



Policy costing

Bring public schools to full Schooling Resource Standard by 2023 and establish a school breakfast program

Party: Australian Greens

Summary of proposal:

The proposal has four components to increase funding for government schools.

- Component 1 – Increase Commonwealth Government funding for government schools in even annual steps to reach 25 per cent of the Schooling Resource Standard (SRS) by 2023 and maintain this level on an ongoing basis.

All other aspects of current policy for schools funding remain unchanged.

Component 1 would have effect from 1 January 2020.

- Component 2 – Increase funding to the existing Capital Grants Program to \$400 million per year from 2019-20 to 2029-30. Departmental expenses would be included within the capped amount.

Component 2 would have effect from 1 July 2020.

- Component 3 – Increase grant funding to Foodbank Australia, to expand their School Breakfast Program, by the following amounts, net of departmental expenses. Component 3 would have effect from 1 July 2019.

Financial year	2019–20	2020–21	2021–22	2022–23	2023–24	2024–25	2025–26	2026–27	2027–28	2028–29	2029–30
Funding (\$m)	10.7	11.1	11.6	12.1	12.6	13.1	13.6	14.2	14.7	15.3	15.8

- Component 4 – Provide the following capped funding to government school systems for students with disability. This funding restores the estimated decrease for each system resulting from the change in disability loading calculations between 2017 and 2018, calculated as the difference between total 2017 and 2018 disability loading funding. Funding would be restored in equal steps spread over three years from 1 January 2020.

Jurisdiction	South Australia	Western Australia	Tasmania	Australian Capital Territory	Northern Territory
Funding (\$m)	3.9	1.3	7.3	0.6	7.4

Costing overview

The proposal would be expected to decrease both the fiscal and underlying cash balances by \$6,947.6 million over the 2019-20 Budget forward estimates period. This impact reflects an increase in administered expenses of \$6,927 million and an increase in departmental expenses of \$20.6 million.

The proposal would be expected to have an ongoing impact beyond the 2019-20 Budget forward estimates period. A breakdown of the financial implications over the period to 2029-30 is provided at [Attachment A](#).

Component 1 and 4 of this proposal are not expected to affect departmental expenses as these components do not involve a significant change in the complexity of administering the school funding system. Departmental expenses for this proposal reflect the cost of delivering capital funding under Component 2 and Foodbank Australia funding under Component 3.

The financial implications of Component 1 are sensitive to future growth in enrolments and changes in the SRS (which is indexed annually). The financial implications of Components 2 to 4 are certain.

Table 1: Financial implications (\$m)^{(a)(b)}

	2019–20	2020–21	2021–22	2022–23	Total to 2022–23
Fiscal balance	-594.4	-1,631.9	-2,105.2	-2,617.1	-6,947.6
Underlying cash balance	-594.4	-1,631.9	-2,105.2	-2,617.1	-6,947.6

(a) A positive number represents an increase in the relevant budget balance; a negative number represents a decrease.

(b) Figures may not sum to totals due to rounding.

Key assumptions

The Parliamentary Budget Office (PBO) has made the following assumptions in costing this proposal.

- In relation to baseline policy settings Commonwealth Government funding for government schools from the 2023 calendar year onwards would maintain the same share of SRS as the previous year.
- Departmental expenses for the Capital Grants Program are based on the current arrangements for Block Grant Authorities to administer grant payments to non-government schools.

Methodology

Component 1 – Increase in government school funding

The proposal was costed using the school funding model provided by the Department of Education and Training. The PBO projected enrolment growth from 2029 onwards based on average growth over 2024 to 2028.

The share of the SRS for government school systems was increased in equal increments from 2020 to 2023 so that these systems were funded at 25 per cent of the SRS from 2023 onwards. The increases were applied so that no school system has a funding decrease under the proposal.

Calculations have been made on a calendar-year basis in line with the school year and converted to financial years. As a result, the 2019-20 value for the financial year reflects a half-year impact.

Component 2 – Capital Grants Program funding

The Capital Grants Program funding was increased to the specified amount in each year.

Departmental expenses to administer grants are estimated based on current arrangements and are included within the capped amount as specified.

Component 3 – School breakfast program

Grant funding to Foodbank Australia for the School Breakfast Program is based on the specified annual funding amounts. Additional departmental expenses to administer the grants are based on similar-sized programs and account for the net effect of indexation parameters and the efficiency dividend, in accordance with the Department of Finance's costing practices.

Component 4 – Students with disability

Administered funding to the five government school systems for students with disability was increased based on the specified amounts spread evenly over three years from 1 January 2020. The funding was added to school allocations for affected states and territories after applying the increase to government schools under Component 1.

All components

Administered expenses for Components 1 and 2 have been rounded to the nearest \$1 million. All other estimates have been rounded to the nearest \$100,000.

Data sources

The Department of Finance provided 2019 Pre-election Economic and Fiscal Outlook indexation parameters.

The Department of Education and Training provided the schools funding model as at the 2019 Pre-election Economic and Fiscal Outlook and information on the impact of changes in students with disability loadings by jurisdiction and school sector between 2017 and 2018, based on data as at 17 November 2017.

Department of Education and Training, 2018. *Capital grants for non-government schools* [Online] Available at <https://www.education.gov.au/capital-grants-non-government-schools> [Accessed 20.02.2019].

Attachment A – Bring public schools to full Schooling Resource Standard by 2023 and establish a school breakfast program – financial implications

Table A1: Bring public schools to full Schooling Resource Standard by 2023 and establish a school breakfast program – Fiscal and underlying cash balances (\$m)^{(a)(b)}

	2019–20	2020–21	2021–22	2022–23	2023–24	2024–25	2025–26	2026–27	2027–28	2028–29	2029–30	Total to 2022–23	Total to 2029–30
Expenses													
<i>Administered</i>													
<i>Component 1: Increase in government school funding</i>	-580.0	-1,389.0	-1,870.0	-2,391.0	-2,721.0	-2,840.0	-2,963.0	-3,092.0	-3,228.0	-3,369.0	-3,503.0	-6,229.0	-27,946.0
<i>Component 2: Capital Grants Program funding</i>	-	-218.0	-210.0	-204.0	-198.0	-191.0	-185.0	-178.0	-171.0	-164.0	-156.0	-632.0	-1,874.0
<i>Component 3: School breakfast program</i>	-10.7	-11.1	-11.6	-12.1	-12.6	-13.1	-13.6	-14.2	-14.7	-15.3	-15.8	-45.5	-144.8
<i>Component 4: Funding for students with disability in five government school systems</i>	-3.4	-6.8	-6.8	-3.4	-	-	-	-	-	-	-	-20.5	-20.5
Total – administered	-594.1	-1,624.9	-2,098.4	-2,610.5	-2,931.6	-3,044.1	-3,161.6	-3,284.2	-3,413.7	-3,548.3	-3,674.8	-6,927.0	-29,985.3
<i>Departmental</i>													
<i>Component 1: Increase in government school funding</i>	-	-	-	-	-	-	-	-	-	-	-	-	-
<i>Component 2: Capital Grants Program funding</i>	-	-6.7	-6.5	-6.3	-6.1	-5.9	-5.7	-5.5	-5.3	-5.1	-4.8	-19.5	-58.0
<i>Component 3: School breakfast program</i>	-0.3	-0.3	-0.3	-0.3	-0.3	-0.3	-0.3	-0.3	-0.4	-0.4	-0.4	-1.1	-3.5
<i>Component 4: Funding for students with disability in five government school systems</i>	-	-	-	-	-	-	-	-	-	-	-	-	-
Total – departmental	-0.3	-7.0	-6.8	-6.6	-6.4	-6.2	-6.0	-5.8	-5.7	-5.5	-5.2	-20.6	-61.5
Total - expenses	-594.4	-1,631.9	-2,105.2	-2,617.1	-2,938.0	-3,050.3	-3,167.6	-3,290.0	-3,419.4	-3,553.8	-3,680.0	-6,947.6	-30,046.8

(a) A positive number for the fiscal balance indicates an increase in revenue or a decrease in expenses or net capital investment in accrual terms. A negative number for the fiscal balance indicates a decrease in revenue or an increase in expenses or net capital investment in accrual terms. A positive number for the underlying cash balance indicates an increase in receipts or a decrease in payments or net capital investment in cash terms. A negative number for the underlying cash balance indicates a decrease in receipts or an increase in payments or net capital investment in cash terms.

(b) Figures may not sum to totals due to rounding.

- Indicates nil.