engagement and capability

**A more financially literate workforce**

**Increased return on investment through workforce initiatives**

- Maintain and develop corporate capabilities in financial modelling, research, analysis and advice, including return on investment analyses
- Empower departmental leaders and managers to apply more flexible and innovative resource management practices
- Simplify financial accountability processes
- Continue to provide training and awareness on Internal Controls
- Continue to monitor and support the department's Fraud and Corruption Control Framework
- Explore professional development opportunities to support the identification, acquisition and retention of core skills needed to support achievement of the department's financial management strategies

## Financial management

**Contemporary financial management including high quality reporting and financial systems**

- Support departmental leaders and managers with enhanced financial management tools and training
- Continue to strengthen the department's financial reporting processes to support more effective use of available funding
- Assess the policy and program risks associated with National Partnership funding arrangements on key departmental activities in early years, education and training
- Continue to strengthen the department's internal financial controls, and prepare an annual Statement of Assurance on the strength of financial internal controls
- Undertake regular financial health checks of portfolio-based entities linked to the department via the Minister to monitor their financial sustainability
- Ongoing implementation of the department's corporate financial sustainability program including annual review of the Long Term Financial Plan, long term financial modelling and financial sustainability progress reporting

## Our performance indicators

- Stable annual operating position
- Reduced funding gaps for asset growth, renewal and maintenance
- Longer term certainty in levels of Commonwealth funding for early years, school education and training
- Maximise asset utilisation rates for early childhood, schools and strategic training infrastructure
- Increased Business Intelligence usage
- Increased proportion of frontline delivery staff
- Maximise corporate procurement savings