

**Senate Committee: Education and Employment**

**QUESTION ON NOTICE**

**Supplementary Budget Estimates 2016 - 2017**

**Outcome: Schools and Youth**

**Department of Education and Training Question No. SQ16-000885**

Senator Collins, Jacinta asked on 20 October 2016, Proof Hansard page 37

***Schools funding indexation***

**Question**

Senator JACINTA COLLINS: I appreciate the history of it. The period that I am attempting to understand is the move from the AGSRC to the various indexation elements that were part of the agreements in the act to what you are proposing in the budget papers now. Is that part of the library piece?

Mr Cook: You would be able to find the historic AGSRC through that library piece, which stopped at 2013, as you know. In 2014, it is the act. From 2018, it is the budget.

Senator JACINTA COLLINS: Yes, and I am asking whether you can point me to somewhere—

Mr Cook: They will not be all together; they will be in those separate public documents.

Senator JACINTA COLLINS: where the methodology behind the 3.56 is outlined.

Mr Cook: We can provide that on notice.

**Answer**

The education specific indexation rate of 3.56 per cent is a composite measure based on a weighted combination of 75 per cent Wage Price Index (Education) and 25 per cent Consumer Price Index (Education). The composite estimate is constructed using Australian Bureau of Statistics (ABS) data and incorporates:

- a floating rate
- a two year simple moving average
- a four year simple moving average
- a two year exponential moving average
- a four year exponential moving average.

Based on this approach, the estimated future value of the education specific measure (using data as at December 2015) is 3.56 per cent.