

## EDUCATION, SCIENCE AND TRAINING

### SENATE LEGISLATION COMMITTEE - QUESTIONS ON NOTICE 2006-2007 ADDITIONAL ESTIMATES HEARING

**Outcome:** 2.

**Output Group:** 2.4 - Funding for Higher Education

#### **DEST Question No. E976\_07**

Senator Carr asked on 14 February 2007, EWRE Hansard page 115.

#### **Question:**

**Senator CARR**— The minister has made much of the productivity gains. I just wonder how they were measured.

#### **Answer:**

*Workplace Productivity Programme – productivity gains*

The Conditions of Grant for each Workplace Productivity Programme project includes a requirement that the grant recipient report against a number of key performance indicators (KPIs), which are specific to each project.

All round 1 grant recipients were provided with the attached document which provides examples of the types of indicators that may be used.

## **Workplace Productivity Programme Administrative Information for Grant Recipients 2006**

Issued by: Workplace Productivity Unit, Higher Education Group November 2006

The WPP was announced in May 2003 as part of the Australian Government's *Our Universities: Backing Australia's Future* package of reforms and initiatives.

The programme's objective is to encourage higher education institutions to progress workplace reform which strengthens their capability to manage and implement workplace change. The WPP is intended to encourage flexible working arrangements, direct relationships between employers and employees and improved productivity and performance.

Priority areas for funding under the WPP may be identified by the Minister for Education, Science and Training from time to time. The initial priority for round 1 of the WPP in 2006 was: *The review or reform of the efficiency of universities, including of financial arrangements and operational management. This could include budgeting, procurement, investment, internal allocation models, financial and accounting systems, professional development in financial management, business plans, asset and financial restructuring, financial indicators and operational and structural issues to improve productivity and performance.*

Funding could be used to review the efficiency of current arrangements and/or to implement recommendations from those reviews. The higher education sector will be consulted concerning the funding priorities for round 2 of the WPP.

This document provides information for WPP grant recipients that will assist them to administer the grant in accordance with the requirements of the Department of Education, Science and Training (the department).

### Payment arrangements

Payment will commence after receipt from the higher education institution of written acknowledgement that the conditions of grant have been read and understood.

Grants will be paid by progressive instalments (fortnightly) through Unipay, over the calendar year, as set out in the schedule to the conditions of grant. The name of the project and the payment amount, under the heading *Workplace Productivity Programme*, will be provided in the payment advice sent to the Vice-Chancellor and Finance Officer. Grant recipients should contact their institution's Finance Office in the first instance if they have any queries regarding payment arrangements.

### Performance reporting

The grant recipient is responsible to the Australian Government for managing the performance of the project through the project manager. Any performance reports, request to rollover funds or change a condition of grant agreement must be signed by a person authorised on behalf of the grant recipient.

Grant recipients are required to provide regular performance reports and a final written report on the conduct of the project, addressing the outcomes and performance measures agreed between institutions and the Australian Government and specified in the conditions of grant. Note that in respect of any reports or information prepared and submitted to the Department, giving false or misleading information to the department is a serious offence.

Grant recipients must provide relevant qualitative and quantitative key performance measures in progress and final reports. This will allow the department to gain a better understanding of the value of the project to the institution and to assess the impact of the WPP on the higher education sector as a whole.

The following indicative list of performance indicators contains the types of quantitative information that institutions should provide to the Department in progress and final reports, as may be relevant to various kinds of projects, (this is not an exhaustive list):

- › figures quantifying cost reduction in the provision of support services
- › reduction in the number of business transactions, or quantitative shift in the nature of transactions (eg from counter-based to internet-based)
- › savings gained through procurement / purchasing systems reform
- › savings gained through HR and finance systems re-development
- › number of staff trained
- › reduction in number of units and / or courses
- › increased / more effective usage of university facilities
- › increased / more effective usage of new technologies

The emphasis in project reporting is on providing data that demonstrates, in clear quantitative measures, that a project has enhanced the institution's productivity and efficiency.

#### Financial reporting and acquittal

Funding is to be used for the purposes specified in the conditions of grant. Financial reporting and acquittal processes are intended to provide assurance that grant funds have been spent in accordance with the conditions of grant.

Annual audited financial reports in a form approved by the Minister are required under section 19-10 of the Higher Education Support Act 2003 (the Act). For higher education institutions that are listed as Table A providers in section 16-15 of the Act, the acquittal of the funding must constitute a note that accompanies and forms part of the provider's audited annual financial statements.

Each higher education institution must provide audited financial statements not more than six months after the end of the institution's annual financial reporting period.

Under certain conditions, an institution may have its grant reduced, or be required to repay the grant, in accordance with Part 2-5 of the Act. Overpayment of a grant amount may be dealt with in accordance with section 164-15 of the Act.

#### Rollover of funds

WPP grants are made in respect of one or more years, so the rollover provisions of section 41-40 of the Act may be applicable. Due to initial payments occurring late in 2006, underspends from 2006 will be allowed to rollover into 2007 without institutions being required to request this individually. The department will advise institutions in 2007 of future requirements regarding rollovers.

#### Variations to grants

A request to vary the conditions of grant (for example, extensions to a project's timeframe) must be made in writing to the WPP Coordinator, including an explanation for the request. Approval and implementation of the request is at the discretion of the Minister or the Minister's delegate for the purposes of Part 2-3 of the Act. Implementation may, in some cases, require the amount of the grant and / or the conditions of grant, determined by the Minister (or the Minister's delegate) to be revoked and new amount and / or new conditions of grant determined. The department will discuss these issues with the institution before making a recommendation to the Minister or the Minister's delegate in respect of approving or rejecting the request.

#### GST and other taxes

Recipients of WPP grants must ascertain their own taxation liability, including for the GST. GST is only payable on grants to institutions identified under Table A in the Act which are not government related entities. Recipients are expected to make any appropriate adjustment to their funding requests and in the case of Table A institutions that are non-government entities to furnish a tax invoice to the Australian Government that specifically identifies the GST component.

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