

Senate Finance and Public Administration Legislation Committee

ANSWERS TO QUESTIONS ON NOTICE

Budget Estimates 26 May-6 June 2014

Prime Minister and Cabinet Portfolio

Department/Agency: Department of the Prime Minister and Cabinet

Outcome/Program: 1.1 Prime Minister and Cabinet

Topic: National education reform agreements – methodology

Senator: Senator Bridget McKenzie

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Question:

Senator McKENZIE: Throughout that process in coming to an agreed position on the amount of funding required, how were the estimates for years 5 and 6 calculated? My understanding is that \$9.8 billion was the cost over six years, but \$7 billion was to arrive in years 5 and 6—that is over 71 per cent of the total bucket in years 5 and 6. How did that calculation come to be, as a methodology for arranging the money?

Ms Cross: That I would have to take on notice, although it would be fair to say that there was a gradual ramp-up that increased over time. But I will take on notice the exact methodology.

Senator McKENZIE: Over what period was the gradual ramp up, years 1 to 4?

Ms Cross: That is my understanding, but I will take the methodology on notice.

Senator McKENZIE: And then years 4 to 5 and 6. Would you typify the trend?

Ms Cross: I think the agreements would show a gradual ramp up increasing over the final years.

Senator McKENZIE: A significant increase in the final years?

Ms Cross: A greater increase than in the early years.

Senator McKENZIE: What was the rationale for the increase in growth between years four and five?

Ms Cross: I will take the exact methodology on notice, Senator.

Senator McKENZIE: Was this sort of approach where most of the money was back ended similar to other national agreements?

Ms Cross: I think in each agreement it depends on the negotiations. I am sure that there have been others in the past that have had similar expenditure patterns.

Senator McKENZIE: Such as?

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Ms Cross: I would have to go and check the details for you, but it is not unusual with new agreements to ramp up expenditure over time.

Senator McKENZIE: I would assume a trend of a consistent gradient.

Ms Cross: I would have to check the profile for you.

Senator McKENZIE: On notice would be fabulous, thank you.

Answer:

Funding under the National Education Reform Agreement (NERA) as it had been agreed by the previous Government and signatory states and territories (the signatory States) involved a six year transition period (2014-2019). The funding profile over the transition period included year-on-year growth over years one to four and increased growth between years four and six. This reflected the parameters of the funding model and signatory states' capacity to increase their funding for schools.

Funding under the National Disability Insurance Scheme also involves year-on-year growth from 2012-13 to 2016-17, and increased growth from 2016-17.