

EDUCATION, SCIENCE AND TRAINING

SENATE LEGISLATION COMMITTEE - QUESTIONS ON NOTICE 2003-2004 BUDGET ESTIMATES HEARING

Outcome: 2

Output Group: 2.1 – Funding for vocational education and training

DEST Question No. E164_04

Senator Carr tabled the following questions on 4 June 2003:

Question:

- (i) Can you give me the breakdown of the \$119 million ?
- (ii) With regard to indexation, what were the base amounts and what was the indexation for each of its components ?
- (iii) How was the indexation calculated ?
- (iv) What percentage figures are used to index the funding in the Minister's Offer?

Answer:

- (i) The \$119.5 million of funding for welfare reform comprises \$90.7 million provided under the *Australians Working Together* (AWT) 2001/02 Budget initiative, plus \$28.8 million provided under the *Recognising and Improving the Capacity of People with a Disability* (RICP) 2002/03 Budget initiative.
- (ii) The Table at Attachment "A" provides a breakdown into base and indexation amounts for the different components of the funding included in the Minister's Offer to the States and Territories.
- (iii) See (IV) below.
- (iv) The percentage rates used to index the funding in the Minister's Offer are wage cost indices issued by the Minister for Finance in March 2003. These indices are based on a mix of the Safety Net Adjustment and Consumer Price Indexes. The actual percentage figures are unpublished *Cabinet in Confidence* figures.

Breakdown of Projected Funding under the Commonwealth Minister's offer for 2004 to 2006

	2003			2004			2005			2006			Minister's Offer 2004-06			Increases in Offer		
	Base	Index	Total	Base	Index	Total	Base	Index	Total									
Basic Funding	977.1	20.1	997.2	997.2	21.4	1,018.6	1,018.6	21.4	1,040.0	1,040.0	22.5	1,062.5	3,055.9	65.3	3,121.2	0.0	129.5	129.5
Growth Funding	100.0	4.0	104.0	100.0	6.3	106.3	100.0	8.5	108.5	100.0	10.7	110.7	300.0	25.5	325.5	0.0	13.5	13.5
Sub-Total	1,077.1	24.2	1,101.3	1,097.2	27.7	1,125.0	1,118.6	29.9	1,148.6	1,140.0	33.2	1,173.2	3,355.9	90.9	3,446.8	0.0	143.0	143.0
AWT Funding	12.4	0.3	12.7	26.7	1.2	27.9	31.8	2.2	34.1	32.2	3.0	35.2	90.7	6.5	97.2	53.6	5.6	59.2
RICP Funding	4.5	0.0	4.5	8.8	0.2	9.0	10.0	0.5	10.4	10.0	0.7	10.7	28.8	1.4	30.2	15.1	1.4	16.5
Sub-Total	16.9	0.3	17.2	35.4	1.4	36.9	41.8	2.7	44.5	42.2	3.7	46.0	119.5	7.8	127.3	68.7	7.0	75.7
Total Funding	1,094.0	24.4	1,118.5	1,132.7	29.1	1,161.8	1,160.5	32.6	1,193.1	1,182.3	36.9	1,219.2	3,475.4	98.7	3,574.1	68.7	150.0	218.7

Notes:

- (1) Only a small portion of the increase in AWT and in RICP funding is due to price supplementation. The remainder is funded activity level increases.
- (2) The projected indexation is based on the parameter adjustments issued by the Department of Finance in March 2003.