



# **Government Finance Statistics**

## **Education**

### **Australia**

**1998–99**



# SUMMARY OF FINDINGS

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## INTRODUCTION

This special data service contains government finance statistics for education for 1998–99 and presents for the first time these statistics on an accrual accounting basis.

It should be noted that due to data quality concerns, education purpose data are not available in this issue for New South Wales and South Australia.

## COMPARISON WITH PREVIOUSLY PUBLISHED DATA

Users attempting to compare data in this publication with previously published cash-based statistics should refer to the *Information Paper: Accruals-based Government Finance Statistics* (Cat. no. 5517.0). This information paper outlines the conceptual changes which have been implemented in moving from a cash to an accrual basis of recording.

## TOTAL GOVERNMENT EXPENSES AND TOTAL PRIVATE EXPENDITURE ON EDUCATION

For 1998–99 for education, total operating expenses for all Australian governments were \$31,546 million and comprised 5.3% of Gross Domestic Product (GDP). Net acquisition of non-financial assets (net) for all Australian governments for education purposes was \$112 million.

Private expenditure (final consumption expenditure plus gross fixed capital formation) on education amounted to \$9,019 million and comprised 1.5% of GDP.

## TOTAL GOVERNMENT EDUCATION EXPENSES

For education, the largest component of total government operating expenses was employee expenses of \$16,720 million, 53.0% of the total. The most significant employee expense was wages and salaries (\$15,519 million).

## TOTAL GOVERNMENT EDUCATION EXPENSES BY TYPE OF EDUCATION

For all Australian governments, primary and secondary education operating expenses were \$16,870 million, 53.5% of total education expenses. Total operating expenses on tertiary education were \$12,476 million accounting for 39.5% of total education expenses, with University education 71.3% of the total amount spent on tertiary education.

## COMMONWEALTH GOVERNMENT EDUCATION EXPENSES

Total education operating expenses by the Commonwealth government were \$11,523 million with \$8,835 million (76.7%) comprising grants to other levels of government (including Universities). Sufficient detail has been provided in the tables to enable users to calculate 'own-use' expenses/expenditure if required. The largest remaining component of Commonwealth education expenses was current transfers to households of \$1,783 million.

## ALL JURISDICTIONS .....

|   | Commonwealth  | State and local | Multi-jurisdictional | Australia     |
|---|---------------|-----------------|----------------------|---------------|
|   | \$m           | \$m             | \$m                  | \$m           |
| <b>Employee expenses</b>                          |               |                 |                      |               |
| Funded superannuation expenses                    | —             | 7               | 373                  | 287           |
| Unfunded superannuation expenses                  | —             | 307             | 117                  | 381           |
| Wages, salaries and supplements (non-capitalised) | 134           | 11 379          | 4 006                | 15 519        |
| Other employee expenses                           | 39            | 237             | 257                  | 533           |
| <b>Non-employee expenses</b>                      |               |                 |                      |               |
| Bad debts written off                             | 13            | —               | 4                    | 17            |
| Benefits to households in goods and services      | 116           | 499             | —                    | 615           |
| Other non-employee expenses                       | 166           | 3 512           | 2 622                | 6 297         |
| <b>Depreciation and amortisation</b>              |               |                 |                      |               |
|   | 88            | 1 021           | 586                  | 1 696         |
| <b>Current transfer expenses</b>                  |               |                 |                      |               |
| Current grant expenses                            | 8 835         | 3 893           | 12                   | 4 005         |
| Subsidy expenses                                  | —             | 26              | 6                    | 32            |
| Current monetary transfers to households          | 1 783         | 245             | 44                   | 2 072         |
| Tax expenses                                      | —             | 12              | 243                  | —             |
| Other current transfer expenses                   | —             | —               | 2                    | 2             |
| <b>Capital transfer expenses</b>                  |               |                 |                      |               |
| Capital grant expenses                            | 348           | 122             | —                    | 82            |
| Other capital expenses                            | —             | 6               | —                    | 6             |
| <b>Total</b>                                      | <b>11 523</b> | <b>21 267</b>   | <b>8 271</b>         | <b>31 546</b> |

## STATE AND LOCAL JURISDICTIONS .....

|   | NSW         | Vic.         | Qld          | SA          | WA           | Tas.       | NT         | ACT        | Total         |
|---|-------------|--------------|--------------|-------------|--------------|------------|------------|------------|---------------|
|   | \$m         | \$m          | \$m          | \$m         | \$m          | \$m        | \$m        | \$m        | \$m           |
| <b>Employee expenses</b>                          |             |              |              |             |              |            |            |            |               |
| Funded superannuation expenses                    | n.a.        | —            | —            | n.a.        | —            | —          | —          | 7          | 7             |
| Unfunded superannuation expenses                  | n.a.        | —            | 272          | n.a.        | —            | —          | —          | 34         | 307           |
| Wages, salaries and supplements (non-capitalised) | n.a.        | 2 571        | 2 056        | n.a.        | 1 248        | 347        | 179        | 230        | 11 379        |
| Other employee expenses                           | n.a.        | 88           | 113          | n.a.        | 5            | 2          | 15         | 6          | 237           |
| <b>Non-employee expenses</b>                      |             |              |              |             |              |            |            |            |               |
| Bad debts written off                             | n.a.        | 1            | —            | n.a.        | —            | —          | —          | —          | 1             |
| Benefits to households in goods and services      | n.a.        | —            | —            | n.a.        | 48           | —          | —          | 1          | 499           |
| Other non-employee expenses                       | n.a.        | 1 036        | 430          | n.a.        | 398          | 130        | 67         | 72         | 3 512         |
| <b>Depreciation and amortisation</b>              |             |              |              |             |              |            |            |            |               |
|   | n.a.        | 280          | 194          | n.a.        | 108          | 25         | 26         | 21         | 1 021         |
| <b>Current transfer expenses</b>                  |             |              |              |             |              |            |            |            |               |
| Current grant expenses                            | n.a.        | 1 019        | 703          | n.a.        | 360          | 82         | 91         | 82         | 3 893         |
| Subsidy expenses                                  | n.a.        | 11           | —            | n.a.        | —            | 7          | 1          | —          | 26            |
| Current monetary transfers to households          | n.a.        | 48           | 105          | n.a.        | 37           | 3          | —          | —          | 245           |
| Tax expenses                                      | n.a.        | 4            | 3            | n.a.        | —            | 1          | 2          | —          | 12            |
| <b>Capital transfer expenses</b>                  |             |              |              |             |              |            |            |            |               |
| Capital grant expenses                            | n.a.        | 1            | 53           | n.a.        | 14           | —          | 24         | —          | 122           |
| Other capital expenses                            | n.a.        | —            | —            | n.a.        | —            | —          | —          | —          | 6             |
| <b>Total</b>                                      | <b>n.a.</b> | <b>5 058</b> | <b>3 929</b> | <b>n.a.</b> | <b>2 218</b> | <b>598</b> | <b>405</b> | <b>453</b> | <b>21 267</b> |

## ALL JURISDICTIONS .....

|  | <i>Commonwealth</i> | <i>State and local</i> | <i>Multi-jurisdictional</i> | <i>Australia</i> |
|--|---------------------|------------------------|-----------------------------|------------------|
|  | \$m                 | \$m                    | \$m                         | \$m              |

**Net acquisition of non-financial assets**

Gross fixed capital formation and other movements in non-financial assets

|              |    |       |      |       |
|--------------|----|-------|------|-------|
| Acquisitions | 10 | 1 032 | 888  | 1 930 |
| Disposals    | —  | -79   | -133 | -212  |
| <i>Total</i> | 10 | 953   | 755  | 1 718 |

|                                      |      |       |      |       |
|--------------------------------------|------|-------|------|-------|
| <i>less</i> Depreciation             | 3    | 1 017 | 586  | 1 606 |
| <i>plus</i> Change in Inventories(a) | n.a. | n.a.  | n.a. | n.a.  |

|                 |          |            |            |            |
|-----------------|----------|------------|------------|------------|
| <b>Total(a)</b> | <b>7</b> | <b>-64</b> | <b>169</b> | <b>112</b> |
|-----------------|----------|------------|------------|------------|

## STATE AND LOCAL JURISDICTIONS .....

| <i>NSW</i> | <i>Vic.</i> | <i>Qld</i> | <i>SA</i> | <i>WA</i> | <i>Tas.</i> | <i>NT</i> | <i>ACT</i> | <i>Total</i> |
|------------|-------------|------------|-----------|-----------|-------------|-----------|------------|--------------|
| \$m        | \$m         | \$m        | \$m       | \$m       | \$m         | \$m       | \$m        | \$m          |

**Net acquisition of non-financial assets**

Gross fixed capital formation and other movements in non-financial assets

|              |      |     |     |      |     |    |    |    |       |
|--------------|------|-----|-----|------|-----|----|----|----|-------|
| Acquisitions | n.a. | 363 | 229 | n.a. | 118 | 21 | 17 | 11 | 1 032 |
| Disposals    | n.a. | -29 | -21 | n.a. | -2  | —  | —  | —  | -79   |
| <i>Total</i> | n.a. | 334 | 208 | n.a. | 116 | 21 | 17 | 11 | 953   |

|                                      |      |      |      |      |      |      |      |      |       |
|--------------------------------------|------|------|------|------|------|------|------|------|-------|
| <i>less</i> Depreciation             | n.a. | 279  | 191  | n.a. | 108  | 25   | 26   | 21   | 1 017 |
| <i>plus</i> Change in Inventories(a) | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | n.a.  |

|                 |             |           |           |             |          |           |           |            |            |
|-----------------|-------------|-----------|-----------|-------------|----------|-----------|-----------|------------|------------|
| <b>Total(a)</b> | <b>n.a.</b> | <b>55</b> | <b>17</b> | <b>n.a.</b> | <b>8</b> | <b>-4</b> | <b>-9</b> | <b>-10</b> | <b>-64</b> |
|-----------------|-------------|-----------|-----------|-------------|----------|-----------|-----------|------------|------------|

(a) Change in inventories is not available by purpose.

# 3

## OPERATING EXPENSES, by Government Purpose Classification—1998–99

### ALL JURISDICTIONS .....

|  | Commonwealth  | State and local | Multi-jurisdictional | Australia     |
|--|---------------|-----------------|----------------------|---------------|
|  | \$m           | \$m             | \$m                  | \$m           |
| <b>Primary and secondary education</b>                           |               |                 |                      |               |
| Primary education  | —             | 7 310           | —                    | 7 284         |
| Secondary education  | 652           | 6 591           | —                    | 7 240         |
| Primary and secondary education n.e.c.                           | 4 296         | 2 299           | —                    | 2 346         |
| <i>Total</i>   | 4 948         | 16 200          | —                    | 16 870        |
| <b>Tertiary education</b>  |               |                 |                      |               |
| University education   | 4 757         | 92              | 8 271                | 8 889         |
| Technical and further education                                  | 1 227         | 3 026           | —                    | 3 375         |
| Tertiary education n.e.c.  | 174           | 38              | —                    | 212           |
| <i>Total</i>   | 6 158         | 3 156           | 8 271                | 12 476        |
| <b>Pre-school education and education not definable by level</b> |               |                 |                      |               |
| Pre-school education   | —             | 346             | —                    | 346           |
| Special education  | —             | 545             | —                    | 545           |
| Other education not definable by level                           | 261           | 150             | —                    | 282           |
| <i>Total</i>   | 261           | 1 041           | —                    | 1 173         |
| <b>Transportation of students and education n.e.c.</b>           |               |                 |                      |               |
| Transportation of non-urban school students                      | —             | 173             | —                    | 173           |
| Transportation of other students                                 | —             | 581             | —                    | 581           |
| Education n.e.c.   | 157           | 116             | —                    | 272           |
| <i>Total</i>   | 157           | 870             | —                    | 1 026         |
| <b>Total</b>   | <b>11 523</b> | <b>21 267</b>   | <b>8 271</b>         | <b>31 546</b> |

### STATE AND LOCAL JURISDICTIONS .....

|  | NSW         | Vic.         | Qld          | SA          | WA           | Tas.       | NT         | ACT        | Total         |
|--|-------------|--------------|--------------|-------------|--------------|------------|------------|------------|---------------|
|  | \$m         | \$m          | \$m          | \$m         | \$m          | \$m        | \$m        | \$m        | \$m           |
| <b>Primary and secondary education</b>                           |             |              |              |             |              |            |            |            |               |
| Primary education  | n.a.        | 1 739        | 1 707        | n.a.        | 742          | 177        | 165        | 148        | 7 310         |
| Secondary education  | n.a.        | 1 961        | 1 324        | n.a.        | 555          | 113        | 83         | 179        | 6 591         |
| Primary and secondary education n.e.c.                           | n.a.        | 49           | —            | n.a.        | 430          | 112        | 37         | —          | 2 299         |
| <i>Total</i>   | n.a.        | 3 749        | 3 031        | n.a.        | 1 727        | 402        | 285        | 327        | 16 200        |
| <b>Tertiary education</b>  |             |              |              |             |              |            |            |            |               |
| University education   | n.a.        | 30           | 22           | n.a.        | —            | 2          | 13         | 6          | 92            |
| Technical and further education                                  | n.a.        | 815          | 411          | n.a.        | 288          | 94         | 25         | 74         | 3 026         |
| Tertiary education n.e.c.  | n.a.        | 1            | —            | n.a.        | 18           | —          | 19         | —          | 38            |
| <i>Total</i>   | n.a.        | 846          | 433          | n.a.        | 306          | 96         | 57         | 80         | 3 156         |
| <b>Pre-school education and education not definable by level</b> |             |              |              |             |              |            |            |            |               |
| Pre-school education   | n.a.        | 1            | 110          | n.a.        | 121          | 10         | 16         | 13         | 346           |
| Special education  | n.a.        | 185          | 235          | n.a.        | —            | 23         | 14         | 27         | 545           |
| Other education not definable by level                           | n.a.        | 94           | —            | n.a.        | 16           | 1          | 14         | —          | 150           |
| <i>Total</i>   | n.a.        | 280          | 345          | n.a.        | 137          | 34         | 44         | 40         | 1 041         |
| <b>Transportation of students and education n.e.c.</b>           |             |              |              |             |              |            |            |            |               |
| Transportation of non-urban school students                      | n.a.        | 19           | —            | n.a.        | —            | —          | 8          | —          | 173           |
| Transportation of other students                                 | n.a.        | 115          | 102          | n.a.        | 48           | 20         | 8          | 5          | 581           |
| Education n.e.c.   | n.a.        | 49           | 17           | n.a.        | —            | 45         | 4          | —          | 116           |
| <i>Total</i>   | n.a.        | 183          | 119          | n.a.        | 48           | 65         | 20         | 5          | 870           |
| <b>Total</b>   | <b>n.a.</b> | <b>5 058</b> | <b>3 929</b> | <b>n.a.</b> | <b>2 218</b> | <b>598</b> | <b>405</b> | <b>453</b> | <b>21 267</b> |

## 4

## NET ACQUISITION OF NON-FINANCIAL ASSETS, by Government Purpose Classification—1998–99

## ALL JURISDICTIONS .....

|  | <i>Commonwealth</i> | <i>State and local</i> | <i>Multi-jurisdictional</i> | <i>Australia</i> |
|--|---------------------|------------------------|-----------------------------|------------------|
|  | \$m                 | \$m                    | \$m                         | \$m              |
| <b>Primary and secondary education</b>                           |                     |                        |                             |                  |
| Primary education  | —                   | -138                   | —                           | -138             |
| Secondary education  | —                   | -147                   | —                           | -147             |
| Primary and secondary education n.e.c.                           | —                   | 263                    | —                           | 263              |
| <i>Total</i>   | —                   | -23                    | —                           | -23              |
| <b>Tertiary education</b>  |                     |                        |                             |                  |
| University education   | —                   | —                      | 163                         | 163              |
| Technical and further education                                  | -3                  | -21                    | 1                           | -23              |
| Tertiary education n.e.c.  | —                   | -2                     | 5                           | 3                |
| <i>Total</i>   | —                   | -23                    | 169                         | 143              |
| <b>Pre-school education and education not definable by level</b> |                     |                        |                             |                  |
| Pre-school education   | —                   | 3                      | —                           | 3                |
| Special education  | —                   | 7                      | —                           | 7                |
| Other education not definable by level                           | —                   | —                      | —                           | —                |
| <i>Total</i>   | —                   | 10                     | —                           | 10               |
| <b>Transportation of students and education n.e.c.</b>           |                     |                        |                             |                  |
| Transportation of non-urban school students                      | —                   | —                      | —                           | —                |
| Transportation of other students                                 | —                   | -3                     | —                           | -3               |
| Education n.e.c.   | 10                  | -26                    | —                           | -16              |
| <i>Total</i>   | 10                  | -29                    | —                           | -19              |
| <b>Total</b>   | <b>7</b>            | <b>-64</b>             | <b>169</b>                  | <b>112</b>       |

## STATE AND LOCAL JURISDICTIONS .....

|  | <i>NSW</i>  | <i>Vic.</i> | <i>Qld</i> | <i>SA</i>   | <i>WA</i> | <i>Tas.</i> | <i>NT</i> | <i>ACT</i> | <i>Total</i> |
|--|-------------|-------------|------------|-------------|-----------|-------------|-----------|------------|--------------|
|  | \$m         | \$m         | \$m        | \$m         | \$m       | \$m         | \$m       | \$m        | \$m          |
| <b>Primary and secondary education</b>                           |             |             |            |             |           |             |           |            |              |
| Primary education  | n.a.        | -100        | 6          | n.a.        | 5         | 7           | -4        | -5         | -138         |
| Secondary education  | n.a.        | -113        | 15         | n.a.        | 3         | 1           | -2        | 1          | -147         |
| Primary and secondary education n.e.c.                           | n.a.        | 265         | —          | n.a.        | —         | 2           | -1        | —          | 263          |
| <i>Total</i>   | n.a.        | 52          | 21         | n.a.        | 8         | 10          | -7        | -4         | -23          |
| <b>Tertiary education</b>  |             |             |            |             |           |             |           |            |              |
| University education   | n.a.        | —           | —          | n.a.        | —         | —           | —         | —          | —            |
| Technical and further education                                  | n.a.        | 11          | -18        | n.a.        | —         | —           | —         | -1         | -21          |
| Tertiary education n.e.c.  | n.a.        | —           | —          | n.a.        | -1        | —           | —         | —          | -2           |
| <i>Total</i>   | n.a.        | 11          | -18        | n.a.        | -1        | —           | —         | -1         | -23          |
| <b>Pre-school education and education not definable by level</b> |             |             |            |             |           |             |           |            |              |
| Pre-school education   | n.a.        | 2           | 2          | n.a.        | 1         | —           | —         | -1         | 3            |
| Special education  | n.a.        | —           | 11         | n.a.        | —         | —           | —         | -2         | 7            |
| Other education not definable by level                           | n.a.        | -2          | —          | n.a.        | —         | 2           | -1        | —          | —            |
| <i>Total</i>   | n.a.        | —           | 14         | n.a.        | 1         | 2           | -1        | -3         | 10           |
| <b>Transportation of students and education n.e.c.</b>           |             |             |            |             |           |             |           |            |              |
| Transportation of non-urban school students                      | n.a.        | —           | —          | n.a.        | —         | —           | —         | —          | —            |
| Transportation of other students                                 | n.a.        | —           | —          | n.a.        | —         | —           | —         | -3         | -3           |
| Education n.e.c.   | n.a.        | -9          | 1          | n.a.        | —         | -16         | —         | —          | -26          |
| <i>Total</i>   | n.a.        | -9          | 1          | n.a.        | —         | -16         | —         | -3         | -29          |
| <b>Total</b>   | <b>n.a.</b> | <b>55</b>   | <b>17</b>  | <b>n.a.</b> | <b>8</b>  | <b>-4</b>   | <b>-9</b> | <b>-10</b> | <b>-64</b>   |

## ALL JURISDICTIONS .....

|  | Commonwealth | State and local | Multi-jurisdictional | Australia    |
|--|--------------|-----------------|----------------------|--------------|
|  | \$m          | \$m             | \$m                  | \$m          |
| <b>Primary and secondary education</b>                           |              |                 |                      |              |
| Primary education  | —            | 64              | —                    | 64           |
| Secondary education  | —            | 46              | —                    | 46           |
| Primary and secondary education n.e.c.                           | —            | 261             | —                    | 261          |
| <i>Total</i>   | —            | 370             | —                    | 371          |
| <b>Tertiary education</b>  |              |                 |                      |              |
| University education   | —            | 5               | 3 485                | 3 107        |
| Technical and further education                                  | —            | 569             | 1                    | 564          |
| Tertiary education n.e.c.  | —            | 5               | 6                    | 10           |
| <i>Total</i>   | —            | 579             | 3 491                | 3 681        |
| <b>Pre-school education and education not definable by level</b> |              |                 |                      |              |
| Pre-school education   | —            | 12              | —                    | 12           |
| Special education  | —            | 2               | —                    | 2            |
| Other education not definable by level                           | —            | 43              | —                    | 28           |
| <i>Total</i>   | —            | 57              | —                    | 42           |
| <b>Transportation of students and education n.e.c.</b>           |              |                 |                      |              |
| Transportation of non-urban school students                      | —            | —               | —                    | —            |
| Transportation of other students                                 | —            | —               | —                    | —            |
| Education n.e.c.   | 33           | 4               | —                    | 37           |
| <i>Total</i>   | 33           | 4               | —                    | 37           |
| <b>Total</b>   | <b>33</b>    | <b>1 011</b>    | <b>3 491</b>         | <b>4 131</b> |

## STATE AND LOCAL JURISDICTIONS .....

|  | NSW         | Vic.       | Qld       | SA          | WA         | Tas.      | NT       | ACT       | Total        |
|--|-------------|------------|-----------|-------------|------------|-----------|----------|-----------|--------------|
|  | \$m         | \$m        | \$m       | \$m         | \$m        | \$m       | \$m      | \$m       | \$m          |
| <b>Primary and secondary education</b>                           |             |            |           |             |            |           |          |           |              |
| Primary education  | n.a.        | —          | 6         | n.a.        | 34         | 4         | 1        | —         | 64           |
| Secondary education  | n.a.        | —          | 4         | n.a.        | 19         | 1         | 1        | 3         | 46           |
| Primary and secondary education n.e.c.                           | n.a.        | 247        | —         | n.a.        | 7          | 1         | —        | —         | 261          |
| <i>Total</i>   | n.a.        | 247        | 10        | n.a.        | 60         | 6         | 2        | 3         | 370          |
| <b>Tertiary education</b>  |             |            |           |             |            |           |          |           |              |
| University education   | n.a.        | —          | —         | n.a.        | —          | —         | —        | 5         | 5            |
| Technical and further education                                  | n.a.        | 230        | 74        | n.a.        | 77         | 13        | 1        | 9         | 569          |
| Tertiary education n.e.c.  | n.a.        | —          | —         | n.a.        | 3          | —         | 2        | —         | 5            |
| <i>Total</i>   | n.a.        | 230        | 74        | n.a.        | 80         | 13        | 3        | 14        | 579          |
| <b>Pre-school education and education not definable by level</b> |             |            |           |             |            |           |          |           |              |
| Pre-school education   | n.a.        | 5          | —         | n.a.        | 6          | —         | —        | —         | 12           |
| Special education  | n.a.        | —          | 1         | n.a.        | —          | —         | —        | —         | 2            |
| Other education not definable by level                           | n.a.        | 25         | —         | n.a.        | —          | —         | 1        | —         | 43           |
| <i>Total</i>   | n.a.        | 30         | 1         | n.a.        | 6          | —         | 1        | —         | 57           |
| <b>Transportation of students and education n.e.c.</b>           |             |            |           |             |            |           |          |           |              |
| Transportation of non-urban school students                      | n.a.        | —          | —         | n.a.        | —          | —         | —        | —         | —            |
| Transportation of other students                                 | n.a.        | —          | —         | n.a.        | —          | —         | —        | —         | —            |
| Education n.e.c.   | n.a.        | 1          | —         | n.a.        | —          | 2         | —        | —         | 4            |
| <i>Total</i>   | n.a.        | 1          | —         | n.a.        | —          | 2         | —        | —         | 4            |
| <b>Total</b>   | <b>n.a.</b> | <b>509</b> | <b>86</b> | <b>n.a.</b> | <b>145</b> | <b>21</b> | <b>6</b> | <b>16</b> | <b>1 011</b> |



# 6

## COMMONWEALTH GOVERNMENT GRANTS, by Government Purpose Classification—1998–99

### STATE AND LOCAL GOVERNMENTS .....

|                                 | <i>NSW</i>   | <i>Vic.</i>  | <i>Qld</i> | <i>SA</i>  | <i>WA</i>  | <i>Tas.</i> | <i>NT</i> | <i>ACT</i> | <i>Total</i> |
|---------------------------------|--------------|--------------|------------|------------|------------|-------------|-----------|------------|--------------|
|                                 | \$m          | \$m          | \$m        | \$m        | \$m        | \$m         | \$m       | \$m        | \$m          |
| <b>Current grants</b>           |              |              |            |            |            |             |           |            |              |
| Primary and secondary education | 1 319        | 1 010        | 710        | 296        | 385        | 94          | 43        | 79         | 3 937        |
| Technical and further education | 297          | 219          | 146        | 72         | 81         | 23          | 11        | 17         | 866          |
| Other                           | 22           | 6            | 16         | 10         | 32         | 2           | 31        | 1          | 119          |
| <i>Total</i>                    | 1 638        | 1 235        | 872        | 378        | 498        | 119         | 85        | 97         | 4 922        |
| <b>Capital grants</b>           |              |              |            |            |            |             |           |            |              |
| Primary and secondary education | 103          | 75           | 55         | 24         | 30         | 8           | 3         | 6          | 305          |
| Other                           | 2            | —            | 4          | —          | 2          | —           | 2         | —          | 10           |
| <i>Total</i>                    | 105          | 75           | 59         | 24         | 32         | 8           | 5         | 6          | 315          |
| <b>Total grants</b>             |              |              |            |            |            |             |           |            |              |
| Primary and secondary education | 1 422        | 1 085        | 765        | 320        | 415        | 102         | 46        | 85         | 4 242        |
| Technical and further education | 297          | 219          | 146        | 72         | 81         | 23          | 11        | 17         | 866          |
| Other                           | 24           | 6            | 20         | 10         | 34         | 2           | 33        | 1          | 129          |
| <b>Total</b>                    | <b>1 743</b> | <b>1 310</b> | <b>931</b> | <b>402</b> | <b>530</b> | <b>127</b>  | <b>90</b> | <b>103</b> | <b>5 237</b> |

# 7

## COMMONWEALTH GOVERNMENT GRANTS TO UNIVERSITIES—1998–99

|                | \$m          |
|----------------|--------------|
| Current grants | 3 764        |
| Capital grants | 32           |
| <b>Total</b>   | <b>3 796</b> |

# 8

## PRIVATE EXPENDITURE ON EDUCATION—1998–99

\$m

|   |              |
|---|--------------|
| Gross fixed capital formation           | 760          |
| Household final consumption expenditure | 8 259        |
| <b>Total</b>                            | <b>9 019</b> |

# EXPLANATORY NOTES

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## INTRODUCTION

**1** This Special Data Service (SDS) replaces the previous publication *Expenditure on Education, Australia* (Cat. no. 5510.0) and relates to education expenditure for 1998–99 only. For the first time, these data are presented on an accrual accounting basis. Summary information relating to private expenditure on education for 1998–99 is also included.

**2** The emphasis in this SDS is largely on public sector expenses, which reflects in part the relative importance of that sector in the provision of education services.

**3** The data relating to the public sector are taken from the system of Government Finance Statistics (GFS), which is designed to provide statistical information on public sector entities classified in a uniform and systematic way. GFS enable policy makers and analysts to analyse the financial operations and the financial position of the public sector at either the level of a specific government, sector, or a particular set of transactions. The system is based on international standards set out in the *System of National Accounts 1993* (SNA93) and the draft accrual version of the International Monetary Fund's *A Manual on Government Finance Statistics*.

**4** In relation to education, GFS include the following for the various components of the Australian public sector:

- details of transactions in GFS operating revenues and GFS operating expenses; and
- expenditure on non-financial assets (net).

**5** Information on private sector expenditure is obtained from component data of the Australian National Accounts (See *Australian System of National Accounts, 1998–99* (Cat. no. 5204.0)).

## CONCEPTS AND DEFINITIONS

**6** To assist users in understanding the statistics presented in this and related publications, an information paper (*Accruals-based Government Finance Statistics* (Cat. no. 5517.0) was issued on 13 March 2000. This information paper outlines the conceptual changes which have been implemented in moving from a cash to an accrual basis of recording.

**7** Users analysing previous cash-based GFS publications should refer to *Government Finance Statistics – Concepts, Sources and Methods* (Cat. no. 5514.0), which relates to cash-based GFS. An accrual GFS version of this manual is expected to be released in late 2000.

### Scope

**8** GFS public sector education expenses and revenues are broadly categorised as follows:

- operating expenses;
- net acquisition of non-financial assets;
- sales of goods and services; and
- grants.

**9** Public sector education operating expenses include some payments which are intended to facilitate education, but which are not spent on educational services and facilities. These types of payments, termed current monetary transfers to households, include living allowances paid to students which are used to finance expenditure on food, clothing, transport, rent, etc.

**10** As well as operating expenses, net acquisition of non-financial assets, and Commonwealth grants for education purposes, this SDS includes separate statistics on revenue of the public sector obtained from sales of goods and services i.e. student fees and charges which are made by governments and educational institutions in exchange for educational services provided.

### Classifications

**11** The figures presented here are essentially a reclassification of the conventional accounts of public authorities engaged in providing educational services which appear in budget documents or annual reports. The classification schemes used to reclassify the transactions in the conventional accounts into a national accounting presentation are the:

- *Economic Type Framework for GFS (ETF)*: this classification is the main classification of stocks and flows. The ETF resembles a set of financial statements, with sections for an operating statement, a cash flow statement and a balance sheet. In addition, there are sections which cater for the reconciliation of accounting net operating result measures with cash flows from operating activities and to capture items like assets acquired under finance leases, intra-unit transfers, and revaluations and other changes in the volume of assets; and
- *Government Purpose Classification (GPC)*: this classification is used to group expenses with similar functions to facilitate the study of the broad purposes of public sector spending.

**12** Statistics in this SDS relate to public sector expenses which have been classified to GPC 24 — Education. However, there are some issues relating to the structure and application of the GPC that are relevant when interpreting the data. Nurse education carried out in hospitals is included in GPC 25 — Health; because of the difficulty in separately identifying these expenditures in the accounts of hospitals. Expenses on the education of nurses in Colleges of Advanced Education and expenses on military colleges is classified to GPC 24. Expenses on medical and dental services to students is classified to GPC 25.

### Classifications *continued*

**13** Tables 3, 4, 5 and 6 provide a classification by purpose of major GFS aggregates for Commonwealth, State and local governments and the multi-jurisdictional sector. It should be noted that differences in institutional structure and accounting practices make it difficult to implement the GPC in a way which leads to fully comparable statistics between the States. For example, in some States expenditure on the education of disabled children (which should be classified to special education) is included under primary and secondary education because data are not separately available. Therefore, these differences need to be taken into account when comparing the statistics between States as well as over time.

### PRIVATE EXPENDITURE ON EDUCATION

**14** Expenditure on education by the private sector consists of household final consumption expenditure on education services, and gross fixed capital formation mainly by private non-profit organisations.

**15** Household final consumption expenditure on education services is estimated as fees paid by persons to government schools (including technical and agricultural colleges), fees (other than boarding fees) and gifts to universities, independent schools, business colleges, etc. plus current expenditure of non-profit educational institutions, net of fees and other current receipts. Current expenditure excludes interest and consumption of fixed capital and is financed by fees paid by households and current grants from general government. Expenditure on such items as school books, uniforms, etc. and expenditure by parents' associations on school equipment is not included, being treated in the Australian National Accounts as household final consumption expenditure on other goods and services (such as clothing, books, etc.). Fares paid by students to and from educational institutions are not counted as part of household final consumption expenditure on education, but are included in the Australian System of National Accounts as part of household final consumption expenditure — transport services. Payments to tertiary institutions made under the Higher Education Contribution Scheme, introduced in 1988–89, are classified as charges for the provision of services by the tertiary institution and are therefore included in household final consumption expenditure.

**16** Private gross fixed capital formation in the field of education is estimated from statistics of the value of work done on new building and major additions to buildings of private educational institutions.

### REVISIONS

**17** GFS are revised progressively as new or improved data become available. For this reason differences can occur between equivalent aggregates published at different times.

### RELATED PUBLICATIONS

**18** Readers may wish to refer to the following publications which contain related information:

- A Directory of Education and Training Statistics* (Cat. no. 1136.0)  
— latest edition October 1997, issued 1997
- Australian National Accounts: Concepts, Sources, and Methods*  
(Cat. no. 5216.0) — latest edition 1989 — issued May 1990
- Australian National Accounts: National Income, Expenditure and Product*  
(Cat. no. 5206.0) — issued quarterly
- Australian System of National Accounts* (Cat. no. 5204.0) — issued annually
- Australian Social Trends* (Cat. no. 4102.0) — issued annually
- Education and Training in Australia* (Cat. no. 4224.0) — latest edition 1998  
— issued 1999
- Government Financial Estimates, Australia* (Cat. no. 5501.0)  
— issued annually
- Government Finance Statistics, Australia* (Cat. no. 5512.0) — issued annually
- Government Finance Statistics — Concepts, Sources and Methods*  
(Cat. no. 5514.0) — latest edition 1994, issued 1995
- Information Paper: Accruals-based Government Finance Statistics*  
(Cat. no. 5517.0) — issued March 2000
- Participation in Education, Australia* (Cat. no. 6272.0) — issued annually
- Statistical Concepts Reference Library* (Cat. no. 1361.0.30.001)  
— issued April 2000 on CD-ROM
- Taxation Revenue, Australia* (Cat. no. 5506.0) — issued annually
- Transition from Education to Work, Australia* (Cat. no. 6227.0)  
— issued annually

### UNPUBLISHED STATISTICS

**19** In some cases, the ABS can also make available information which is not published or released as a SDS. This includes data for the years 1961–62 to 1997–98 prepared on a cash accounting basis. This information may be made available in one or more of the following forms: photocopy, computer printout, floppy disk, CD-ROM and clerically extracted tabulation. Generally, a charge is made for providing such information. Inquiries should be made to the officer whose name appears on the front cover of the publication, or to Information Services in the nearest ABS office.

## GLOSSARY

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|  |  |
|--|--|
| <b>Advances to persons for HECS purposes (net)</b> | Applies to cases where students elect to defer payment of their HECS liability. Loans by the Commonwealth Government to students are classified as advances. Repayments of these loans through the tax system are classified as negative advances and netted out.  |
| <b>Benefits to household in goods and services</b> | Government expenses on goods and services produced by market producers that are provided directly to households as social transfers in kind.   |
| <b>Capital grant expenses</b>                      | Unrequited payments (see definition below) intended to finance the acquisition of non-financial assets by the recipient or to compensate for damage or destruction of capital assets, or increase the financial capital of the recipient.  |
| <b>Current monetary transfers to households</b>    | Monetary transfers by government to households who are not required to provide any significant amount of goods and services in return, e.g. old age pensions, unemployment benefits and youth allowances.  |
| <b>Expenditure on non-financial assets</b>         | Net expenditure on new and second-hand fixed assets, land and intangible assets excluding capitalised interest. Fixed assets are durable goods intended to be employed in the production process for longer than a year.   |
| <b>Current grant expenses</b>                      | Unrequited payments (see definition below) intended to finance the current operations of other government or non-government bodies.  |
| <b>Grants and subsidies received</b>               | Amounts received from voluntary transfers by government and other entities.  |
| <b>Gross Domestic Product (GDP)</b>                | Total market value of goods and services produced in Australia within a given period after deducting the cost of goods used up in the process of production, but before deducting allowances for the consumption of fixed capital (depreciation).  |
| <b>Higher education contribution scheme (HECS)</b> | <p>The HECS scheme requires students to pay a contribution towards the cost of their higher education. The payments may be made direct to the institution attended (at a 25% discount) at the time the education course is undertaken, or students may enter a loan agreement with the Commonwealth Government to discharge their obligation to pay the contribution, the loan to be repaid at a later date through the taxation system. The proceeds of the loan are not paid to the students, but are paid to the institution on the student's behalf from a trust fund.</p> <p>In the statistics the loan is recorded as an advance from the Commonwealth Government to the students, and the payment of the contribution out of the trust fund is treated as a general government service charge paid by the student and is offset against government final consumption expenditure.</p> |
| <b>Inter-governmental grants</b>                   | Grants from the Commonwealth to State Governments and universities.  |
| <b>Private final consumption expenditure</b>       | Outlays by the household sector on the consumption of educational services. These include expenditure on salaries paid to non-government school teachers. HECS payments (both up front and deferred) by students are also part of private final consumption expenditure.   |
| <b>Private gross fixed capital expenditure</b>     | Net expenditure on fixed assets, e.g. new private school buildings, by the private sector.   |

## **GLOSSARY** *continued*

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|                                    |  |
|------------------------------------|--|
| <b>Sales of goods and services</b> | Revenue from the direct provision of goods and services by general government and public corporations.   |
| <b>Superannuation expense</b>      | In statistical terms, superannuation expense is a component of 'compensation of employees'. Superannuation expense in a period represents the increase in superannuation liability due to services provided by employees in that period. |
| <b>Unrequited payments</b>         | Payments made for which nothing is received directly in return.  |



## FOR MORE INFORMATION...

- INTERNET* **www.abs.gov.au** the ABS web site is the best place to start for access to summary data from our latest publications, information about the ABS, advice about upcoming releases, our catalogue, and Australia Now—a statistical profile.
- LIBRARY* A range of ABS publications is available from public and tertiary libraries Australia-wide. Contact your nearest library to determine whether it has the ABS statistics you require, or visit our web site for a list of libraries.
- CPI INFOLINE* For current and historical Consumer Price Index data, call 1902 981 074 (call cost 77c per minute).
- DIAL-A-STATISTIC* For the latest figures for National Accounts, Balance of Payments, Labour Force, Average Weekly Earnings, Estimated Resident Population and the Consumer Price Index call 1900 986 400 (call cost 77c per minute).

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