

Senate Committee: Education and Employment

**QUESTION ON NOTICE
Additional Estimates 2015 - 2016**

Outcome: Schools and Youth

Department of Education and Training Question No. SQ16-000065

Senator O'Neill, Deborah asked on 10 February 2016, Proof Hansard page 125

School funding indexation

Question

Senator O'NEILL: With regard to CPI and population going forward, and in particular the CPI section, can you confirm, Minister, that school funding could be less than the 2.5 per cent assumed in the budget papers—if CPI was running at 1.7 per cent, for example.?

Senator Birmingham: I will take that on notice.

Senator O'NEILL: I will leave it on notice, but if you are going to apply 2.7 per cent and then it ends up being 1.7, surely that is going to be a decline in the funding bucket?

Senator Birmingham: I want to check on some of the exact wording of decisions that may have been taken, which is why I have taken that on notice.

Senator O'NEILL: Could take on notice and investigate what it would mean, in terms of the numbers, if CPI was 1.5 per cent, one per cent or even 0.5 per cent. That would be very interesting.

Answer

The 2014–15 Budget provided that, from the 2018 school year onwards, total school funding be indexed by the Consumer Price Index (CPI), with an allowance for changes in enrolments. Over the long run, domestic prices are projected to grow by 2.5 per cent a year, consistent with the Reserve Bank of Australia's medium-term inflation target.