

Senate Standing Committee on Education and Employment - Education

**QUESTIONS ON NOTICE
Budget Estimates 2014-2015**

Cross Portfolio

Department of Education Question No. ED0275_15

Senator Carr asked on 4 June 2014 , Hansard page 5

Question

The employee benefits spend

Can I turn to page 92 of the portfolio budget paper? I noticed there the employee benefits spend has increased sharply in 2014-15 to \$196 million. Then it decreases quite quickly over the forward estimates. Can you explain that to me? Ms Paul: Yes. The difference between the \$176 million for 2013-14 and the \$196 million for 2014-15 is simply the part-year effect of the same thing, because of the machinery of government changes. So it is a bit misleading, in a way. The 2013-14 figures represent 9½ months, which is from the creation of this department. Senator KIM CARR: With regard to the out years, I see that it goes up to \$195 million in 2017-18. If it is machinery-of-government changes that affect the \$196 million in 2014-15, why is it \$195 million in 2017-18? Ms Paul: I will actually check this for you, but my understanding is that we are still going through the historical effect of efficiency dividends et cetera, as I said before, and historical measures ceasing and so on. Particularly some of those temporary efficiency dividends cease. That is why it goes back up.

Answer

The 2013-14 financial year estimates of income and expenses are based on a part year effect following the machinery of government changes and the creation of the Department of Education.

The budgeted expenses for the department are based on estimates of appropriation and revenues over the forward estimates period, and will be adjusted to take account of increases and decreases as they are known. The estimates take into account adjustments for efficiency dividends, targeted savings, and the commencement and cessation of measures.