



Policy costing request—during the caretaker period for a general election

Name of policy:	Better Schools: Full Gonski and Disability Funding
Person requesting costing:	Senator Di Natale
Parliamentary party:	Australian Greens
Date of request to cost the policy:	28 June 2016
<i>Note: This policy costing request and the response to this request will be made publicly available.</i>	
Has a costing of this policy been requested under Section 29 of the Charter of Budget Honesty (ie from the Treasury or the Department of Finance)?	No
Details of the public release of this policy (Date, by whom and a reference to that release):	http://greens.org.au/sites/greens.org.au/files/Higher%20Funding%20for%20Higher%20Needs.pdf
Description of policy	

<p>Summary of policy (as applicable, please attach copies of relevant policy documents):</p>	<p>Component 1</p> <p>The proposal would increase funding to government and non-government schools to match the funding allocated in the 2013-14 budget for the <i>Better Schools – National Plan for School Improvement</i> (NPSI) for the financial years of 2017-18, 2018-19 and 2019-20, and school (calendar) years 2018 and 2019.</p> <p>Under the policy no school would be worse off when compared to current government estimates and Commonwealth schools funding in the 2020 calendar year would be at a level to maintain schools on their 2019 percentages of SRS.</p> <p>Component 2</p> <p>While disability loadings based on Nationally Consistent Collection of Data held by State governments is not publicly available, the Greens allocate the current funding based on their own calculations for the following financial years:</p> <table border="1" data-bbox="421 1059 1054 1137"> <thead> <tr> <th>2016-17</th> <th>2017-18</th> <th>2018-19</th> <th>2019-20</th> <th>Total</th> </tr> </thead> <tbody> <tr> <td>-1111</td> <td>-1164</td> <td>-1218</td> <td>-1276</td> <td>-4769</td> </tr> </tbody> </table>	2016-17	2017-18	2018-19	2019-20	Total	-1111	-1164	-1218	-1276	-4769
2016-17	2017-18	2018-19	2019-20	Total							
-1111	-1164	-1218	-1276	-4769							
<p>What is the purpose or intention of the policy?</p>	<p>To ensure that needs based funding is delivered to ensure the greatest future potential of all Australians, irrespective of their background or circumstance.</p>										
<p>What are the key assumptions that have been made in the policy, including:</p>											
<p>Is the policy part of a package? If yes, list the components and interactions with proposed or existing policies.</p>	<p>No</p>										
<p>Where relevant, is funding for the policy to be demand driven or a capped amount? If a capped amount, are the costs of administering the policy to be included within the capped amount or additional to the capped amount?</p>	<p>N/A</p>										

PBO Policy costing request—during the caretaker period for a general election

<p>Will third parties (for instance the States/Territories) have a role in funding or delivering the policy? If yes, is the Australian Government contribution capped, with additional costs to be met by third parties, or is another funding formula envisaged?</p>	<p>Yes – state governments and non-government school authorities administer the funding for schools.</p>
<p>Are there associated savings, offsets or expenses? If yes, please provide details.</p>	<p>No</p>
<p>Does the policy relate to a previous budget measure? If yes, which measure?</p>	<p>Yes. See 2012/13 Budget, Budget Paper No.2 - Better Schools – New schools funding model, and related budget information, which allocated the initial funding.</p> <p>See 2014/15 Budget, Budget Paper No 2 – Students first - indexation of school funding from 2018 and Budget Paper No. 3 which shows the reduction in funding over time to states for schools.</p> <p>See chart on page 7 of 2014-15 Budget Overview comparing Schools’ ‘new spending arrangement’ with ‘old spending arrangement’.</p>
<p>If the proposal would change an existing measure, are savings expected from the departmental costs of implementing the program?</p>	<p>No</p>
<p>Will the funding/program cost require indexation? If yes, list factors to be used.</p>	<p>Include proportional Schooling Resource Standard (SRS) funding for those above years, 4.7 per cent indexation, plus all loadings that would have been identified and funded under NPSI (disability, Aboriginality, SES, English proficiency, school size and school remoteness), and using latest enrolment data.</p>

Expected impacts of the proposal				
If applicable, what are the estimated costs each year? If available, please provide details in the table below. Are these provided on an underlying cash balance or fiscal balance basis?				
Estimated financial implications (outturn prices) ^(a)				
	2016–17	2017–18	2018–19	2019–20
Underlying cash balance (\$m)	-1111	-1634	-3118	-4296
Fiscal balance (\$m)	-1111	-1634	-3118	-4296
(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 positive number in the underlying cash balance indicates an increase in revenue or a decrease in expenses or net capital investment in cash terms.				
What assumptions have been made in deriving the expected financial impact in the party costing (please provide information on the data sources used to develop the policy)?				
Has the policy been costed by a third party? If yes, can you provide a copy of this costing and its assumptions?	No			
What is the expected community impact of the policy? How many people will be affected by the policy? What is the likely take up? What is the basis for these impact assessments/assumptions?	Greater productivity in the future, reduced inequality and better schools.			

Administration of policy:	
Who will administer the policy (for example, Australian Government entity, the States, non-government organisation, etc)?	Australian government provides the funding to the states and non-government schools to administer.
Please specify whether any special administrative arrangements are proposed for the policy and whether these are expected to involve additional transactions/processing (by service delivery agencies).	Continue current administrative structure.
Intended date of implementation:	1 September 2016 for disability loadings and 1 January 2017 for general school funding
Intended duration of policy:	31 December 2019
Are there transitional arrangements associated with policy implementation?	No
List major data sources utilised to develop policy (for example, ABS catalogue number 3201.0).	As above
Are there any other assumptions that need to be considered?	No
<p>NOTE:</p> <p><i>Please note that:</i></p> <p><i>The costing will be on the basis of information provided in this costing request.</i></p> <p><i>The PBO is not bound to accept the assumptions provided by the requestor. If there is a material difference in the assumptions used by the PBO, the PBO will consult with the requestor in advance of the costing being completed.</i></p>	