

## EDUCATION, SCIENCE AND TRAINING

### SENATE LEGISLATION COMMITTEE - QUESTIONS ON NOTICE 2005-2006 ADDITIONAL ESTIMATES HEARING

**Outcome:** 1  
**Output Group:** 1.1 – Funding for Schools

#### **DEST Question No. E997\_06**

Senator Wong provided in writing.

#### **Question:**

#### **Average Government Schools Recurrent Cost (AGSRC)**

- (a) Please provide data on the AGSRC figures for each year since 1996, with separate figures for primary and secondary per student expenditures. Include annual increases in \$ and % terms. Please use final figures, not estimated figures, where these are available.
- (b) In her answer to questions in November 2005, officers referred to the effects of the 'drivers' of AGSRC changes (Hansard, 2 November 2005, EWRE 106). Over the period since the year 2000, please provide disaggregated data on the key 'drivers' of the increases in AGSRC, to demonstrate the percentage point increases arising from those 'drivers' including:
- i. Teacher salary increases
  - ii. Other salary increases
  - iii. Class size reductions
  - iv. Special programs for students with needs
  - v. Other expenditure: e.g. professional development of teachers; curriculum development.
  - vi. One-off technical adjustments (e.g. the 2002-03 leave loading adjustment)
  - vii. Any other reasons.

#### **Answer:**

#### *Average Government Schools Recurrent Costs (AGSRC)*

(a) The Average Government School Recurrent Costs (AGSRC) is the method used by the Australian Government to supplement the majority of recurrent funding under the *Schools Assistance (Learning Together – Achievement Through Choice and Opportunity) Act 2005* and previous legislation. Prior to 2001, the AGSRC Index was used to supplement general recurrent and targeted programmes appropriated under the legislation. From 2001 onwards, the Primary AGSRC Amount and Secondary AGSRC Amount are used as the basis for general recurrent grants, while the AGSRC Index continues to be applied to targeted programmes.

The following tables provide all AGSRC amounts and indexes for the period 1996 to 2005 (actual data).

Year	AGSRC Index %
1996	2.5
1997	7.4
1998	4.6
1999	5.5
2000	7.4

Year	Primary			Secondary			Targeted Index %
	Amount \$	Increase \$	Increase %	Amount \$	Increase \$	Increase %	
2000	5,056			6,622			
2001	5,378	322	6.37	7,101	479	7.23	4.9
2002	5,657	279	5.19	7,469	368	5.18	5.2
2003	6,056	399	7.05	8,021	552	7.39	5.6
2004	6,580	524	8.65	8,595	574	7.16	9.3
2005	6,787	207	3.15	8,994	399	4.64	3.8

In 2005 the level of supplementation is lower than in recent years. There are two predominant drivers for this lower outcome.

Firstly, there was a one-off adjustment for leave loading in NSW in 2002-03, which had the effect of increasing the 2002-03 expenditure and, as a result, the 2004 AGSRC. This adjustment consequently made the 2003-04 expenditure increase, and the 2005 AGSRC increase, lower than if the adjustment had not occurred. Even given this adjustment, Teacher Wage expenses still increased by 5.6%.

Secondly, there was generally lower than usual increases in expenditure on Admin Staff expenses (1.0% in 2003-04 as opposed to 9.8% in 2002-03) and Other Operating expenses (0.9% in 2003-04 as opposed to 5.6% in 2002-03).

(b) As stated in the answer to Question on Notice E600\_06, the government schools expenditure data used to calculate the AGSRC is provided to DEST by the Ministerial Council on Education, Employment, Training and Youth Affairs. The data provided is not at a sufficient level of detail to provide drivers for the factors listed.