

EDUCATION, SCIENCE AND TRAINING

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

Outcome: 1
Output Group: 1.1 – Funding for schools

DEST Question No. E424_04

Senator Carr asked on 6 November 2003

Refers to DEST Question No E265_04

Question:

The Department has failed to answer the specific questions in its response to E265_04.

My question was specifically about the assumptions underlying the Budget estimates, for each of the years in the forward estimates, including:

- Enrolment projections; government and non-government; primary and secondary; retention
- Assumed transfers from non-government to non-government schools
- Assumed staffing levels and student/teacher ratios
- Indexation assumptions for each of the years in the forward estimates.

For example: the line item for government schools in Table 7 of Budget Paper No 1 shows an increase in Commonwealth funding from \$2,262m in 2003-04 to \$2,647m in 2006-07. The annual rate of increase is around 5% per annum.

- (a) How much of this increase is the effects of:
- indexation assumptions;
 - demographics;
 - enrolment transfers;
 - retention assumptions;
 - other?
- (b) The same table shows an increase in funding of non-government schools from \$4,373m in 2003-04 to \$5,425m in 2005-06
How much of this increase was:
- indexation;
 - enrolment growth;
 - transfers from government schools;
 - retentions;
 - other?

Given the delay in responding, can this information be provided by the end of November 2003?

Answer:

2003-04 Budget Paper No. 1 Table 7

(a) – (b) The summary of expenses outlined in Table 7 of the 2003-04 Budget Paper No. 1 relates to the Education Function of the Australia Government. This table has been derived by the Department of Finance and Administration (DoFA) and consists of administered and departmental expenses from a number of portfolios, including DEST. Any further questions

regarding the formulation of this table, especially in relation to funding to portfolios other than DEST, should be directed to DoFA.

Information relating to DEST administered expenses contributing to the figures contained in Table 7 were provided to the committee in the answer to previous question on notice E265-04.

Enrolment projections are based on grade progression ratios, and make no assumptions about changes to retention rates. Further information on enrolment projections can be found at previous question on notice E287_02. Transfers from government to non-government schools do not form part of the methodology. Enrolment projections as at 2003-04 Budget are at [Attachment A](#).

Staffing levels and student/teacher ratios are not relevant to the formulation of the forward estimates. Programmes are either per capita driven by student/beneficiary enrolment numbers (GR, ESL-NA, SAISO per capita, ABSTUDY and AIC) or capped funding amounts (SAISO, Country Areas Programme, Non-Government Centre Support, Capital, IESIP, Primary School Libraries and all Annual Appropriations).

Indexation in the estimates is based on indices agreed with the Department of Finance and Administration for each programme. A list of the indices applied to each programme is provided at [Attachment B](#). Forward estimates for these indices cannot be publicly released.

The estimated accrual change from 2002-03 to 2003-04 for schools programmes managed by DEST is provided at [Attachment C](#). The government sector figures contained in the table at Attachment C were previously provided in E266_04.

The year-on-year changes provided in the table at Attachment C are indicative of the year-on-year changes in the forward estimates, with the exception of the SES phase-in. SES funding arrangements will be fully implemented in 2004.

Funded Student Enrolment Projections as at 2003-04 Budget

Sector	2003	2004
Government Schools		
Primary	1,406,528	1,396,684
Secondary	877,757	880,170
Total Government Schools	2,284,285	2,276,854
Non-Government Schools		
Primary	549,116	553,422
Secondary	508,180	519,250
Total Non-Government Schools	1,057,296	1,072,672

Indices applied to Schools Group Programs as at 2003-04 Budget

Programme	Index	Comments
States Grants General Recurrent	AGSRC	
States Grants - Targeted Programmes	AGSRC	
States Grants - Capital Grants	BPI	
IESIP	WCI1	
Grants to Primary School Libraries	Not indexed	
Grants and Awards	WCI4	
Grants in Aid	WCI4	
Australian Students Prize	Not indexed	
Asia Education Foundation	WCI4	
Curriculum Corporation	WCI4	
Quality Outcomes		
Civics and Citizenship	WCI4	
Quality Teacher	WCI4	
Drug Education	WCI4	
Quality Outcomes Other	WCI4	
Children's Literacy	WCI4	
IEDA		
ATAS	Non-farm GDP	
ASSPA	Non-farm GDP	
VEGAS	Non-farm GDP	
Framework for Open Learning	Non-farm GDP	
Online Curriculum Content for Australian Schools Initiative	Non-farm GDP	
Careers, Transitions and Partnerships	WCI	Some components only
Career Counselling Program	WCI1	
ABSTUDY	CPI (ANTS Incl)	Some components only
Assistance for Isolated Children	CPI (ANTS Incl)	Some components only

Attachment C

Accrual Change from 2002-03 to 2003-04 by Sector

Description	Government \$'000	Non-government \$'000s	Total \$'000s
Supplementation	142,188	301,732	443,920
Enrolments	-881	54,946	54,065
2003-04 Budget Measures			
DIMIA	-273	0	-273
National School Drug Education Strategy	1,171	551	1,722
Transition School to Work	-2,616	-1,231	-3,847
IESIP	-445	0	-445
ABSTUDY	1,332	627	1,959
Previous Budget Measures			
Migration	112	31	143
Quality Teacher Program	10,253	4,825	15,078
Civics	-693	-326	-1,019
Careers, Transitions and Partnerships	946	445	1,391
SAISO	5,599	-4,313	1,286
National Literacy and Numeracy Strategies	-1,323	-623	-1,946
Cessation of NALSAS	-492	-231	-723
IESIP	1,584	660	2,243
Rephasing Quality Teacher Program	-10,002	-4,707	-14,709
Rebasing	-374	-176	-550
Transfer to FaCS (Rock Est.)	-67	-31	-98
Transfer Life Education Australia from Department Health and Ageing	87	41	128
Transfer to FaCS (CTP)	-19	-9	-28
IESIP 2001-02 Accruals *	-17,365	-3,078	-20,443
Rounding	2	0	2
Estimated Total Change	128,724	398,958	527,682

* No change to cash appropriated under the programme for the 2001-2004 quadrennium. IESIP funding under the *Indigenous Education (Targeted Assistance) Act 2000* increases from an estimated \$167 million to an estimated \$171 million in 2004.