

LEGISLATIVE COUNCIL

C621

QUESTION WITHOUT NOTICE
(Of which some notice has been given)

Thursday, 15 May 2014

Hon Sue Ellery to the Minister for Education.

I refer to the projected savings in the 2013/14 budget from Capping of Long Service leave liabilities at 2011/12 levels in the years:

- a. 2014/15;
- b. 2015/16; and
- c. 2016/17;

and ask:

What is the current projection of savings on this measure for those years?

(a) – (c) I seek leave to have the following table incorporated into Hansard.

Prior to the decision by Government to cap leave liabilities, the Department received independent actuarial advice that its leave liabilities would increase by a forecast \$293.9 million over the 4 years from 2012/13 and 2016/17. Leave growth is impacted by a number of variables, including staff pay rises, enrolment growth and Government bond rates.

The Department's latest independent actuarial advice indicates that leave liability balances are now forecast to increase by \$11.2 million over the 4 years from 2012/13 and 2016/17, a total reduction of \$282.7 million compared to the target of \$293.9 million.

This reduced rate of growth is primarily attributable to the Department's introduction of comprehensive leave management strategies. The Department's leave management strategies will allow the Department to manage its leave liability balances in 2013/14 and beyond.



Minister for Education

LC QWN C621

[Tabled Paper No]

	Original forecast growth \$'000	Latest forecast growth \$'000	Difference \$'000
2013/14	61,918	40,083	21,835
2014/15	70,219	- 8,441	78,660
2015/16	77,264	- 20,478	97,742
2016/17	84,486	-	84,486
Total over 4 years	293,887	11,164	282,723

Note: The impact of the table above compares forecast total leave liability growth before the cap was introduced with the Department's latest forecast leave liability levels. The Table has not been updated to reflect the Department's 2013/14 financial statements which are still being reviewed by OAG.