

Senate Committee: Education and Employment

**QUESTION ON NOTICE
Additional Estimates 2016 - 2017**

Outcome: Schools and Youth

Department of Education and Training Question No. SQ17-000267

Senator Hanson-Young, Sarah, provided in writing.

Commonwealth Funding for non-participating States and Territories 2015

Question

The Australian Education (Financial Assistance for Non-participating States and Territories) Determination 2016 tabled in the House of Representatives on 7 February 2017 states that the total amount of Commonwealth financial assistance payable to all non-participating states and territories for 2015 was the total amount payable for the previous year indexed by 1.12999928392238. The Explanatory Memorandum for the Determination states that this indexation factor ensures that the non-participating states and territories receive as much Commonwealth funding for their schools as if they had been participating states and territories.

In relation to the participating states and territories, the *Education Act* [s.59(3) & s.60] states that the Minister can determine the extent of the increase in funding for schools currently below their SRS, but it must not be less than 4.7% a year per student during the transition to their SRS. Indexation for schools currently above their SRS is set at 3.0 percent a year per student until their old amount becomes equivalent to their SRS [s.61(3)].

How can the indexation rate for Commonwealth funding of non-participating states and territories 2015 ensure that they receive as much funding as if they had been participating states and territories when the indexation rates for the participating states and territories specified in the *Education Act* are so much higher than that provided in the Determination?

Answer

The Australian Education (Financial Assistance for Non-participating States and Territories) Determination 2016 states that funding from the previous year should be multiplied by 1.12999928392238. This is equivalent to an indexation rate of approximately 12.99 per cent, higher than the minimum rate stipulated in section 60 of the *Australian Education Act 2013*.