

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 Nos. E632_06, E633_06, E634_06 & E635_06 - Final

Senator Wong provided in writing.

Refers to DEST Question No. E305_05

During the 2 November 2005 Estimates hearings, DEST said that \$50 of the \$700 voucher was for tutoring materials.

1. Is this in addition to the various payments outlined in E305_05?
2. What are each of the payments outlined in E305_05 are intended to be used for?

The payments outlined in E305_05 come to \$133-165 per student. Depending on metro and non-metro students.

3. Are these payments paid to each broker based on the estimated number of students eligible for the program or the actual students who take up the voucher?
4. Has DEST provided a minimum lump-sum of the administration payments outlined in E305_05 to each broker regardless of the take-up rate among students? Please provide details of any lump-sum for each broker.

EWRE Estimates Hearings, 2 June 2005, p14:

5. Are the contract values still correct – please update. Provide breakdown of the total contract value.
6. Will DEST payout the entire amount of the contract (e.g. Victoria, \$5,438,000, Queensland, \$4,728,000) regardless of the take-up rate?

Answer:

Tutorial Voucher Initiative

1. Yes. It is part of the \$700 voucher and is not broker administration funding. The Pilot Tutorial Voucher Initiative Guidelines state that “the ownership of these materials will rest with the parent/caregiver”.
2. The broker administration fee payments (at Table 1) are intended for setting-up costs, promotional activities, staffing, office materials and equipment and general running costs incurred in administering the Initiative.

TABLE 1

Payment type Broker Fees	Per Metro Student (GST incl.)	Per Non- Metro Student (GST incl.)	Payment Details
Establishment	\$26.40	\$33.00	Fixed amount based on total number of eligible students regardless of take-up rate (paid at beginning of contract period)
Commencement	\$59.40	\$74.25	Performance-based payment based on number of actual students commencing tuition under the TVI
Completion	\$33.00	\$41.25	Performance-based payment based on number of actual students completing tuition under the TVI
Final	\$13.20	\$16.50	Fixed amount based on total number of eligible students regardless of take-up rate (to be paid at end of contract period)

3. The commencement and completion payments to brokers are performance-based and are paid on the number of actual students who have commenced tuition and successfully completed tuition. The Establishment and Final payments are paid on the estimated student numbers (2001 benchmark data).
4. As noted in Table 1, some elements of the broker administration payment are made regardless of the take up rate. Total lump sum administration payments made to date to each broker have been provided in the answer to E572_06.
5. Table 2 outlines the potential total contract value for each Broker.

TABLE 2

State/ Territory	Broker	Amount (GST excl.)
NSW	Department of Education & Training	\$6,215,519.74
VIC	Progressive Learning	\$5,525,323.27
QLD	Progressive Learning	\$4,795,407.87
WA	Group Training Australia (GTA) WA Inc	\$1,045,258.76
SA	Department of Education & Children's Services	\$1,877,076.40
TAS Non-Govt Sector	Association of Independent Schools of Tasmania	\$100,009.46
TAS Govt Sector	Department of Education, Tasmania	\$243,843.11
ACT	PG Creative Enterprises	\$190,381.82
NT	Department of Employment, Education & Training	\$632,250.00
Totals		\$20,625,070.43

The potential total contract value consists of:

- voucher payments (based on 100% take up of estimate number of students based on 2001 benchmark data);
 - lump sum broker administration payments;
 - performance-based payments – estimate on 100% take up of students; and
 - additional administration costs due to extension of contract end date.
6. DEST will not be paying the entire amount of each contract. Actual payments under contracts are based on:
 - lump sum broker administration payments;

- performance-based payments, which are the commencement and completion fees for the number of actual students who have commenced tuition and successfully completed tuition;
- reimbursement of tutors for tuition costs, to a maximum of \$700 per student; and
- costs for travel allowances where tutors, in non-metropolitan areas, must travel over 40km in order to attend a tutorial session or sessions.