

## EDUCATION, SCIENCE AND TRAINING

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

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

**DEST Question No. E600\_06**

Senator Wong provided in writing.

**Question:**

- a. What are the assumed increases in final AGSRC amounts for general recurrent grants for government and non-government primary and secondary schools in the Budget?
  - o For the current quadrennium (calendar years):
    - 2005
    - 2006
    - 2007
    - 2008
  - o Please compare these data with the previous quadrennium:
    - 2001
    - 2002
    - 2003
    - 2004
  - o These data should be provided in the following form:

<i>Year</i>	<i>Primary</i>	<i>Annual increase</i>	<i>Secondary</i>	<i>Annual increase</i>
	\$	%	\$	%
<i>Actual:</i>				
2001				
2002				
2003				
2004				
2005				
<i>Estimated:</i>				
2006				
2007				
2008				

- b. How do these figures compare for the relevant financial years?
- c. How do the revised figures for the 2005 – 2008 quadrennium compare with the assumed increases in AGSRC in last year’s budget and in the Government’s policy package (see Minister’s release of 11 March 2004: [http://www.dest.gov.au/ministers/nelson/mar\\_04/n639110304.htm](http://www.dest.gov.au/ministers/nelson/mar_04/n639110304.htm)).  
Please explain any major discrepancies.
- d. Can the Department disaggregate the actual and estimated increases in AGSRC by:
  - Increases in teachers’ salaries
  - Increases in other salaries (para professionals; administrators; other)
  - Increases in teaching materials and technologies
  - Class size reductions
  - Other.

**Answer:**

*Average Government School Recurrent Costs (AGSRC) for general recurrent grants*

a. Actual AGSRC amounts for the years requested are as follows:

<b>Year</b>	<b>Primary</b>	<b>Annual increase</b>	<b>Secondary</b>	<b>Annual increase</b>
	<b>\$</b>	<b>%</b>	<b>\$</b>	<b>%</b>
<i>Actual:</i>				
2001	5,378		7,101	
2002	5,657	5.19	7,469	5.18
2003	6,056	7.05	8,021	7.39
2004	6,580	8.65	8,595	7.16
2005	6,787	3.15	8,994	4.64

The Government's policy is not to release estimates of indexation/supplementation parameters. AGSRC amounts for future years are therefore not available.

b. The General Recurrent Grants programme is appropriated and managed on a calendar year basis. As a result, the AGSRC amounts are not calculated or reported on a financial year basis.

c. The amounts included in the 2004-05 Budget and the media release referred to included estimates for supplementation for 2004 and onwards. The actual 2004 AGSRC amounts and AGSRC Index were higher than estimated, resulting in an increase in estimated funding for the 2005-2008 quadrennium. The actual 2005 AGSRC amounts and AGSRC Index were lower than estimated, resulting in a decrease to estimated funding for the 2005-2008 quadrennium which was partially offset by a larger than anticipated Building Price Index, the supplementation mechanism applied to the Capital Grants programme.

The 2004-05 Budget and media release referred to estimated total funding under the *Schools Assistance (Learning Together - Achievement Through Choice and Opportunity) Act 2004* for the quadrennium at \$31.3 billion. This estimate increased to an estimated \$33 billion at the 2005-06 Budget after 2004 supplementation, enrolment adjustments and the Australian Government 2004 election commitments were included. Following supplementation for 2005, the estimate for the quadrennium remains at \$33 billion.

d. The State and Territory government school expenditure data provided to DEST by the Ministerial Council on Education, Employment, Training and Youth Affairs and used to calculate the AGSRC does not provide a breakdown by the categories requested. The following tables provide the items contributing to the increases in actual AGSRC amounts for primary and secondary education by the items available to DEST.

<b>Primary AGSRC Increases</b>	2002	2003	2004	2005
Teacher Expenses	2.25%	3.94%	5.45%	3.54%
Admin Staff Expenses	1.47%	0.95%	1.67%	0.19%
Redundancies	0.24%	0.11%	-0.04%	-0.06%
Other Operating Expenses	1.22%	2.06%	1.58%	-0.52%
Total Increase	5.18%	7.05%	8.66%	3.15%

<b>Secondary AGSRC Increases</b>	2002	2003	2004	2005
Teacher Expenses	2.53%	3.58%	4.92%	3.33%
Admin Staff Expenses	1.38%	1.03%	0.99%	0.13%
Redundancies	0.13%	0.08%	-0.02%	-0.01%
Other Operating Expenses	1.15%	2.70%	1.27%	1.20%
<b>Total Increase</b>	<b>5.18%</b>	<b>7.39%</b>	<b>7.15%</b>	<b>4.64%</b>

Note: Slight discrepancies between these data and the AGSRC are due to these data being unrounded while the AGSRC calculations are rounded to the whole dollar.