

Introduction

This Long Term Financial Plan describes the department's framework for delivering cost effective services, maximising value and planning for future resource allocation. It contributes to the *Financial Accountability Act 2009* requirement to undertake planning and budgeting appropriate to the size of the department; supports the Queensland Government's fiscal strategy for responsible and measured management of the state's finances; and supports the department's ability to deliver on *Advancing Queensland's Priorities*.

The department's Financial Sustainability Policy includes a commitment to annually reviewing this Long Term Financial Plan. Central office divisions, branches and regional offices should consider and reference where appropriate the Long Term Financial Plan when developing and updating operational plans.

Our long-term financial goals



Our financial sustainability strategy

Strengthen our service delivery outcomes by targeting investment, driving efficiency and maximising value-for-money.

Achieving financial sustainability

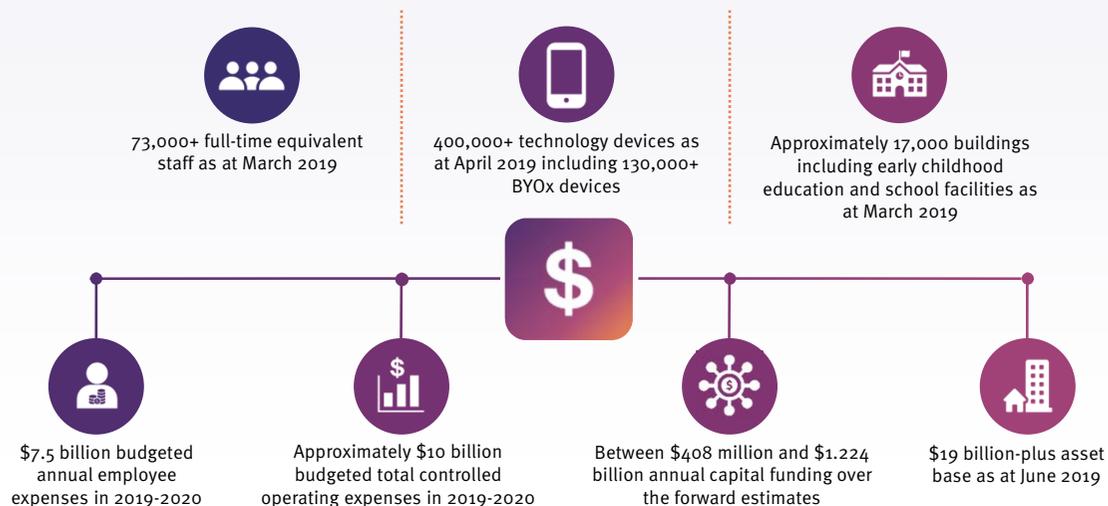
Financial sustainability is everybody's business. It means making the best use of available resources by embedding value into our service delivery and planning. Financial sustainability enables the department to manage unexpected events without needing significant funding or spending adjustments.

Our critical financial challenges

- Maintaining a financial management framework that supports the department's strategic direction
- Delivering responsive services including new and innovative service delivery approaches to a growing population with increasingly complex needs
- Ensuring a coordinated and prudent approach to investment decisions including workforce planning and scaling up successful initiatives
- Ensuring fit-for-purpose and future-focused early years and education infrastructure
- Establishing greater funding certainty for core expenditures and pursuing additional funding opportunities through ethical revenue sources

Our financial context

The Department of Education is a large organisation with:



Key cost drivers

- Enrolment Growth** – 1.6% compound annual growth rate for enrolments in State Schools from 2019 to 2023 (Source: February Forecast for Parameters Model 2019)
- Wages Increase** – Employee wage increases (Source: Government wages policy and Enterprise Bargaining outcomes)
- Price Inflation** – 2.25% Consumer Price Index Inflation projected for 2019-2020 (Source: Dec 2018 MYFER)
- Building Costs** – 3.9% Building Price Index inflation projected for 2019-2020 (Source: Projection based on external asset valuation company report)



Efficiency and value

Value-for-money through making best use of available resources

- Continue to embed program and project management as a core organisational capability to deliver departmental value across change initiatives
- Leverage the Enterprise Project Portfolio Management system to align investments in initiatives with strategic outcomes
- Strengthen an evidence-informed improvement agenda through assessment – and a return-on-investment (ROI) – analysis as well as regular review and evaluation activities
- Implement and refine medium and long-term asset management plans for early years and school assets based on demand projections and key stakeholder consultation
- Continue to implement demonstrated efficiency initiatives which may include online service solutions and ‘ICT as a service’ partnerships
- Undertake regular service delivery benchmarking of Finance, Human Resources, Information & Technologies, Infrastructure Services and Internal Audit services
- Effectively manage the department’s staffing establishment and consultancies
- Maximise school asset utilisation across the network by planning and prioritising new classroom spaces and through school enrolment management
- Ensure appropriate agreements and quality assurance for all contractual arrangements with external providers
- Maintain transparent and results-focused grant funding arrangements with external providers.



Revenue assurance

Long-term flexible funding models

- Work with other Queensland Government agencies to ensure sufficient and stable operating and capital funding for our services
- Work with the Australian Government to achieve fair, transparent, flexible and sustainable Commonwealth funding arrangements that assist us to deliver our services
- Pursue additional revenue opportunities through equitable user fees and charges, ethical funding sources and stakeholder partnerships.

Our performance indicators

- Departmental proportion of frontline staff (%)
- Annual procurement savings (\$m)
- Asset utilisation – schools (%)
- Projected ratio of asset maintenance expenditure to asset replacement value (%)
- Projected remaining useful life of assets (years)
- Percentage of ICT assets within warranty (%)
- School staff perception that their school is well maintained (% agree)
- Staff perception that people in their workgroup use their time and resources efficiently (% agree)



Strong resource management

Contemporary financial and resource management systems and capabilities

- Empower and develop departmental leaders and managers to plan and implement more flexible and innovative resource management practices, subject to appropriate accountability
- Improve the coordination of workforce planning at the central, regional and school levels
- Continue to strengthen financial reporting processes to ensure the department’s financial reporting reflects contemporary standards and requirements
- Continue to develop staff capabilities in financial management, modelling, analysis and advice
- Encourage schools to make the most effective use of their annual funding and bank account balances to achieve student outcomes and improve school quality
- Continue to monitor and report school bank account balances
- Identify efficiencies and reduce costs within business areas to achieve effective budget management
- Continue to monitor and manage corporate bank accounts to ensure the department complies with government cash flow requirements
- Further develop capability of school staff in asset maintenance management
- Further develop Business Intelligence (BI) to support corporate decision making
- Continue to build capability across the department in risk management to improve financial decision making in working towards the department’s strategic objectives
- Monitor and maintain the Department’s Fraud and Corruption Control Framework
- Continue to strengthen the department’s internal financial controls and identify improvements through approved initiatives and the annual Statement of Assurance
- Undertake regular financial health checks of related entities in the education portfolio to monitor their financial sustainability
- Annually review and update the department’s Long-Term Financial Plan and long-term financial modelling.

