

## STANDING COMMITTEE ON EDUCATION AND HEALTH

### QUESTIONS ON NOTICE FROM HEARING DEPARTMENT OF EDUCATION MONDAY, 7 OCTOBER 2013

1. Information on all strategies that deliver the savings outlined in the 2013-14 Education budget, including the savings attributed to public sector workforce reform and the capping of leave liabilities on page 272 of the budget papers (page 10 of the transcript).

A: A summary of the savings strategies being implemented by the Department of Education in the 2013-14 financial year is provided below, including the original financial savings forecast to be generated by each strategy. Some of the strategies described below are part of the transition to a new student-centred funding model. The actual savings realised will be influenced by a number of factors including 2014 enrolments and other factors such as the permanency of staff. The whole-of-government public sector workforce reform directive does not impact on the Department of Education in 2013-14.

It is important to note that:

- the overall budget for education has increased by approximately \$300 million to 2013-14 to a total of \$4.4 billion; and
- overall there will not be a reduction in existing teacher FTE numbers, as 2013 teacher FTE numbers will be maintained in 2014 at the whole-of-Department level.

#### **Per student allocations for K-2 education assistants**

A formula to allocate education assistants based on student enrolments in Kindergarten to year 2 has been introduced for 2014. This replaces the previous class allocation formula. Under the previous formula, classes of 15 or more students were eligible for an education assistant, while classes of up to 14 were not.

Estimated 2013-14 savings – \$2.03 million

Commencement – Term 1, 2014

#### **Secondary stage weights**

The year-level stage weights that determine teacher FTE allocations for students in Years 8–12 will be reduced.

Estimated 2013-14 savings – \$6.96 million

Commencement – Term 1, 2014

#### **Base teacher allocations**

A tapered base allocation replaces the fixed allocation of 1.5 FTE per school. A base teacher allocation of 1.2 FTE is provided to schools. Once a school reaches a certain enrolment size, the allocation is phased out through a tapering mechanism. The primary base is 1.2 FTE for up to 550 students. The FTE then tapers off between 550 and 850 students. Schools with 850 and more students receive no base teacher FTE allocation. For schools with secondary students, the base is 1.2 FTE up to 600 students. The FTE then tapers off between 600 and 850 students. Schools with 850 and more students receive no base teacher FTE allocation.

Estimated 2013-14 savings – \$17.87 million

Commencement – Term 1, 2014

### **Aboriginal and Islander Education Officers (AIEOs)**

The year-level multiplier in the AIEO formula will be removed. The removal of the relationship between year level and Aboriginality will result in fewer AIEO FTE allocated to schools. However, there will not necessarily be fewer AIEOs employed in schools, because at any point in time there are staff on leave, and there are unused FTE allocations (as there are currently) and growth in Aboriginal enrolments in some schools. No permanent AIEOs will lose their jobs. Some AIEOs will be moved to nearby schools. The number of AIEOs employed in schools varies each year and AIEOs are regularly redeployed.

Estimated 2013-14 savings – \$2.30 million

Commencement – Term 1, 2014

### **EAL/D and Intensive English Centre (IEC)**

The year-level multiplier in EAL/D and Intensive English Centre (IEC) formula will be removed. EAL/D cell programs which are formed across clusters of primary schools will be replaced with EAL/D support programs as part of the transition to the student-centred funding model. IECs will no longer be allocated a Curriculum Leader FTE allocation of 0.4 FTE per centre.

Estimated 2013-14 savings – \$1.74 million

Commencement – Term 1, 2014

### **Management of anaphylaxis in schools**

Currently Education Assistant (EA) support is provided for Kindergarten to Year 2 students for children with an anaphylaxis reaction to nuts. Western Australia is the only State to use this approach. This will not continue from 2014. There will be no EA support provided for students with other severe allergic reactions, such as bee stings, or for students above Year 2. Schools receive specific funding to buy auto-injector pens for emergency use. An online training course ensures all students and staff understand anaphylaxis and can respond in the case of an emergency.

Estimated 2013-14 savings – \$3.58 million

Commencement – Term 1, 2014

### **School Support Program Resource Allocation**

While SSPRA allocations will be reduced by 30%, schools will continue to receive funding to support students in areas such as behaviour, attendance, and literacy and numeracy.

Estimated 2013-14 savings – \$8.1 million

Commencement – Term 1, 2014

### **National Partnership Rewards Payments**

When received, rewards payments of \$7.0 million will be retained as savings.

Estimated 2013-14 savings – \$7.0 million

### **Devolve postage to schools**

Previously, all school postage was paid centrally by the Department. Schools are now able to use contemporary and cost-efficient means of communication with parents. A portion of the current postage budget has been allocated to schools and the remainder is retained by the Department. Schools now meet their own postage costs.

Estimated 2013-14 savings - \$2.0 million

Commencement – July 2013

### **Conclude a number of special purpose program funding to schools**

The following payments in the school grant will not continue in 2014: English as a second language cell grant; Agricultural Library; District Youth Organisers; Media Loans Pool; Science Loan Pool; Night classes; Stock feed (horsemanship).

Estimated 2013-14 savings – \$0.75 million

Commencement – Term 1, 2014

### **Finalisation of School Innovation Grants**

School Innovation grants will no longer be offered.

Estimated 2013-14 savings – \$0.25 million

Commencement – Term 1, 2014

### **Finalisation of Aboriginal Innovation Schools Project**

This project was scheduled to conclude at the end of 2013.

Estimated 2013-14 savings – \$0.5 million

### **Continue the 1.5% school grant procurement/travel reduction**

A 1.5% reduction to procurement and travel has been applied to the school grant.

Estimated 2013-14 savings – \$1.4 million

Commencement – July 2013

### **School grant cash component indexation**

The non-salary components of the school grant will not be indexed. The salary components for the School Development Grant and Graduate teachers will continue to be indexed.

Estimated 2013-14 savings – \$1.8 million

Commencement – July 2013

### **Supplementary funding for managing challenging behaviours**

Supplementary funding for managing challenging behaviours previously provided to regional office budgets will cease. Regional Executive Directors continue to have the flexibility to allocate funds from their regional flexible budgets to schools.

Estimated 2013-14 savings – \$0.5 million

Commencement – July 2013

### **Schools of Special Educational Need, SIDE and SIM**

Teacher FTE allocations to the Schools of Special Educational Need, SIDE and the School of Instrumental Music will be reduced. The staffing and funding arrangements for these schools differ from those for regular schools.

Estimated 2013-14 savings – \$1.23 million

Commencement – Term 1, 2014

### **Level 3 Classroom Teacher non-teaching allocation**

Schools with Level 3 classroom teachers have in the past received an additional 0.1 FTE per Level 3 teacher. Level 3 teachers have been returned to the class full time. Schools may choose to release Level 3 classroom teachers using their own funds and will provide other methods for staff to share their expertise.

Estimated 2013-14 savings – \$5.62 million

Commencement – Term 1, 2014

### **PEAC teacher allocations to primary students**

There has been a reduction in PEAC teacher allocation of up to 10%.

Estimated 2013-14 savings - \$0.37 million

Commencement – Term 1, 2014

**Phase 2 curriculum and professional learning and support**

As Phase 2 of the Australian Curriculum has not been finalised, the funds identified for this support were not required for the 2013-14 financial year.

Estimated 2013-14 savings – \$2.4 million

Commencement – 2013-14

**Performance Management subsidy**

Funds provided to schools to release teachers from classrooms for performance management will no longer be provided. There is a range of other ways for this to be undertaken.

Estimated 2013-14 savings – \$1.65 million

Commencement – Term 1, 2014

**Leave liability levy**

As the majority of staff in schools need to be replaced whilst they take accrued leave, schools will be charged a levy to contribute to the cost of replacing staff. This is set at \$600 per teacher and \$400 per school support staff member.

Estimated 2013-14 savings – \$10.0 million

Commencement – Term 1, 2014

**Central and Regional Office FTE savings**

There is a reduction of 150 FTE staff in 2013-14 in Central and Regional Offices, through strategies such as voluntary severances, not rolling over fixed-term employment contracts on expiration and applying a vacancy factor to salary budget allocations.

Forecast 2013-14 savings – \$15.0 million

Commencement – Progressive implementation from July 2013

**Central and Regional Office non-salary (goods and services) savings**

Non-salary budget reductions were applied to all Central and Regional Office discretionary expenditure.

Forecast savings – \$10.5 million

Commencement – July 2013

**Grants and subsidies reductions**

Grants and subsidies provided to external agencies are under review and subject to Cabinet consideration. Some will be reduced, some will not continue.

## **STANDING COMMITTEE ON EDUCATION AND HEALTH**

### **QUESTIONS ON NOTICE FROM HEARING DEPARTMENT OF EDUCATION MONDAY, 7 OCTOBER 2013**

2. The date on which the Department determined to introduce the leave liability levy, and the date on which details were finalised (page 12 of the transcript).
- A: The proposed strategy of a long service leave liability levy was first raised within the Department of Education as an option to manage the Department's leave liability on 6 May 2013, alongside a number of other options.

A proposed leave levy strategy was included by the Department in the Minister's submission to the 12 June 2013 EERC meeting. However, as the Department's final budget target remained under discussion, and the mechanism for obtaining the funding contribution from schools (levy) remained undecided, it was still an unapproved proposal.

The complete package of communication to schools about funding for 2014, which included details of the levy in its final form, was endorsed by the Corporate Executive of the Department of Education on 2 August 2013.

The final package, including details of the levy, was noted by the Minister for Education on 5 August 2013.

The levy for schools was finally agreed in its current form as part of the strategy to achieve the 2013-14 budget, and put to the Treasurer on 7 August 2013 as part of the Department's draft plan to meet its Budget target.

The State Budget was handed down on 8 August 2013.

Schools were advised of the levy via Ed-e-Mail on 22 August 2013.

**STANDING COMMITTEE ON EDUCATION AND HEALTH**

**QUESTIONS ON NOTICE FROM HEARING  
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4. For each of the spending changes in the 2013-14 budget made as a result of student enrolment growth, how many additional students do the spending changes provide for? Please also provide information on the number of additional students that the funding approved by EERC subsequent to the budget will provide for (pages 16 and 17 of the transcript).

A: The 2013-14 Budget Papers included three items in the Spending Changes table on 272 that were related to State Appropriation for growth in student numbers, as listed below:

	2012-13 Estimated	2013-14 Budget	2014-15 Forward	2015-16 Forward	2016-17 Forward
	Actual \$'000	Estimate \$'000	Estimate \$'000	Estimate \$'000	Estimate \$'000
<b>Growth In Student Numbers Funding</b>					
1 Growth in Student Numbers - 2016-17 Indexation	-	-	-	-	91,100
2 Growth in Student Numbers Funding to Reflect 2012 Enrolments	54,869	74,444	87,849	105,016	105,016
3 Growth in Student Numbers Funding to Reflect Semester 1 2013 Enrolments	26,829	54,848	55,843	57,404	59,127

Item 1 – *Growth in Student Numbers – 2016-17 Indexation* – provides additional funding for cost growth in 2016-17, recognising the additional year in the 2013-14 Budget Estimates.

Item 2 – *Growth in Student Numbers Funding to Reflect 2012 Enrolments* – The Semester 2, 2012 Census indicated that enrolment growth had exceeded previous budget forecasts. The number of additional students that the funding approved by EERC subsequent to the budget will provide for:

	<b>2012-13</b>	<b>2013-14</b>	<b>2014-15</b>	<b>2015-16</b>
Additional Students	7,976	9,512	11,273	13,395

Item 3 – *Growth in Student Numbers Funding to Reflect Semester 1, 2013 Enrolments* – The Semester 1, 2013 Census indicated that enrolment growth had exceeded previous budget forecasts. The number of additional students that the funding approved by EERC subsequent to the budget and Item 2 above will provide for:

	<b>2012-13</b>	<b>2013-14</b>	<b>2014-15</b>	<b>2015-16</b>	<b>2016-17</b>
Additional Students	2,156	4,312	4,312	4,312	4,312

## **Comments**

The response is not comparable with PQ1072 as PQ1072 quantifies students on a school-year basis, while this response is on a financial year basis (ie the way the question is asked).

Another potential issue – Government is conservative when funding enrolment growth. We provide enrolment growth projections as part of the budget process, however Government usually funds us at a lower level of projected increase and makes up the difference when the students actually arrive.

The second part of the question is answered. The number of additional students is shown in the tables “Additional Students”...ie 7,976 students for 2012-13 etc.

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5. The value of the 2013-14 Education Department budget increase allocated for staff wage increases, broken down by category of staff (page 16 of the transcript).
- A: The forecast staff wage and on-cost increases used by the Department to allocate its 2013-14 Budget are detailed below by Award:

Award	Total \$'000
Teaching	87,768
Education Assistants	13,867
Public Service	2,158
Cleaners and Gardeners	5,001
Others	306
School Officers	6,641
Total	<u><u>115,740</u></u>

The impact of the increase to the Superannuation Guarantee is not included above. From 1 July 2013 the Superannuation Guarantee increased from 9.0% to 9.25% with an estimated 2013-14 impact of \$5.6 million.