

Senate Standing Committee on Education and Employment - Education

**QUESTIONS ON NOTICE
Budget Estimates 2014-2015**

Outcome 2 - Schools and Youth

Department of Education Question No. ED0227_15

Senator O'Neill provided in writing.

Question

Government decision to index school funding at CPI from 2018

The following questions are in relation to the Government's decision to index school funding at CPI from 2018: a. When was the Department advised of the Government's decision to set indexation of school funding at CPI from 2018? b. How was the Department advised of the decision? Who advised the Department? c. Is the cost of schools currently increasing at CPI? If not, how does the increase in school cost differ from CPI? What are the historic trends of CPI and school cost increase, across at least the last decade? NOTE – please provide figures on a yearly basis, and also represent the trends graphically. d. What evidence about educational outcomes supports the linking school funding to CPI? e. Will the implementation of CPI indexation from 2018 increase or decrease relative levels of funding between schools and school system over time? (all else being equal) i.e. what variations in funding will be amplified by a flat level of indexation?

Answer

a and b. The department was advised that the Consumer Price Index (CPI) would be applied to schools funding from 2018 as part of the 2014-15 Budget process.

c. The Department of Education does not collect information on the cost of schooling.

d. The latest Programme for International Student Assessment results show Australian academic standards slipping despite a substantial increase in education funding over the past decade. Evidence supports the Government's decision to implement a needs-based funding model. See QoN 8 and 9 of the Senate Select Committee on School Funding Budget Estimates hearing, 4 June 2014 for further information on the evidence that supports a needs-based funding model as a way to improve student outcomes.

e. The 2014 Budget foreshadows the Government's intention to ensure that payments across state and territory boundaries are more equitable from 2018 onwards. The 2014 Budget papers are also clear, however, that distribution from 2018 will be subject of formal negotiations with all states and territories and the non-government sector.