

EDUCATION, SCIENCE AND TRAINING

SENATE LEGISLATION COMMITTEE - QUESTIONS ON NOTICE 2006-2007 BUDGET ESTIMATES HEARING

Outcome: 2

Output Group: 2.1 – Funding for Vocational Education and Training

DEST Question No. E133_07

Senator Evans provided in writing.

Question:

- (a) How much direct funding is the Commonwealth providing for vocational education and training resourcing in Western Australia in 2006-07?
- (b) How is the funding broken down between capital and program funding and / or direct funding for students / training places?
- (c) How much growth funding for VET in WA is budgeted for in the period of the forward estimates?
- (d) Please explain the process by which the department determines the level of growth funding that will be provided to Western Australia of vocational education and training, including the assumptions that are used, models applied and how the funding figures listed in response to questions 1 to 3 are arrived at.

Answer:

VTE Funding for Western Australia

- (a) VTE funding for Western Australia in 2006-07

Western Australia will receive \$123.978 million for the 2006-07 financial year, under the *Skilling Australia's Workforce Act 2005* for vocational and technical education.

- (b) How is the funding broken down between capital and program funding and / or direct funding for students / training places?

For 2006-07 Western Australia will receive:

- \$108.678 million in funds for recurrent expenditure, VET-in-Schools and Strategic National Initiatives; and,
- \$15.3 million in funds for capital.

- (c) How much growth funding for VET in WA is budgeted for in the period of the forward estimates?

For the 2005-2008 Agreement under the *Skilling Australia's Workforce Act 2005*, the Australian Government has provided an additional \$215 million dollars. Funding to States and Territories in the 2005-2008 period has risen from \$4.7 billion to \$4.9 billion over 4 years. Over the period of the Agreement Western Australia will receive an additional \$40.04 million.

- (d) Please explain the process by which the department determines the level of growth funding that will be provided to Western Australia of vocational education and training, including the assumptions that are used, models applied and how the funding figures listed in response to questions 1 to 3 are arrived at.

The Australian Government will provide an additional \$215 million dollars over the period 2005-2008, which is a 4.1% real increase over the previous agreement.

The real value of these additional funds is maintained through the application of indexation. As with most Australian Government programmes, the Department of Finance and Administration determines the indexation rates from time to time. For VTE funding under the *Skilling Australia's Workforce Act 2005*, wage cost index one (WCI 1) is applied to recurrent funding and wage cost index six (WCI 6) is applied to capital funds.

The Ministerial Council for Vocational and Technical Education has determined the methodology for the distribution of growth funding to state and territory level. The distribution is based on the working age (15-64 years) population shares in 1994.